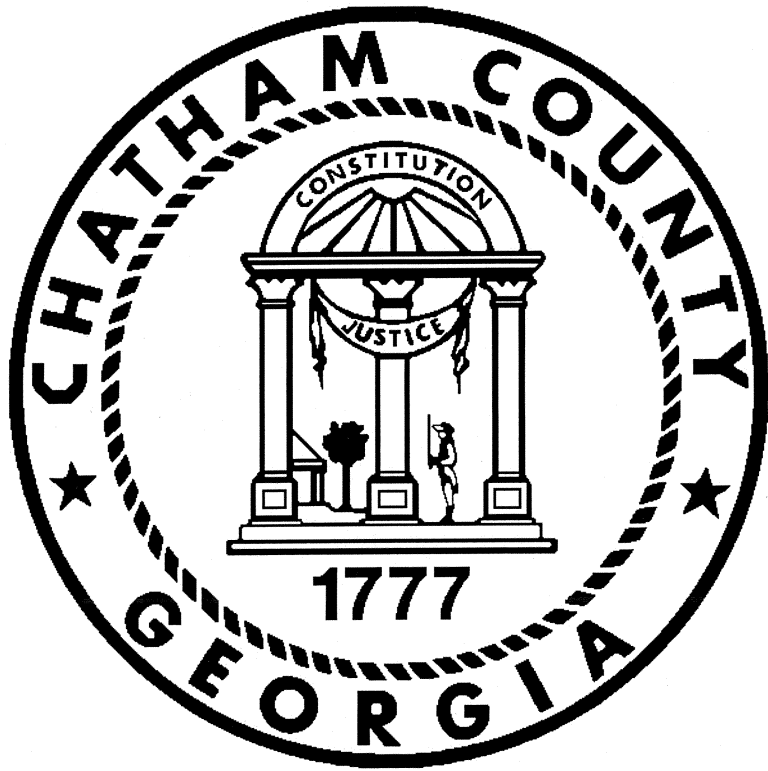


**INDEPENDENT AUDITORS' REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS**



KARP, RONNING & TINDOL

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Commissioners of
County of Chatham, Georgia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chatham County, Georgia (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Chatham Area Transit Authority Enterprise Fund, which represent 39.4%, 39.6% and 75.0% respectively, of the assets, net assets and revenues of the Business-type Activities - Enterprise Funds, or the Chatham County Health Department and Live Oak Public Libraries, which represent 100% of the assets, net assets and revenues of the discretely presented component units. Those 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 Area Transit Authority Enterprise Fund, the Chatham County Health Department and Live Oak Public Libraries 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 23, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other

matters. The purpose of that report is 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1, respectively, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Supplementary Data - Combining Fund Financial Statements and Schedules and State Mandated Program Information

Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the County's basic financial statements. The supplementary data and state mandated program information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Karp, Renning & Tundel, P.C.

November 23, 2009

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) section offers you, the reader, a narrative overview and analysis of the financial activities of Chatham County, Georgia for the fiscal year ended June 30, 2009. Please consider the information presented herein with the additional information furnished in the letter of transmittal that can be found beginning on page A-1 of this report.

The MD&A presents both current year and prior year financial information for comparative purposes.

Financial Highlights

- Chatham County's assets exceeded its liabilities at June 30, 2009 by \$1,078,860,027 (net assets). Of this amount, \$73,754,145 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased from the previous year by over \$61million. Net assets of governmental activities increased \$55,769,890 while net assets from business-type activities increased by \$5,311,451.
- At June 30, 2009, Chatham County's governmental funds balance sheet reports combined ending fund balances of \$302,916,733, an increase of \$40,984,780 over the previous fiscal year. Of this amount, \$297,484,308 remains in the various fund types of the County as unreserved with \$14,511,092 designated for capital projects or other significant organizational expenditures.
- The General Fund reported an unreserved fund balance of \$26,291,110, an annual increase of \$5,647,354. Of the unreserved fund balance, \$14,087,800 was designated for capital projects or other significant organizational expenditures. Total fund balance increased by \$6,005,689 to \$29,861,059 in 2009.
- Total long-term liabilities of Chatham County decreased by \$7,304,976 from the previous fiscal year as a result of equipment loan retirements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Chatham County's basic financial statements. The basic financial statements include government-wide and fund financial statements as well as notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. These statements are described herein:

Government-wide Financial Statements

Government-wide financial statements are designed to provide a broad overview of the finances of Chatham County, Georgia, in a manner similar to a private-sector business. The government-wide statements include a Statement of Net Assets and a Statement of Activities. These statements appear on pages D-1 to D-3 of the report.

The Statement of Net Assets shows all of the County's assets and liabilities, and the difference between the two is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The Statement of Activities presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events that gave rise to the change, regardless of the timing of the related cash flow. Consequently, revenues and expenses are reported in this statement for some items that will only result in cash flow changes in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Both statements distinguish functions of Chatham County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, judiciary, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. Business-type activities in Chatham County include environmental services (solid waste), transportation services (Chatham Area Transit Authority), and other services (water & sewer utility, parking garage, Henderson Golf Course, and building safety and regulatory services).

The government-wide statements include the activities of the County and its component units. The Chatham Area Transit Authority is a legally separate, component unit of the County included within the County's business-type activities as an integral part of the primary government. Financial information for two non-major component units is reported separately from the primary government. The non-major component units are the Chatham County Board of Health and the Live Oak Public Libraries.

Fund Financial Statements

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. Like other state and local governments, Chatham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Chatham County can be divided into three categories: governmental, proprietary and fiduciary:

Governmental Funds

Governmental funds, presented on pages D-4 to D-9, essentially account for the same functions as those reported as governmental activities in the government-wide financial statements.

However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources and on the balances available at the end of the fiscal year. Such information may be useful in evaluating Chatham County's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for the governmental activities found in the government-wide financial statements. This will give you a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Chatham County's statements include eight major funds: General Fund, Special Service District Fund, Multiple Grant Fund, Sales Tax I Fund, Sales Tax II Fund, Sales Tax III Fund, Sales Tax IV Fund and Sales Tax V Fund. Chatham County's smaller governmental funds are combined for presentation in a total column termed "Other Governmental Funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

Chatham County adopts annual budgets for its General Fund, special revenue funds and debt service fund. Budgetary comparison schedules are provided within the report for these funds. Budgetary comparison schedules for the General Fund, Special Service District, and Multiple Grant Fund are provided as required supplementary information while schedules for the nonmajor funds are found elsewhere in the report.

Proprietary Funds

Chatham County maintains and presents two different types of proprietary funds, enterprise and internal service, on pages D-10 to D-12 of this report.

Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. Major funds include Chatham Area Transit Authority and the Solid Waste Fund. Details of other enterprise fund transactions are shown in combining statements presented elsewhere in the report.

Internal service funds represent an accounting mechanism used to accumulate and allocate costs internally for Chatham County government. The County has three internal service funds: Health Insurance Fund, Catastrophic Claims Fund and Risk Management Fund. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Because these funds predominately benefit governmental activities rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Chatham County uses fiduciary funds to account for resources held for the benefit of parties outside county government. Although these funds are presented in the fund set of statements,

they do not appear in the government-wide financial statements because their resources are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages D-13 to D-14 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented beginning on page D-15 of the report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process and the County's progress in funding pension and other post-employment benefits to employees and/or retirees. This information begins on page E-1.

The combining statements referred to earlier in connection with nonmajor funds begin on page F-1. This section includes individual budget to actual schedules for non-major special revenue funds and the debt service fund. Also included are statements for internal service and agency funds. Additional information about the County, which may be of interest to the reader, is found under the Statistical and State Mandated sections of this report.

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets (governmental and business-type activities) totaled \$1,078,860,027 as of June 30, 2009.

In its June 30, 2008 Comprehensive Annual Financial Report, the County implemented GASB Statement 45 relating to the reporting of other post-employment benefits. The County reports a net OPEB obligation (NPO) as a noncurrent liability on its government-wide statements.

The largest portion of Chatham County's net assets (70.5%) reflects its investment in capital assets such as land, building, equipment and infrastructure, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending needs. Any resources needed to repay the debt associated with capital assets must be provided from sources other than the capital assets themselves since the capital assets cannot be liquidated to pay the related liabilities. In recent years, the County has benefited from Special Purpose Local Option Sales Tax referendums to fund many of its capital assets.

Restricted net assets (22.64%) represent resources that are subject to external restrictions on use. A significant portion of the County's restricted net assets relate to funds restricted by law for the construction of certain capital projects as authorized by public referendum. The remaining category, unrestricted net assets, may be used to meet the County's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

At the end of the current fiscal year, the County reports positive balances in all three categories of net assets for the government as a whole. Unrestricted net assets total \$73,754,145, an 11.3% increase over the prior year. Total net assets increased by approximately \$61 million over the prior year. Positive balances are also reported for the County's separate governmental and business-type activities.

Summary data on net assets for the current and prior fiscal year are:

Chatham County's Net Assets (in \$)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	341,380,064	298,435,922	19,195,704	18,804,636	360,575,768	317,240,558
Capital assets, net	<u>754,490,257</u>	<u>742,361,592</u>	<u>31,302,468</u>	<u>32,386,700</u>	<u>785,792,725</u>	<u>774,748,292</u>
Total assets	<u>1,095,870,321</u>	<u>1,040,797,514</u>	<u>50,498,172</u>	<u>51,191,336</u>	<u>1,146,368,493</u>	<u>1,091,988,850</u>
Current and other liabilities	14,016,665	12,553,259	3,202,677	4,062,805	17,219,342	16,616,064
Noncurrent liabilities	<u>46,395,904</u>	<u>48,556,393</u>	<u>3,893,220</u>	<u>9,037,707</u>	<u>50,289,124</u>	<u>57,594,100</u>
Total liabilities	<u>60,412,569</u>	<u>61,109,652</u>	<u>7,095,897</u>	<u>13,100,512</u>	<u>67,508,466</u>	<u>74,210,164</u>
Net assets:						
Invested in capital assets, net of related debt	729,614,543	713,145,139	31,191,580	27,537,903	760,806,123	740,683,042
Restricted	240,733,031	207,390,200	3,566,728	3,452,123	244,299,759	210,842,323
Unrestricted	<u>65,110,178</u>	<u>59,152,523</u>	<u>8,643,967</u>	<u>7,100,798</u>	<u>73,754,145</u>	<u>66,253,321</u>
Total net assets	<u>1,035,457,752</u>	<u>979,687,862</u>	<u>43,402,275</u>	<u>38,090,824</u>	<u>1,078,860,027</u>	<u>1,017,778,686</u>

Governmental Activities - Governmental activities increased the County's net assets by \$55,769,890, accounting for 91% of the total growth in the County's net assets. Key components of the increase were:

- Revenues outpaced spending. The County collects a special purpose local option sales tax (1%) that is used to fund a variety of capital projects. Spending for the projects lags behind the initial revenue collections as many of the projects may take several years to complete. For example, in the Sales Tax V Fund, \$38.2 million of tax receipts have accumulated to fund a \$100 million detention center expansion. Since the project is still in the planning and design phase, funds have not yet been expended.

- Capital Grant Awards. During fiscal 2009, the County received \$3.3 million under a Public Safety Interoperable Communications (PSIC) grant from the Georgia Emergency Management Agency. The County also received contributions for road construction from the Georgia Department of Transportation of over \$9.3 million.
- Property and Sales Tax fluctuations. While property tax revenue increased \$8.1 million, sales tax collections declined \$8.5 million from the prior year. The sales tax collection decrease is attributable to reduced consumer spending in a recessionary environment.
- Minor annual expense increases. Most functions saw relatively minor increases in annual expenses. There were two exceptions: General government, and Culture and recreation. The increase in General government is attributed to expenses associated with the PSIC grant and to capital outlays for Hospice Savannah. Within Culture and recreation, capital outlay costs for the King Tisdell Cottage and the Telfair Museum of Art increased expenses by almost \$1.6 million. The County also funded library books of \$389,000.
- Decrease in Public works expenses. Distributions of special purpose local option sales taxes to municipalities are classified as Public works expenses. Expenses in this category declined \$14 million from 2008 because there currently are no such distributions under the 2008-2014 SPLOST referendum, which became effective October 2008.

Tax revenue provided 80% of the County's total revenues while charges for various goods and services provided 7.7%. Unrestricted investment earnings represented 1.7% of total revenues. The County's expenses cover a range of services. Public safety expenses, the largest category of expenses, were \$70.3 million, a slight increase from the prior year total of \$70 million. Public works expenses were \$31.8 million. Public works expenses include \$1.9 million for municipality distributions of special purpose local option sales taxes (SPLOST), classified to Public works in accordance with the Georgia Uniform Chart of Accounts. Homeowners Tax Relief Grant (HTRG) revenues of approximately \$4.1 million received from the State of Georgia are shown as Grants and contributions not restricted to specific programs. Total excess revenues over expenses before transfers amounted to \$61 million. Transfers out to other funds of \$5.3 million resulted in a total change in net assets of \$55.77 million.

Business-type Activities - Business-type activities net assets increased \$5.3 million for the fiscal year ended June 30, 2009. Prior to transfers in of \$5.3 million, business-type activities experienced a deficiency of \$621. Key factors within the business-type activities included:

- Property tax revenue increases of \$320,419 driven by growth in the Chatham Area Transit Authority's tax digest.
- Increases in both operating and capital grants and contributions for the Chatham Area Transit Authority. Grants totaled \$9.6 million in fiscal 2009.
- Transfers in of \$777,000 to Building Safety & Regulatory Services to help offset revenue declines and facilitate solvency in the enterprise fund.

The following table presents a comparative summary of the changes in net assets for the past two fiscal years:

Chatham County's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
- Charges for services	\$ 20,268,290	\$ 19,790,365	\$ 7,209,253	\$ 9,263,770	\$ 27,477,543	\$ 29,054,135
- Operating grants and contributions	4,948,290	4,718,898	3,879,731	1,288,094	8,828,021	6,006,992
- Capital grants and contributions	14,745,626	1,165,703	5,260,943	1,130,809	20,006,569	2,296,512
General Revenues:						
- Property taxes	136,671,942	128,541,648	7,602,999	7,239,064	144,274,941	135,780,712
- Sales and use taxes	66,749,167	75,248,035			66,749,167	75,248,035
- Other taxes	8,724,781	8,678,131			8,724,781	8,678,131
- Grants and contributions not restricted to specific programs	4,138,932	4,000,200			4,138,932	4,000,200
- Unrestricted investment earnings	4,480,682	10,373,448	203,759	560,859	4,684,441	10,934,307
- Miscellaneous	2,876,528	3,412,435	1,510,028		4,386,556	3,412,435
Total Revenues	263,604,238	255,928,863	25,666,713	19,482,596	289,270,951	275,411,459
Expenses:						
General Government	41,390,534	36,273,315			41,390,534	36,273,315
Judiciary	28,081,609	27,166,934			28,081,609	27,166,934
Public Safety	70,319,328	69,967,038			70,319,328	69,967,038
Public Works	31,865,047	45,916,050			31,865,047	45,916,050
Health and welfare	11,235,644	11,009,709			11,235,644	11,009,709
Culture and recreation	14,557,184	10,893,167			14,557,184	10,893,167
Housing and development	3,486,707	3,966,632			3,486,707	3,966,632
Interest on long-term debt	1,586,223	1,744,059			1,586,223	1,744,059
Environmental services-Solid Waste			2,753,251	2,716,415	2,753,251	2,716,415
Transportation services-Bus System			18,399,887	17,542,383	18,399,887	17,542,383
Recreational services-Golf			19,321	845,951	19,321	845,951
Other services-Water & Sewer			2,449,676	2,332,897	2,449,676	2,332,897
Other services-Parking			282,531	280,300	282,531	280,300
Other services-Building Safety & Reg Services			1,762,668	1,659,874	1,762,668	1,659,874
Total Expenses	202,522,276	206,936,904	25,667,334	25,377,820	228,189,610	232,314,724
Excess (deficiency) before transfers	61,081,962	48,991,959	(621)	(5,895,224)	61,081,341	43,096,735
Transfers	(5,312,072)	(4,477,453)	5,312,072	4,477,453	-	-
Total transfers	(5,312,072)	(4,477,453)	5,312,072	4,477,453	-	-
Change in net assets	55,769,890	44,514,506	5,311,451	(1,417,771)	61,081,341	43,096,735
Net assets - beginning	979,687,862	935,173,356	38,090,824	39,508,595	1,017,778,686	974,681,951
Net assets - ending	\$ 1,035,457,752	\$979,687,862	\$ 43,402,275	\$ 38,090,824	\$1,078,860,027	\$1,017,778,686

Financial Analysis of Chatham County's Funds

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

Governmental Funds: Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Chatham County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of June 30, 2009, the County's governmental funds reported combined ending fund balances of \$302,916,733, an increase of \$40,984,780 in comparison to the previous year. Approximately 98% of the fund balance or \$297,484,308 is classified as unreserved. Of this amount, \$19,456,468 is available for spending in future years without restrictions that are more limited than the purpose of the fund. Of the unreserved amount, \$14,511,092 is designated. Other unrestricted portions of fund balance totaling \$263,516,748 are also available for spending in future years but are earmarked, but not legally restricted, for capital projects in the County's construction-in-progress funds. The remainder of the fund balance is reserved to indicate that it is not available for future spending because it has already been committed for the following purposes:

- Liquidation of contracts and purchase orders of prior periods - \$2,540,130
- Payment of debt service - \$103,651
- Public safety purposes, reserved due to legal restrictions on the use of funds - \$1,629,174
- Funds that were generated through the County's court system with use restricted by law for certain County programs - \$978,952
- Various restricted amounts - \$180,518

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance in the General Fund was \$29,861,059 of which \$26,291,110 was unreserved. Unreserved fund balance increased by \$5,647,354 over the prior year amount. Fund balance reserved for encumbrances increased by \$490,835. The County's General Fund has met its adopted policy goal of achieving an unreserved fund balance equal to one month's expenditures. Amounts held in excess of the reserve requirement are designated for capital project needs as identified in the Capital Improvement Program or other significant organizational expenditures.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.3% of fiscal 2009 fund expenditures (excluding transfers out), as compared to 15.8% in 2008. Total fund balance represents 21.9% of that same amount, compared to 18.4% in the prior year.

Chatham County's General Fund showed a fund balance increase of \$6,005,689 for the current fiscal year. Key factors in the fund balance increase were:

- Revenues exceeded prior year levels by over \$7.6 million. Of the total revenue increase, 98% occurred within the property tax category. Fiscal year property tax billings had incorporated 2008 property tax digest growth of 7.84%.
- Expenditures increased by \$2.5 million over prior year levels. However, expenditures showed an overall favorable budget variance of \$11.8 million. Departmental spending was 92.6% of budgeted amounts.

- The fund transferred out \$12.4 million to other County funds. During the year the General Fund transferred over \$5.8 million to the Capital Improvement Fund to fund capital projects listed in the CIP Plan. \$1.8 million was transferred to the Chatham Area Transit Authority for Teleride services. \$1.2 million was transferred to the Solid Waste Fund. A transfer of \$2.4 million was made to the Risk Management Internal Service Fund.

Special revenue funds are used to account for specific revenue sources and expenditures. The County reports two special revenue funds as major funds. The first is the Special Service District Fund (SSD). The SSD Fund reports the operations and activities of Chatham County's unincorporated area. Total fund balance of the SSD Fund was \$7,813,259, a decrease of \$2,916,528 over the prior year. Unreserved fund balance decreased \$2,957,437 over the prior year amount. Management designated a portion of the unreserved fund balance, \$423,292, for capital project needs or other significant organizational expenditures. An analysis of this fund reveals the following factors:

- Revenues experienced a marginal decrease of \$246,043 from 2008 levels while expenditures increased by \$2.8 million.
- Property taxes increased by \$335,672 as a result of the 5.27% property tax digest increase for the district.. Most other revenue categories were close to 2008 levels except for investment income, which declined by \$266,395.
- Expenditures for public safety increased over \$1.5 million to \$13,918,067. Judicial costs increased \$1.1 million as indirect charges were reclassified from the General Government category to the Judicial function.
- During the fiscal year the fund transferred \$3.3 million to other County funds. The most significant expenditure was a \$1.45 million transfer out to the solid waste fund. The fund also transferred \$777,000 to the building safety & regulatory services enterprise fund to offset declines in building permit revenue.

The second major special revenue fund is the Multiple Grant Fund. This fund was not categorized as a major fund in 2008. In 2009 the fund had actual revenues with offsetting expenditures of \$4,113,995. In 2008 the fund's revenues and corresponding expenditures were \$799,829. The reason for the 2009 increase was the Public Safety Interoperable Communications (PSIC) Grant awarded to the County. During 2009 the County received \$3.3 million under the grant from the Georgia Emergency Management Agency. The County is the lead agency on the grant. PSIC grant revenues were 80% of total fund revenues for 2009.

There are five capital project funds presented as major funds in this report. All the major capital project funds were the result of voter-approved referendums, the most recent being a referendum held in September 2006 that led to the creation of the Sales Tax V Capital Project Fund. The September 2006 referendum authorized the imposition and collection of a 1% special purpose local option sales tax beginning October 2008 and ending September 30, 2014. Tax collections will be used for various defined capital projects, and will also provide percentage distributions to municipalities for their stated capital projects.

The capital project expenditures in the major funds decreased from 2008 levels by approximately \$16.6 million. There were several reasons for the decrease. As the Sales Tax IV Fund ended

collections in September 2008, municipality distributions ceased. Collections in the new Sales Tax V Fund are accumulating to fund the Detention Center project. Until \$109 million is collected for the Detention Center, there will be no municipal distribution. The Detention Center project is still in the design phase; therefore, little expenditure activity for this project is shown. Capital projects in the sales tax funds often take several years to complete and involve a variety of phases so that expenditures in these funds may, by their nature, vary widely from year to year. Schedules detailing SPLOST project expenditures are located in the State Mandated Section.

General Fund Budgetary Highlights

Budget to actual schedules are provided in the required supplementary information other than MD&A for the General Fund and other major governmental funds. Individual columns are provided for both the adopted and amended budgets. A column for actual expenditures and a column for differences between final budget and actual expenditures follow these columns. These schedules can be found beginning on page E-1.

Throughout the year Board approval is obtained for any budget adjustments at the department level as well as any adjustments to salaries and wages within the department. Significant budget adjustments made during the year included:

- January 2009: approved fund balance reservation of \$919,849 for restricted court fees
- April 2009: approved transfer in of \$809,045 from the CIP fund to pay off a capital lease
- August 2009: approved appropriation of fund balance of \$875,000 for OPEB funding
- September 2009: approved transfer out to CIP Fund from designated fund balance of \$5 million for various capital project needs listed in the CIP Plan

Departmental budgets were also amended during the year to recognize 2008 encumbrance carry-forwards and transfer budgeted benefit costs, including cost of living increases back to departmental budgets.

Significant variances between the final budget and actual amounts are discussed herein:

- Overall, revenues exceeded budget estimates by over \$2.9 million.
- Digest-based property tax collections exceeded budget estimates by \$2.3 million above budgeted amounts. Real property tax collections experienced a favorable variance of \$1.5 million. Personal property tax collections experienced a favorable variance of \$821,977.
- Investment income exceeded budget estimates \$266,417. Investment return rates were very low throughout the fiscal period.
- Local option sales tax had a negative budget variance of \$288,236. During the fiscal period, the national economy has been in a recession. LOST collections declined \$553,075 from the prior year.
- Superior Court collections for intangible recording tax and real estate transfer tax experienced unfavorable budget variances of \$1,372,269. The variance is indicative of slow real estate activity in the County.
- Penalties and interest on delinquent tax collections had a favorable budget variance of \$1,028,192. Most of the variance was in the real property tax penalty category.

- Property tax commissions experienced a favorable budget variance of \$296,888. As commissions are a set percentage of collections, higher collections mean higher commissions.
- Departmental savings produced a positive appropriations variance for the General Fund of \$11.8 million. With few exceptions, departments returned funds at the end of the fiscal year. At year end, the encumbrances in the General Fund totaled \$2.4 million or 20% of the expenditure variance. Encumbrances in effect represent commitments by management for certain goods and services to be paid in a future fiscal period. Encumbrances are not included in the budget variances shown.
- The 2009 budget had included funding for implementation of a compensation study within the Contingency department balance. The results of the compensation study were not funded due to the downturn in the economy. At year end, the Contingency account had an unspent balance at year end of over \$2.9 million.
- Costs for operation of the County's Teleride transit system exceeded budget during the period by \$199,435. The Teleride System is operated through the Chatham Area Transit Authority. Funding for the service is shown as a transfer out to the Chatham Area Transit Enterprise Fund.
- During the year fund balance appropriations of \$8.7 million were budgeted. Of this amount, \$1.9 was for prior year encumbrances and \$919,848 for restricted fees. In addition \$5 million represented transfers to the Capital Projects Fund and \$875,000 represented contributions to the OPEB Trust Fund.

Capital Asset and Debt Administration

Capital Assets - At the conclusion of 2009, the County had invested more than \$785 million in a broad range of capital assets including land, buildings, infrastructure, system improvements, machinery, equipment, parks, roads, bridges and major drainage structures. Investment in capital assets, net of depreciation, increased overall by \$11 million. The County's financial statements present capital assets in two groups: those assets subject to depreciation such as equipment and operational facilities, and those assets not subject to depreciation such as land, right of ways and construction-in-progress.

The year's major asset activities included:

- Completion and capitalization of various improvement projects including Diamond Causeway \$1.2 million, County Courthouse Renovation \$3.2 million, radio system and equipment \$3.3 million, and Boat Ramps \$966,972.
- The Construction-in-progress account reflected activity for a number of projects. Major expenditures for the year were reflected in the following projects:
 - Hardin Canal Drainage Project - \$1.8 million expended
 - Truman Parkway Phase V - \$876,000 expended
 - Kings Way Canal Drainage Project - \$516,229 expended
 - Pipemakers Canal Drainage Project - \$491,234 expended
 - Drainage Mapping Project - \$467,469 expended
 - Fawcett Canal Drainage Project - \$418,574

The County continues to expend funds as authorized by referendum for capital projects in the Sales Tax I, Sales Tax II, Sales Tax III, Sales Tax IV and Sales Tax V funds. At year end the

County had outstanding construction commitments for related projects of \$21,761,263. Financing for these construction commitments will be from special purpose local option sales tax collections. Chatham Area Transit had outstanding contract commitments of \$11,112,000 related to design and construction of a new marine vessel and the purchase of eleven hybrid buses.

A summary of the County's capital assets is shown below:

**Capital Assets at Year-end
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 28,474,662	\$ 27,656,839	\$ 9,721,727	\$ 9,658,612	\$ 38,196,389	\$ 37,315,451
Right of Ways	336,158,537	333,553,537			336,158,537	333,553,537
Construction-in-progress	42,906,843		135,000	100,000	43,041,843	100,000
Buildings and improvements	118,592,291	112,023,253	6,145,455	6,381,254	124,737,746	118,404,507
Machinery and Equipment	13,590,110	10,497,076	10,323,455	10,975,805	23,913,565	21,472,881
Plant			4,976,829	5,271,029	4,976,829	5,271,029
Infrastructure	214,767,816	221,885,635			214,767,816	221,885,635
Totals	\$ 754,490,257	\$705,616,340	\$31,302,468	\$32,386,700	\$785,792,725	\$ 738,003,040

Additional information on the County's capital assets can be found in Note III.C on page D-28.

Debt – The County's long-term debt at June 30, 2009 totaled \$45,813,616, a decrease of over \$9.9 million from 2008. During the fiscal period, the Chatham Area Transit Authority expended \$5 million to repay an equipment loan. There were no significant debt activities during the fiscal year. Debt payments continued to be made in accordance with contractual agreements.

Net OPEB Obligation – The County's Net OPEB obligation increased \$2.6 million from the prior year. The County is partially funding its annual obligation Fiscal 2008 was the first year the obligation was recorded. The obligation is shown as a noncurrent liability on the government-wide financial statements.

Additional information on Chatham County's long-term obligations can be found in Note III.G.

Currently Known Facts, Decisions, or Conditions

Currently known facts, decisions or conditions that are expected to have a significant effect on the financial position (net assets) or results of Chatham County's operations (revenues, expenses and other changes in nets assets) include:

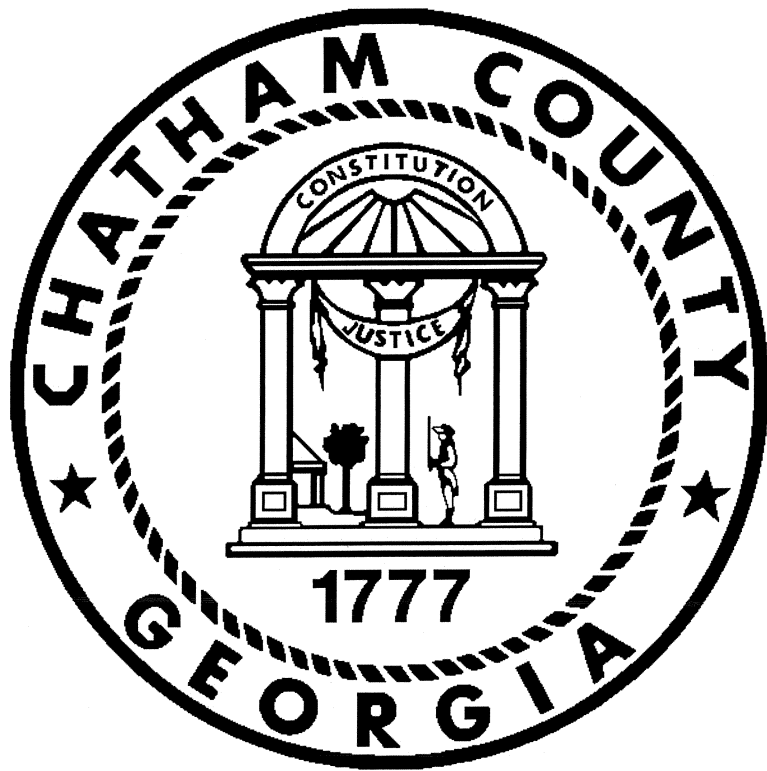
- On January 1, 2005 Chatham County entered into an intergovernmental agreement with the City of Savannah for the merging of its police force into the Savannah-Chatham Police Department. Under the merger agreement, the County's cost share will increase 2% a year from 22.6% in calendar year 2005 to 35.1% in calendar 2011. The agreement

also requires the County to purchase 34 vehicles annually at an estimated cost of \$625,000. The majority of police services are budgeted in the Special Service District. Almost since the inception of the merger agreement, revenue growth in the fund has struggled to keep pace with the cost increases in the agreement, creating a structural imbalance with the Special Service District Fund. During 2009 unreserved fund balance of \$2.9 was utilized to bring the fund into balance. For fiscal 2010, the fund's adopted budget shows a fund balance appropriation of \$2.6 million.

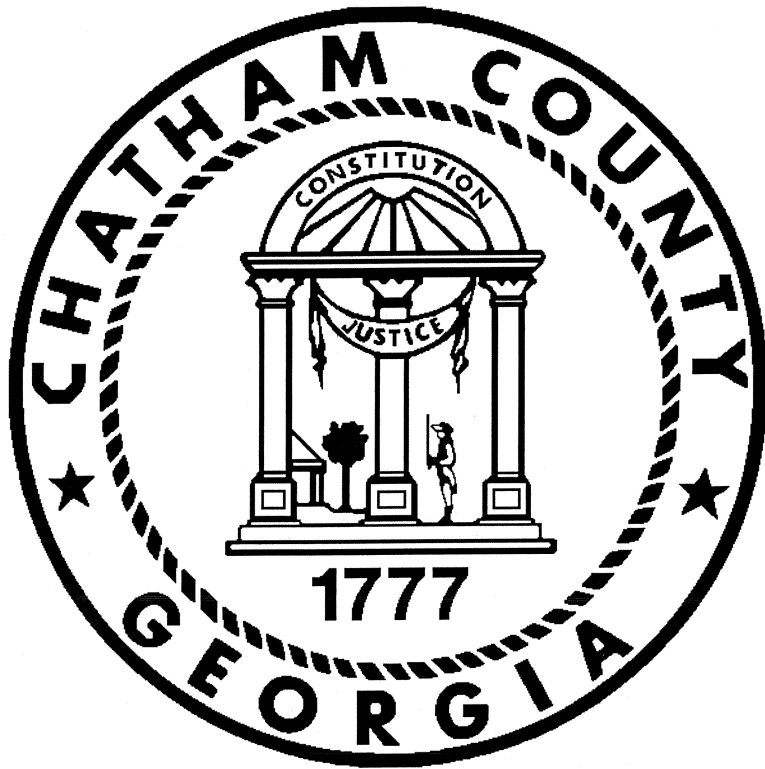
- During the 2009 legislative session, the Georgia General Assembly imposed laws to restrict growth in real property values. House Bill 233 imposed a statewide moratorium on assessment increases for three years, beginning in 2009. Senate Bill 55 requires counties to consider foreclosures and bank sales when determining property fair market values. As a result, the County anticipates relatively flat or potentially negative growth in the real property tax digest over the next two years, with corresponding flat or declining real property tax revenues.
- In August 2009 the County issued revenue bonds totaling \$2.4 million through the Downtown Savannah Authority to purchase a facility from the Union Mission. The County will lease the facility back to the Union Mission. The bonds mature in 2029.
- From fiscal 2008 and 2009 the County's Pension Trust Fund investments experienced a decline in investment fair market values of over \$18 million. The decline is attributable to the recession and economic instability impacting the stock markets worldwide. The fund seeks to minimize instability by maintaining a diversified portfolio; however, the losses have impacted all sectors of the portfolio. It is anticipated that the market declines will result in higher funding requirements within the next two years.
- The County's Capital Improvement Program contains a number of unfunded projects, many of which are maintenance projects. Future budget appropriations from general revenue sources are anticipated to address capital needs.
- The County is in the design phase of an expansion project for the Detention Center. Project completion is expected to occur in 2013. Upon completion, the General Fund will incur additional operating costs related to higher staffing needs and operating costs for the facility.
- The Adopted 2010 budget included \$2,800 per active employee for pre-funding of health care, an \$800 increase per employee from the prior year. The budget also includes \$4.6 million for pay-as-you-go retiree health claims. Future budgets will need to continue to increase the appropriation level to better manage and offset future other post employment benefits costs as quantified by the County's actuary.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Chatham County Finance Director, Chatham County, Georgia, P.O. Box 9297, Savannah, Georgia 31412.



GOVERNMENT-WIDE FINANCIAL STATEMENTS



CHATHAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Chatham County Board of Health	Live Oak Public Libraries
ASSETS					
Cash and investments	\$ 308,128,216	\$ 7,673,172	\$ 315,801,388	\$ 523,324	\$ 3,946,157
Receivables	32,020,044	3,759,181	35,779,225	1,062,206	457,296
Internal balances	153,401	(153,401)	-	-	-
Prepaid items	9,698	509,510	519,208	44,097	-
Inventories	170,821	277,489	448,310	-	-
Deferred charges	444,458	-	444,458	-	-
Pension asset	428,278	-	428,278	-	-
Restricted cash and investments	25,148	7,129,753	7,154,901	-	-
Capital assets:					
Land, improvements, and construction in progress	407,540,043	9,856,727	417,396,770	-	12,338,165
Other capital assets, net of depreciation	346,950,214	21,445,741	368,395,955	117,716	8,730,594
Total assets	<u>1,095,870,321</u>	<u>50,498,172</u>	<u>1,146,368,493</u>	<u>1,747,343</u>	<u>25,472,212</u>
LIABILITIES					
Accounts payable	13,296,849	2,027,472	15,324,321	312,122	941,029
Other liabilities	658,343	830,757	1,489,100	-	45,616
Unearned revenue	61,473	344,448	405,921	-	1,178
Noncurrent liabilities:					
Due within one year	5,243,416	280,903	5,524,319	109,752	464,267
Due in more than one year	36,919,968	3,369,329	40,289,297	439,008	425,026
Net OPEB Obligation	4,232,520	242,988	4,475,508	-	-
Total liabilities	<u>60,412,569</u>	<u>7,095,897</u>	<u>67,508,466</u>	<u>860,882</u>	<u>1,877,116</u>
NET ASSETS					
Invested in capital assets, net of related debt	729,614,543	31,191,580	760,806,123	117,716	20,908,759
Restricted for:					
Capital projects	238,568,214	-	238,568,214	-	1,707,026
Debt service	103,651	-	103,651	-	-
Education and recycling	-	3,566,728	3,566,728	-	-
Other purposes	2,061,166	-	2,061,166	1,250,335	363,277
Unrestricted	65,110,178	8,643,967	73,754,145	(481,590)	616,034
Total net assets	<u>\$ 1,035,457,752</u>	<u>\$ 43,402,275</u>	<u>\$ 1,078,860,027</u>	<u>\$ 886,461</u>	<u>\$ 23,595,096</u>

The notes to the basic financial statements are an integral part of this statement.

CHATHAM COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
General Government	\$ 41,390,534	\$ 7,038,775	\$ 157,561	\$ 3,388,820
Judiciary	28,081,609	5,889,247	1,337,042	-
Public Safety	70,319,328	5,449,195	3,415,066	-
Public Works	31,865,047	902,089	-	11,356,806
Health and Welfare	11,235,644	57,936	-	-
Culture and Recreation	14,557,184	585,534	38,621	-
Housing and Development	3,486,707	345,514	-	-
Interest on Long-term debt	1,586,223	-	-	-
Total governmental activities	<u>202,522,276</u>	<u>20,268,290</u>	<u>4,948,290</u>	<u>14,745,626</u>
Business-type activities:				
Environmental services - Solid waste	2,753,251	667,783	-	-
Transportation services - Bus system	18,399,887	3,361,718	3,879,731	5,260,943
Recreational services - Golf	19,321	48,000	-	-
Other services:				
Water and Sewer	2,449,676	1,894,733	-	-
Parking	282,531	257,770	-	-
Building Safety and Regulatory Services	1,762,668	979,249	-	-
Total business-type activities	<u>25,667,334</u>	<u>7,209,253</u>	<u>3,879,731</u>	<u>5,260,943</u>
Total primary government	<u>\$ 228,189,610</u>	<u>\$ 27,477,543</u>	<u>\$ 8,828,021</u>	<u>\$ 20,006,569</u>
Component Units:				
Chatham County Board of Health	\$ 10,924,787	\$ 2,916,772	\$ 6,854,318	\$ -
Live Oak Public Libraries	10,605,500	263,630	1,402,024	8,829,678
Total component units	<u>\$ 21,530,287</u>	<u>\$ 3,180,402</u>	<u>\$ 8,256,342</u>	<u>\$ 8,829,678</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for unincorporated area
- Property taxes, levied for transportation purposes
- Sales taxes for general purposes
- Special purpose local option sales taxes
- Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Transfers

 Total general revenues and transfers

 Change in net assets

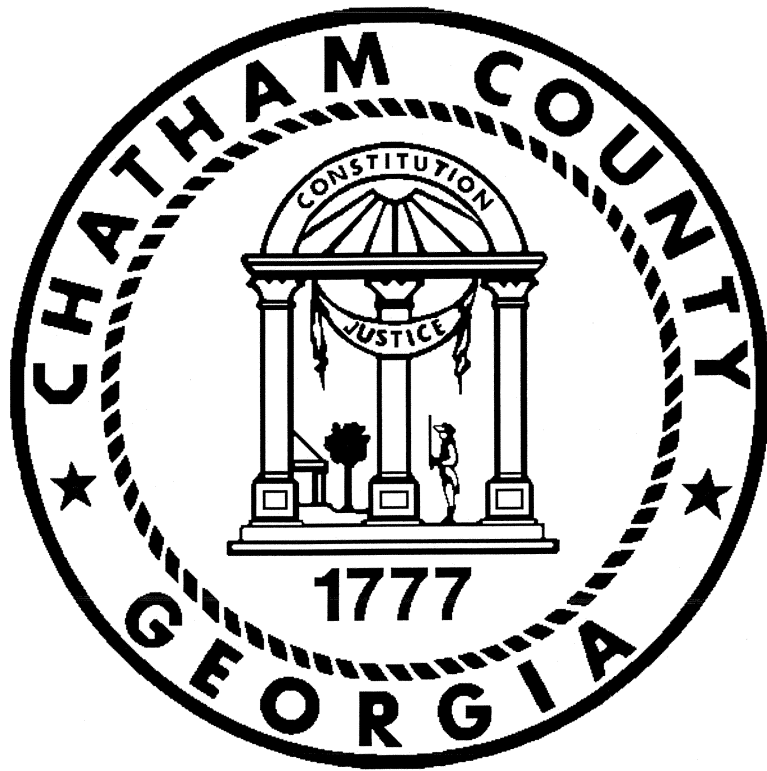
Net assets - beginning

Net assets - ending

CHATHAM COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Chatham County Board of Health	Live Oak Public Libraries
\$ (30,805,378)		\$ (30,805,378)		
(20,855,320)		(20,855,320)		
(61,455,067)		(61,455,067)		
(19,606,152)		(19,606,152)		
(11,177,708)		(11,177,708)		
(13,933,029)		(13,933,029)		
(3,141,193)		(3,141,193)		
(1,586,223)		(1,586,223)		
<u>(162,560,070)</u>		<u>(162,560,070)</u>		
-	\$ (2,085,468)	(2,085,468)		
-	(5,897,495)	(5,897,495)		
-	28,679	28,679		
-	(554,943)	(554,943)		
-	(24,761)	(24,761)		
-	(783,419)	(783,419)		
<u>-</u>	<u>(9,317,407)</u>	<u>(9,317,407)</u>		
<u>(162,560,070)</u>	<u>(9,317,407)</u>	<u>(171,877,477)</u>		
			\$ (1,153,697)	
			-	\$ (110,168)
			<u>(1,153,697)</u>	<u>(110,168)</u>
121,016,604	-	121,016,604	-	-
15,655,338	-	15,655,338	-	-
-	7,602,999	7,602,999	-	-
10,099,667	-	10,099,667	-	-
56,649,500	-	56,649,500	-	-
8,724,781	-	8,724,781	-	-
4,138,932	-	4,138,932	-	8,633,438
4,480,682	203,759	4,684,441	-	29,373
2,876,528	1,510,028	4,386,556	1,460,686	16,623
(5,312,072)	5,312,072	-	-	-
<u>218,329,960</u>	<u>14,628,858</u>	<u>232,958,818</u>	<u>1,460,686</u>	<u>8,679,434</u>
55,769,890	5,311,451	61,081,341	306,989	8,569,266
979,687,862	38,090,824	1,017,778,686	579,472	15,025,830
<u>\$ 1,035,457,752</u>	<u>\$ 43,402,275</u>	<u>\$ 1,078,860,027</u>	<u>\$ 886,461</u>	<u>\$ 23,595,096</u>

The notes to the basic financial statements are an integral part of this statement.



FUND FINANCIAL STATEMENTS

CHATHAM COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

	<u>General Fund</u>	<u>Special Service District</u>	<u>Multiple Grant Fund</u>	<u>Sales Tax I</u>	<u>Sales Tax II</u>
ASSETS					
Cash and investments	\$ 26,772,854	\$ 7,413,116	\$ -	\$ 22,010,198	\$ 7,716,333
Receivables	18,009,942	2,197,443	3,455,078	-	567,136
Due from other funds	2,603,534	206,657	-	-	-
Inventories	170,821	-	-	-	-
Prepaid items	9,698	-	-	-	-
Restricted cash	-	-	-	-	-
Total assets	<u>\$ 47,566,849</u>	<u>\$ 9,817,216</u>	<u>\$ 3,455,078</u>	<u>\$ 22,010,198</u>	<u>\$ 8,283,469</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,617,059	\$ 437,121	\$ 1,577,983	\$ 100,455	\$ 110,149
Taxes withheld and accrued	44,272	2,300	-	-	-
Due to other funds	199,435	-	1,868,221	-	-
Other payables	519,752	30,064	530	1,446	133
Deferred revenue	14,325,272	1,534,472	8,344	-	507,273
Total liabilities	<u>17,705,790</u>	<u>2,003,957</u>	<u>3,455,078</u>	<u>101,901</u>	<u>617,555</u>
Fund balances:					
Reserved for:					
Inventories and prepaid items	180,518	-	-	-	-
Encumbrances	2,410,479	129,651	-	-	-
Restricted fees	978,952	-	-	-	-
Debt service	-	-	-	-	-
Public safety	-	546,960	-	-	-
Unreserved:					
Designated, reported in:					
General fund	14,087,800	-	-	-	-
Special revenue funds	-	423,292	-	-	-
Undesignated, reported in:					
General fund	12,203,310	-	-	-	-
Special revenue funds	-	6,713,356	-	-	-
Capital projects funds	-	-	-	21,908,297	7,665,914
Total fund balances	<u>29,861,059</u>	<u>7,813,259</u>	<u>-</u>	<u>21,908,297</u>	<u>7,665,914</u>
Total liabilities and fund balances	<u>\$ 47,566,849</u>	<u>\$ 9,817,216</u>	<u>\$ 3,455,078</u>	<u>\$ 22,010,198</u>	<u>\$ 8,283,469</u>

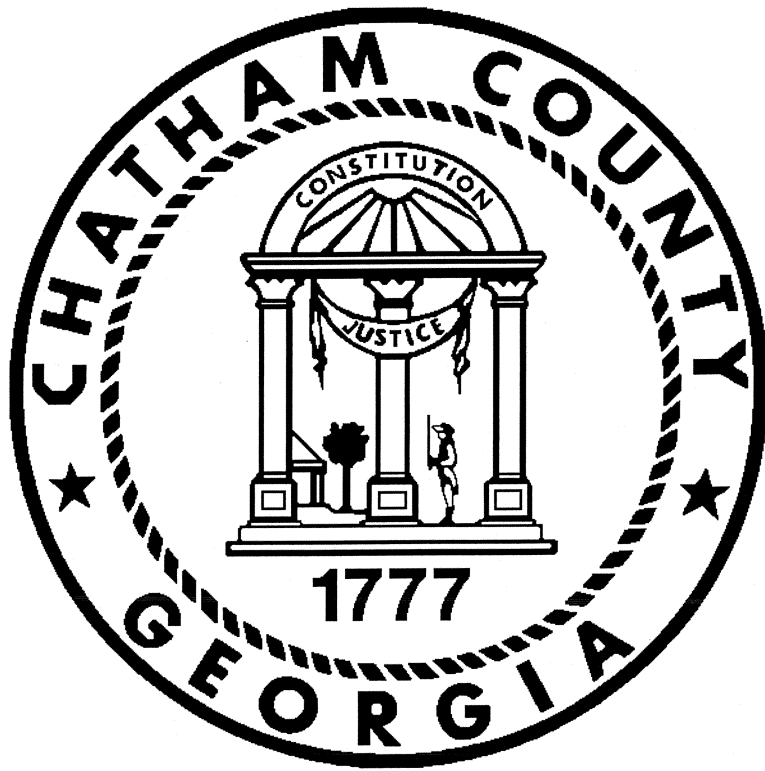
<u>Sales Tax III</u>	<u>Sales Tax IV</u>	<u>Sales Tax V</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 70,528,754	\$ 97,194,677	\$ 32,155,862	\$ 33,130,250	\$ 296,922,044
243,540	340,754	6,050,245	1,024,736	31,888,874
-	-	-	-	2,810,191
-	-	-	-	170,821
-	-	-	-	9,698
-	-	-	25,148	25,148
<u>\$ 70,772,294</u>	<u>\$ 97,535,431</u>	<u>\$ 38,206,107</u>	<u>\$ 34,180,134</u>	<u>\$ 331,826,776</u>

\$ 189,935	\$ 2,767,003	\$ -	\$ 1,452,864	\$ 9,252,569
-	-	-	-	46,572
-	-	-	589,134	2,656,790
1,476	1,893	-	6,002	561,296
-	-	-	17,455	16,392,816
<u>191,411</u>	<u>2,768,896</u>	<u>-</u>	<u>2,065,455</u>	<u>28,910,043</u>

-	-	-	-	180,518
-	-	-	-	2,540,130
-	-	-	-	978,952
-	-	-	103,651	103,651
-	-	-	1,082,214	1,629,174
-	-	-	-	14,087,800
-	-	-	-	423,292
-	-	-	-	12,203,310
-	-	-	539,802	7,253,158
70,580,883	94,766,535	38,206,107	30,389,012	263,516,748
<u>70,580,883</u>	<u>94,766,535</u>	<u>38,206,107</u>	<u>32,114,679</u>	<u>302,916,733</u>
<u>\$ 70,772,294</u>	<u>\$ 97,535,431</u>	<u>\$ 38,206,107</u>	<u>\$ 34,180,134</u>	<u>\$ 331,826,776</u>

CHATHAM COUNTY, GEORGIA
 GOVERNMENTAL FUNDS
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2009

Total fund balances, governmental funds		\$	302,916,733
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.			754,490,257
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			16,759,621
Bond issuance costs and losses on early retirement are reported as expenditures in the governmental funds.			444,458
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets:			
Capital leases	\$	(1,069,852)	
Contractual Obligations		(29,990,771)	
Pollution Control Facilities		(89,802)	
Compensated Absences		(10,538,959)	
Claims and Judgements		(474,000)	
		<u> </u>	(42,163,384)
Net OPEB liability not reported in fund statements			(4,232,520)
Interest payable on long-term obligations is not due and payable in the current period and therefore is not reported in the governmental funds.			(609,261)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			7,851,848
Net Assets of Governmental Activities in the Statement of Net Assets			<u><u>\$ 1,035,457,752</u></u>



CHATHAM COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Special Service District	Multiple Grant Fund	Sales Tax I	Sales Tax II
REVENUES					
Property taxes	\$ 118,206,385	\$ 15,190,858	\$ -	\$ -	\$ -
Local option sales tax	10,711,764	-	-	-	-
Other taxes	461,344	7,001,267	-	-	-
Penalties and interest	1,961,092	40,667	-	-	-
Licenses and permits	1,015,535	-	-	-	-
Homeowners tax relief grant	3,590,369	548,563	-	-	-
Intergovernmental	2,687,500	874,769	4,113,995	9,367,030	13,377
Charges for services	10,370,831	128,570	-	-	-
Fees and fines	3,191,564	1,463,691	-	-	-
Investment income	627,160	137,702	-	177,467	79,491
Other revenue	474,658	2,506	-	1,783	-
Total revenues	<u>153,298,202</u>	<u>25,388,593</u>	<u>4,113,995</u>	<u>9,546,280</u>	<u>92,868</u>
EXPENDITURES					
Current:					
General government	31,480,857	2,166,570	3,425,035	-	-
Judicial	25,513,229	2,249,736	272,281	-	-
Public safety	48,976,968	13,918,067	371,983	-	-
Public works	1,331,847	5,668,973	44,696	-	-
Health and welfare	10,417,256	-	-	-	-
Culture and recreation	11,255,735	-	-	-	-
Housing and development	571,026	1,625,394	-	-	-
Debt service:					
Principal	4,795,936	55,117	-	-	-
Interest and other charges	1,620,300	6,999	-	-	-
Capital outlay	-	-	-	1,187,232	628,038
Total expenditures	<u>135,963,154</u>	<u>25,690,856</u>	<u>4,113,995</u>	<u>1,187,232</u>	<u>628,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,335,048</u>	<u>(302,263)</u>	<u>-</u>	<u>8,359,048</u>	<u>(535,170)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	202,707	-
Transfers in	1,159,462	709,844	-	-	-
Transfers out	(12,488,821)	(3,324,109)	-	-	-
Total other financing sources (uses)	<u>(11,329,359)</u>	<u>(2,614,265)</u>	<u>-</u>	<u>202,707</u>	<u>-</u>
Net change in fund balances	6,005,689	(2,916,528)	-	8,561,755	(535,170)
Fund balances - beginning	23,855,370	10,729,787	-	13,346,542	8,201,084
Fund balances - ending	<u>\$ 29,861,059</u>	<u>\$ 7,813,259</u>	<u>\$ -</u>	<u>\$ 21,908,297</u>	<u>\$ 7,665,914</u>

Sales Tax III	Sales Tax IV	Sales Tax V	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ 133,397,243
-	-	-	-	10,711,764
-	21,152,178	40,293,019	1,262,170	70,169,978
-	-	-	-	2,001,759
-	-	-	345,514	1,361,049
-	-	-	-	4,138,932
-	-	-	2,841,662	19,898,333
-	-	-	2,939,894	13,439,295
-	-	-	396,140	5,051,395
1,342,116	1,830,943	17,953	287,304	4,500,136
19,570	493	-	490,793	989,803
<u>1,361,686</u>	<u>22,983,614</u>	<u>40,310,972</u>	<u>8,563,477</u>	<u>265,659,687</u>
-	-	-	-	37,072,462
-	-	-	-	28,035,246
-	-	-	7,060,872	70,327,890
-	-	-	458,371	7,503,887
-	-	-	-	10,417,256
-	-	-	-	11,255,735
-	-	-	1,296,500	3,492,920
-	-	-	135,000	4,986,053
-	-	-	52,979	1,680,278
5,452,043	27,489,044	-	7,201,948	41,958,305
<u>5,452,043</u>	<u>27,489,044</u>	<u>-</u>	<u>16,205,670</u>	<u>216,730,032</u>
(4,090,357)	(4,505,430)	40,310,972	(7,642,193)	48,929,655
-	-	-	-	202,707
-	-	-	9,539,026	11,408,332
-	-	(2,104,865)	(1,638,119)	(19,555,914)
-	-	(2,104,865)	7,900,907	(7,944,875)
(4,090,357)	(4,505,430)	38,206,107	258,714	40,984,780
74,671,240	99,271,965	-	31,855,965	261,931,953
<u>\$ 70,580,883</u>	<u>\$ 94,766,535</u>	<u>\$ 38,206,107</u>	<u>\$ 32,114,679</u>	<u>\$ 302,916,733</u>

CHATHAM COUNTY, GEORGIA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds: \$ 40,984,780

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays \$27,432,320 exceeded depreciation \$15,054,175 in the current period. 12,378,145

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the net book value of the asset sold. (249,562)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Deferred revenue	\$ (1,360,894)	
Pension asset	194,583	(1,166,311)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which payments exceeded proceeds. 4,986,053

Governmental funds report the effect of bond issuance costs and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences follows:

Amortization of bond issuance costs	(121,197)	
Amortization of bond discounts/premiums	127,367	
Interest expense - debt obligations	87,885	94,055

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 governmental funds:

Compensated absences	(285,040)	
Claims and judgements	(159,000)	(444,040)

The current year's increase in the net OPEB liability creates a balance sheet item while increasing net expenses of the functions on the governmentwide statements (2,508,892)

Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 1,695,662

Change in net assets of governmental activities \$ 55,769,890

CHATHAM COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET ASSETS
 JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities
	Chatham Area Transit Authority	Solid Waste Fund	Other Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 1,204,168	\$ 2,205,267	\$ 4,263,737	\$ 7,673,172	\$ 11,206,172
Receivable, net	3,079,466	49,351	630,364	3,759,181	131,170
Due from other funds	199,435	-	-	199,435	-
Inventories	277,489	-	-	277,489	-
Prepaid Expenses	509,510	-	-	509,510	-
Restricted cash	-	-	236,436	236,436	-
Total current assets	<u>5,270,068</u>	<u>2,254,618</u>	<u>5,130,537</u>	<u>12,655,223</u>	<u>11,337,342</u>
Non-current assets:					
Restricted cash	-	6,893,317	-	6,893,317	-
Capital assets, net of accumulated depreciation	14,751,107	2,004,215	14,547,146	31,302,468	-
Total non-current assets	<u>14,751,107</u>	<u>8,897,532</u>	<u>14,547,146</u>	<u>38,195,785</u>	<u>-</u>
Total assets	<u>20,021,175</u>	<u>11,152,150</u>	<u>19,677,683</u>	<u>50,851,008</u>	<u>11,337,342</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	1,474,290	107,804	208,942	1,791,036	245,513
Payable from restricted assets	-	-	236,436	236,436	-
Due to other funds	-	-	352,836	352,836	-
Other accrued expenses	815,341	5,476	9,940	830,757	-
Unearned revenue	343,737	-	711	344,448	-
Current portion of long-term liabilities	47,778	225,279	7,846	280,903	-
Total current liabilities	<u>2,681,146</u>	<u>338,559</u>	<u>816,711</u>	<u>3,836,416</u>	<u>245,513</u>
Non-current liabilities:					
Due in more than one year	63,110	3,242,740	63,479	3,369,329	3,239,981
Net OPEB Obligation	91,929	61,074	89,985	242,988	-
Total non-current liabilities	<u>155,039</u>	<u>3,303,814</u>	<u>153,464</u>	<u>3,612,317</u>	<u>3,239,981</u>
Total liabilities	<u>2,836,185</u>	<u>3,642,373</u>	<u>970,175</u>	<u>7,448,733</u>	<u>3,485,494</u>
NET ASSETS					
Invested in capital assets, net of related debt	14,640,219	2,004,215	14,547,146	31,191,580	-
Restricted for education and recycling	-	3,566,728	-	3,566,728	-
Unrestricted	2,544,771	1,938,834	4,160,362	8,643,967	7,851,848
Total net assets	<u>\$ 17,184,990</u>	<u>\$ 7,509,777</u>	<u>\$ 18,707,508</u>	<u>\$ 43,402,275</u>	<u>\$ 7,851,848</u>

CHATHAM COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities
	Chatham Area Transit Authority	Solid Waste Fund	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 3,361,718	\$ 667,783	\$ 3,179,752	\$ 7,209,253	\$ 16,339,662
Miscellaneous	1,207,085	-	188,220	1,395,305	-
Total operating revenues	<u>4,568,803</u>	<u>667,783</u>	<u>3,367,972</u>	<u>8,604,558</u>	<u>16,339,662</u>
OPERATING EXPENSES					
Personal services	9,509,814	1,089,204	1,893,505	12,492,523	-
Contractual services	3,945,134	790,875	1,219,041	5,955,050	17,577,244
Supplies	2,694,119	213,799	460,840	3,368,758	-
Interdepartment charges	-	372,531	460,221	832,752	-
Depreciation	1,740,699	286,842	480,588	2,508,129	-
Other costs	259,169	-	-	259,169	-
Total operating expenses	<u>18,148,935</u>	<u>2,753,251</u>	<u>4,514,195</u>	<u>25,416,381</u>	<u>17,577,244</u>
Operating income (loss)	<u>(13,580,132)</u>	<u>(2,085,468)</u>	<u>(1,146,223)</u>	<u>(16,811,823)</u>	<u>(1,237,582)</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	3,923,247	-	-	3,923,247	-
Special district tax	7,559,483	-	-	7,559,483	-
Interest and investment revenue	15,187	129,924	58,648	203,759	97,734
Interest expense and other	(250,952)	-	-	(250,952)	-
Gain (loss) on sale of capital assets	(25,014)	-	139,736	114,722	-
Total non-operating revenue (expenses)	<u>11,221,951</u>	<u>129,924</u>	<u>198,384</u>	<u>11,550,259</u>	<u>97,734</u>
Income (loss) before contributions and transfers	(2,358,181)	(1,955,544)	(947,839)	(5,261,564)	(1,139,848)
Capital contributions	5,260,943	-	-	5,260,943	-
Transfers in	1,846,109	2,715,963	777,000	5,339,072	2,835,510
Transfers out	-	-	(27,000)	(27,000)	-
Change in net assets	4,748,871	760,419	(197,839)	5,311,451	1,695,662
Total net assets - beginning	12,436,119	6,749,358	18,905,347	38,090,824	6,156,186
Total net assets - ending	<u>\$ 17,184,990</u>	<u>\$ 7,509,777</u>	<u>\$ 18,707,508</u>	<u>\$ 43,402,275</u>	<u>\$ 7,851,848</u>

CHATHAM COUNTY, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			Governmental	
	Chatham Area Transit Authority	Solid Waste Fund	Other Enterprise Funds	Internal Service Funds	
			Total		
Cash flows from operating activities:					
Passenger fares and other revenues	\$ 4,398,250	\$ 677,584	\$ -	\$ 5,075,834	\$ 294,148
Cash received from customers	-	-	3,892,674	3,892,674	-
Cash payments to employees for services	(9,393,476)	(1,054,894)	(1,810,375)	(12,258,745)	-
Cash payments to suppliers for goods and services	(6,924,937)	(1,339,645)	(2,465,368)	(10,729,950)	(17,562,911)
Cash received from contributions	-	-	-	-	16,046,687
Net cash provided (used) by operating activities	<u>(11,920,163)</u>	<u>(1,716,955)</u>	<u>(383,069)</u>	<u>(14,020,187)</u>	<u>(1,222,076)</u>
Cash flows from noncapital financing activities:					
Special district transit tax	7,299,391	-	-	7,299,391	-
Federal and state grants	5,199,462	-	-	5,199,462	-
Intergovernmental loan and borrowing under line of credit	(1,018,000)	-	-	(1,018,000)	-
Interest paid	11,911	-	-	11,911	-
Borrowings from (repayments to) other funds	-	-	(229,361)	(229,361)	-
Transfers in	1,646,674	2,715,963	777,000	5,139,637	2,835,510
Transfers out	-	-	(27,000)	(27,000)	-
Net cash provided (used) by noncapital financing activities	<u>13,139,438</u>	<u>2,715,963</u>	<u>520,639</u>	<u>16,376,040</u>	<u>2,835,510</u>
Cash flows from capital and related financing activities:					
Capital contributed by other governments	4,480,409	-	-	4,480,409	-
Payments from developers	-	-	3,879	3,879	-
Proceeds from sale capital assets	-	-	287,515	287,515	-
Interest payments on debt	(262,863)	-	-	(262,863)	-
Principal payments on debt	(4,737,909)	(214,950)	(304,936)	(5,257,795)	-
Proceeds from disposal of capital assets	1,674	-	-	1,674	-
Acquisitions and construction of capital assets	(1,047,467)	(286,303)	(264,594)	(1,598,364)	-
Net cash (used) by capital and related financing activities	<u>(1,566,156)</u>	<u>(501,253)</u>	<u>(278,136)</u>	<u>(2,345,545)</u>	<u>-</u>
Cash flows from investing activities:					
Interest earned on cash and investments	15,007	129,924	58,648	203,579	97,734
Net cash provided (used) by investing activities	<u>15,007</u>	<u>129,924</u>	<u>58,648</u>	<u>203,579</u>	<u>97,734</u>
Increase (decrease) in cash and cash equivalents	(331,874)	627,679	(81,918)	213,887	1,711,168
Cash and cash equivalents, beginning of year	1,536,042	8,470,905	4,582,091	14,589,038	9,495,004
Cash and cash equivalents, end of year	<u>\$ 1,204,168</u>	<u>\$ 9,098,584</u>	<u>\$ 4,500,173</u>	<u>\$ 14,802,925</u>	<u>\$ 11,206,172</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (13,580,132)	\$ (2,085,468)	\$ (1,146,223)	\$ (16,811,823)	\$ (1,237,582)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,740,699	286,842	480,588	2,508,129	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivables	(170,553)	9,801	532,789	372,037	1,173
(Increase) decrease in inventory	(50,147)	-	-	(50,147)	-
(Increase) decrease in prepaid items	(316,314)	-	6,548	(309,766)	-
Increase (decrease) in accounts/claims payable	410,050	37,560	(297,185)	150,425	14,333
Increase (decrease) in unearned revenue	-	-	(8,087)	(8,087)	-
Increase (decrease) in OPEB obligations	46,234	34,310	48,501	129,045	-
Total adjustments	<u>1,659,969</u>	<u>368,513</u>	<u>763,154</u>	<u>2,791,636</u>	<u>15,506</u>
Net cash provided (used) by operating activities	<u>\$ (11,920,163)</u>	<u>\$ (1,716,955)</u>	<u>\$ (383,069)</u>	<u>\$ (14,020,187)</u>	<u>\$ (1,222,076)</u>

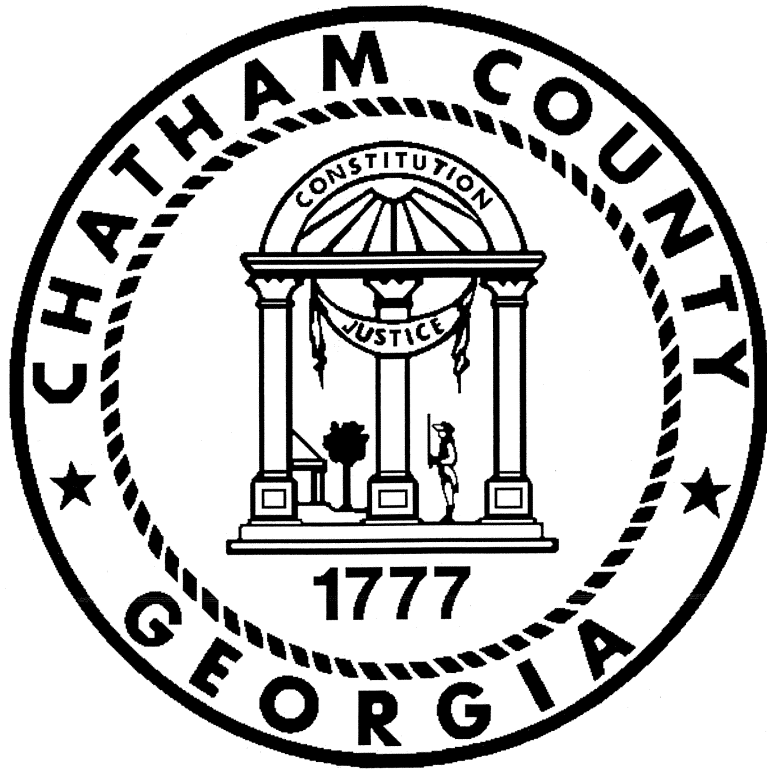
The notes to the basic financial statements are an integral part of this statement.

CHATHAM COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2009

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
ASSETS		
Cash	\$ 27,707,807	\$ 24,574,109
Receivables:		
Interest and dividend	-	656,478
Sale of investments	-	475,258
Accounts	-	86,918
Investments, at fair value:		
U.S. government and agency obligations	-	9,980,060
Mortgage backed securities	-	4,210,729
Corporate bonds	-	30,559,687
Domestic stocks	-	28,342,256
Real estate investment trust	-	306,264
International equity funds	-	11,522,677
Asset backed securities	-	275,860
Total Investments	-	85,197,533
Total assets	27,707,807	110,990,296
 LIABILITIES		
Accounts payable	-	1,228,936
Due to others	27,707,807	-
Total liabilities	\$ 27,707,807	1,228,936
 NET ASSETS		
Held in trust for pension and other employee benefits (See schedule of funding progress on page E-10 and E-11)		\$ 109,761,360

CHATHAM COUNTY, GEORGIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Pension (and Other Employee Benefit Trust Funds)</u>
ADDITIONS	
Contributions:	
Employer	\$ 15,850,229
Plan members	2,507,640
Total contributions	<u>18,357,869</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	(18,722,504)
Interest	2,785,856
Dividends	1,546,710
Total	<u>(14,389,938)</u>
Less investment expense	428,271
Net investment income	<u>(14,818,209)</u>
Total additions	<u>3,539,660</u>
DEDUCTIONS	
Benefits - Pension	8,162,270
Risk management	3,794,095
Refunds of contributions	161,784
Administrative expense	527,217
Total deductions	<u>12,645,366</u>
Change in net assets	<u>(9,105,706)</u>
Net assets - beginning	118,867,066
Net assets - ending (See schedule of funding progress on page E-10 and E-11)	<u>\$ 109,761,360</u>



CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chatham County, Georgia are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting entity

The County is a political subdivision of the State of Georgia and is governed by a nine member Board of County Commissioners. Eight members represent a geographical district within the County while the Chairman represents the County at large. There are additional officials elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's legal entity. These elected officials are the Sheriff, Tax Commissioner, State Court Judges, Magistrate Court Judge, Probate Court Judge, and Superior Court Clerk. The offices of the independently elected officials are not separate from the County and therefore are reported as part of the primary government.

The State constitution and State law pertaining to County government provide for the independent election of the Superior Court Judges and the District Attorney. The cost of operations of the Superior Court Judges and the District Attorney Offices is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in these financial statements.

On January 31, 2005, the County entered into an intergovernmental agreement with the Georgia Circuit Public Defender Office of the Eastern Judicial Circuit to provide for criminal indigent defense. In fiscal year 2008, the County funded twenty-seven of the Public Defender's employees and its operating expenditures. It also supplemented the salaries of the Chief Public Defender and four Level IV Public Defenders. Only the portion of the costs for which the County is responsible is reported in these financial statements.

Generally accepted accounting principles define the reporting entity and provide parameters to use in determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The financial reporting entity consists of (a) primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government; however, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or another stand alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

The County has met the criteria for classification as a primary government. The County has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. All funds, organizations, institutions, agencies, departments, and officials that are not legally separate of the primary government; for financial reporting purposes, are part of the primary government and are included in the financial statements of the County.

1. Blended Component Unit

Chatham Area Transit Authority (Authority) - Financial information for the Authority is reported as part of the primary government as a component unit under the blending method. The Authority's governing body is substantially the same as the governing body of the primary government and meets the criteria for inclusion as a component unit. Complete financial statements of the Chatham Area Transit

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Authority can be obtained directly from the administrative offices at Chatham Area Transit Authority, P. O. Box 9118, Savannah, Georgia 31412.

2. Discretely Presented Component Units

Live Oak Public Libraries – The Libraries meet the requirements for inclusion as a discretely presented non major component unit; therefore, its financial information is reported together with, but separately from, the primary government in the government-wide financial statements. The County's Board of Commissioners appoints a majority of the Libraries' board members and provides a substantial majority of funding for the operations of the Libraries; therefore, the Libraries are deemed to have a financial benefit/burden relationship with the County. Complete financial statements can be obtained directly from Live Oak Public Libraries, 2002 Bull Street, Savannah, Georgia 31401.

Chatham County Board of Health - The Board of Health meets the requirements for inclusion as a discretely presented non major component unit under a determination made by the State of Georgia; therefore, its financial information is reported together with, but separately from, the primary government as a discretely presented component unit. The Board of Health is a legally separate entity with the County appointing a voting majority of the entity's Board and the ability to impose its will on the Board. Complete financial statements can be obtained directly from Chatham County Board of Health, P.O. Box 14257, Savannah, Georgia 31416-1257.

3. Joint Venture

Under Georgia law, the County is a member of the Coastal Georgia Regional Development Center (RDC) and is required to pay annual dues. During the year ending June 30, 2009, the County paid \$65,275 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The total council membership is 39, inclusive of 5 members from Chatham County. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from Coastal Georgia Regional Development Center, P.O. Box 1917, Brunswick, Georgia 31521.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. Government-wide statements focus on the County as a whole, and primary activities are categorized as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resource basis, incorporating long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reflects both the gross and net cost by functional category (general government, judiciary, public safety, public works, etc.). Gross expenses (including depreciation) are reduced by related program revenues, charges for services, and operating and capital grants. Program revenues are directly associated with the source function or business-type activity. Program revenues include i) charges for services, ii) operating grants and contributions, and iii) capital grants and contributions. Operating grants include operating-specific and discretionary grants while the capital grants reflect capital-specific grants. Charges for services include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and other taxes, intergovernmental revenues, investment income, etc.).

While activities of discretely presented component units are reported in the County's government-wide financial statements, separate columns are utilized so that the activities of these component units can be viewed independently from those of the primary government.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the government-wide financial statements. Eliminations have been made in the Statement of Activities to remove the “doubling-up” effect of internal service fund activity. Interfund services provided and used are not eliminated in the process of consolidation. Also, the County allocates indirect cost to each of its funds. The indirect costs are eliminated in the government-wide financial statements.

Fund financial statements focus on individual major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

Major governmental funds in the fund financial statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County’s actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented following each statement. The reconciliation briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Internal service funds (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of proprietary fund financial statements. Since the principal users of the internal services are the County’s governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (general government, judiciary, public safety, public works, etc.).

The County’s fiduciary funds are presented in the fund financial statements by type (trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

C. Basis of Presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Major funds are separately presented within the basic financial statements. Major funds represent the government’s most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. Governments may also choose to report other funds as major funds if the fund is particularly important to financial statement users. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The County uses the following fund types:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

a. General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major funds are the Special Service District which is used to account for special levy ad valorem taxes and other activities for the unincorporated area of the County and the Multiple Grant Fund which accounts for grants of the County.

c. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on governmental contractual obligations.

d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Business-type/Proprietary Funds). The County displays four major funds, Sales Tax I, Sales Tax II, Sales Tax III, Sales Tax IV and Sales Tax V. These funds account for the proceeds of a special one cent sales tax adopted by referendum and related expenditures for roads, drainage and other improvements. Although the Sales Tax I and Sales Tax II funds did not meet the fiscal criteria for a major fund in 2009, the County chose to continue their presentation as major funds due to the high level of public interest in their activities.

2. Proprietary Funds:

Proprietary Funds are reported using the economic resources measurement focus. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the County:

a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) has a pricing policy designed for the fees and charges to recover similar costs. The major funds (Chatham Area Transit Authority and Solid Waste Management Fund) account for business-type activities for transportation services and solid waste collection and disposition.

b. Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments or funds of the County on a cost-reimbursement basis. The County's internal service funds are used to account for the financing of certain risk management services, such as health insurance claims, worker's compensation claims, and catastrophic claims that are not covered by insurance.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus (economic resources measurement focus) of trust funds is upon net assets and changes in net assets. The funds employ accounting principles similar to proprietary funds. Since agency funds report only assets and liabilities, they do not have a measurement focus; however, receivable and payable balances in the agency funds are recognized on the accrual basis of accounting. Trust and agency funds are used to account for activities that are custodial in nature. The County has one pension trust fund that accounts for the retirement benefits of the County's employees. Effective July 1, 2007, transactions related to retiree healthcare and other post-employment benefits, including activities related to the pre-funding of retiree healthcare, will be recorded in the OPEB Trust Fund. There are eight agency funds, seven of which account for the receipts and disbursements of funds by the tax commissioner and various clerks of court, and the eighth is the flex benefit plan, which accounts for employee withholdings for dependent and medical care under section 125 of the IRS code.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

4. Non-Current Governmental Assets/Liabilities:

Information on the County's capital assets and long-term debt is incorporated into the Statement of Net Assets and also disclosed within these notes.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

1. Accrual:

All proprietary, internal service, pension trust, and agency funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues considered susceptible to accrual are property taxes, charges for services, and investment income. In applying the "susceptible to accrual" concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

The County has defined Cash and Cash Equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the County's investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Investments are stated at fair value (quoted market price or the best estimate thereof).

The County operates a linked zero balance cash system with five zero balance accounts. All deposits are made in the collection account, and all disbursements are made from the accounts payable account, the jurors account, insurance account and the payroll account. The bank each day automatically moves all funds from the collection account to an interest bearing super NOW account (master funding account). The County allocates investment earnings of the cash and investment pool to each participating fund on a monthly basis in accordance with the funds' average equity balance in the pool for the month.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

2. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible, but not available, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The major receivable for the County is property taxes receivable. Property taxes are levied on all taxable real, public utilities, and personal property (including vehicles) located within the County. Assessed values for property tax purposes are determined by the Chatham County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility and motor vehicle assessed values are established by the State of Georgia. Property taxes are levied by the last quarter of the year in which they are assessed, or as soon after as deemed practical. Taxes are due and payable when levied. Chatham County may place liens on property once the related tax payments become delinquent. A lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property tax millage rates are usually adopted in July and tax bills are rendered by September 15.

The property tax calendar is as follows:

Beginning of fiscal year for taxes	January 1, 2009
First installment real property tax bills rendered (based on prior year digest)	April 1, 2009
First installment real property tax payment due	June 1, 2009
Millage rate adopted by resolution	July 23, 2009
County tax digest approved by the State of Georgia for collection	September 18, 2009
Second installment real and personal property tax bills rendered	October 9, 2009
Second installment real property tax payment due	December 10, 2009
Tax sales 2000-2008 delinquent real property tax and other assessments	Various

3. Inventories and Prepaid Items

Inventories are stated at cost on the basis of "first in, first out" (FIFO) method of accounting. Inventory in the General and Enterprise Funds consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time inventory is used (consumption method). Reported inventories in the General Fund are equally offset by a fund balance reserve, which indicates that the inventories do not constitute "available spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

Special Revenue Funds - Chatham Emergency Management Agency Fund restricted funds were generated from contributions by private industry for use in a separate local emergency planning commission.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Enterprise Funds - The Water and Sewer Fund maintains a separate account for the purpose of segregating funds received for customers' security deposits. Refunds of customer deposits are paid from this account. Liabilities payable from restricted assets are reported separately to indicate that the source of payment is the restricted assets. The Solid Waste Management Fund maintains a separate fund to account for the provision of solid waste collections, transportation, and disposal for the residents of the unincorporated area of Chatham County. This fund provides for the operation of the County's landfills, which were separated from the Public Works Department in 1992 to comply with state accounting and reporting requirements. Solid Waste Fund cash has been restricted for education and recycling activities of the County and for financial assurance of closure and postclosure costs.

Trust and Agency Funds - Restricted cash and investments are held by various financial institutions in the County's name for the County's Pension Trust Fund.

Additional data on the County's cash and investment policies and risk concentrations is found in Note III. A.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Infrastructure assets are capitalized at cost starting at \$50,000. Significant interest costs incurred during construction are recorded as part of the asset's cost. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County included all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of those assets through backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

The County has capitalized networks/subsystems for the following major infrastructure groups: roads, right of ways, bridges, drainage (open systems), drainage (closed systems), and sidewalks. A capitalization threshold of \$21 million was used to determine whether a network/subsystem would be incorporated for retroactive infrastructure reporting.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	10-50
Building Improvements	10
Public Domain Infrastructure	30-50
System Infrastructure	20-50
Vehicles	5
Office Equipment	4-40
Furniture and Fixtures	5-10

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

6. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Claims, Judgments, and Compensated Absences

The liability for claims and judgments and compensated absences has been accrued. The total liability for proprietary funds is recorded in the proprietary fund type.

The County's policy is to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year they are to be paid. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In accordance with the Fair Labor Standards Act, employees may receive compensatory time off in lieu of overtime pay. Unused compensatory time may be banked up to 480 hours for law enforcement and emergency response personnel and 240 hours for other personnel. Non-exempt employees will be paid for accumulated compensatory time at separation. The potential liability for compensatory time at June 30, 2009 is \$141,133.

8. Equity Classifications

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

- a. **Invested in capital assets, net of related debt** consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net assets** consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net assets** consist of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

F. Revenues, Expenditures, and Expenses

1. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. Also included are all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. For the County's blended component unit, grants for specific transit activities are reported as operating revenues. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as needed.

2. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. In the fund financial statements, governmental fund expenditures are classified by character i.e. current (further classified by function), debt service, and capital outlay. Proprietary fund expenses are classified as operating and non-operating.

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to use of economic resources.

3. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursement, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

5. Internal Service Fund Consolidation

Internal service fund revenues and expenses are consolidated as part of governmental activities. Although the Health Insurance Fund provides services to both governmental and business-type activities, the proportionate share to business-type activities is immaterial.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances/Net Assets

The Land Bank Fund has a fund deficit of \$48,457. The fund's main revenue source is real property sales. Anticipated property sales in fiscal year 2010 should eliminate the deficit. The Building Safety and Regulatory Services Fund experienced a deficit net assets balance of \$51,934. Due to the unstable economy and housing market, restructuring of the fund will be needed to eliminate the deficit with a combination of interfund transfers.

B. Budget Variances by Department

<u>Fund</u>	<u>Department</u>	<u>Unfavorable Variance</u>
Special Service District	Recorder's Court	\$ 343,851

Budget to actual expenditures are monitored by the County on an ongoing basis. Biweekly agenda items and quarterly financial reports are presented to the Board of Commissioners. Budget transfers or amendments related to cost overruns may be proposed up to the amount of available contingency funds; however, year-end accruals may result in unfavorable budget variances.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

General: The County maintains a cash and investment pool utilized by the majority of the County's funds. The four major capital project funds – Sales Tax I, Sales Tax II, Sales Tax III, and Sales Tax IV – maintain their own individual bank accounts and investments. The cash and investments of the Chatham County Employees' Retirement Plan (CCERP) are also held separately and reported within the Pension Trust Fund. Cash held in the OPEB Trust Fund was part of the cash and investment pool during fiscal 2009.

Deposits:

Custodial Credit Risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. At June 30, 2009 all of the County's deposits were either covered by federal depository insurance or collateralized through the Georgia Public Funds Pledging Pool, a multiple financial institution collateral pool administered by the Georgia Bankers Association for the State of Georgia.

Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12 which is incorporated by reference within the County's Investment Policy. The County has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.
- The face value of any surety bond, guarantee of insurance, or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.
- If a depository elects the pooled method (O.C.G.A. Section 45-8-13.11), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc).

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Investments:

In its investment of both public and pension trust funds, the County follows state statutes and adopted investment policies. As of June 30, 2009 the investments of the Primary Government and the CCERP were:

Type of Investment	Average Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-3	4-5	Greater than 5
Primary Government:						
Georgia Fund I	Aaa	\$ 253,200,368	\$ 253,200,368	\$ -	\$ -	\$ -
US Government/Agency Sec	Aaa	30,621,393	-	15,339,290	15,282,103	-
Pension Trust Fund:						
US Government/Agency Sec	Aaa	9,980,060	-	4,487	2,058,261	7,917,312
Mortgage Backed Securities	Aaa	4,210,729	-	-	-	4,210,729
Corporate Bonds						
Various	A	20,708,718	1,940,187	3,048,180	3,513,993	12,206,358
Various	Aa	4,211,622	483,294	836,891	761,561	2,129,876
Various	Baa	5,639,347	360,264	1,240,119	642,417	3,396,547
Domestic Stock	NR	28,342,256	28,342,256	-	-	-
Real Estate Investment Trust	NR	306,264	306,264	-	-	-
International Equity Funds	NR	11,522,677	11,522,677	-	-	-
Asset Backed Securities	AAA	275,860	-	-	-	275,860
Total Investments		<u>\$ 369,019,294</u>	<u>\$ 296,155,310</u>	<u>\$ 20,468,967</u>	<u>\$ 22,258,335</u>	<u>\$ 30,136,682</u>

Under state law, investments of the County's public funds may be placed in obligations of (or obligations guaranteed by) the U.S. government, obligations of agencies of corporations in the U.S. government, obligations of any state or any political subdivision of any state, certificates of deposit or time deposits of financial institutions with deposits insured by FDIC, prime bankers acceptances, repurchase agreements, and the Georgia Fund 1. During the year the County invested public funds in certificates of deposits and time deposits of local banks, U.S. Government obligations, obligations of agencies guaranteed by the U.S. Government, repurchase agreements through local banks, and the Georgia Fund 1.

State law also governs the investment of retirement funds (O.C.G.A. 47-20-84) and post-employment benefit funds (O.C.G.A. 47-20-10h and 47-20-10.1) and limits investments to maximum concentrations by investment category (at cost). The County's defined benefit pension plan qualifies as a "large retirement system", a designation which allows the plan additional investments in equity securities.

The Georgia Fund 1 is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Georgia Fund 1 was created under O.C.G.A. 36-83-8 and is managed by the State of Georgia's Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The fair value of the pool is the same as the value of the pool shares. As a public fund, Georgia Fund I is exempt from any disclosure of custodial credit risk.

Deposit and investment transactions are subject to a variety of risks. The County's adopted investment policies seek to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform with legal requirements.

Interest rate risk is the risk that the changes in interest rates will adversely affect the value of an investment. The County's Investment Policy states that the County will structure its portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to their maturity. The Policy also emphasizes the purchase of shorter term or more liquid investments. The Policy does not place formal limits on investment maturities.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Policies of the CCERP limit short-term investments to specified securities: money market accounts, direct obligations of the U.S. Government with maturities of 1 year or less, and commercial paper maturing within 270 days that are rated A-1 or higher by Standard & Poor's or P-1 by Moody's Investor Services.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County's Investment Policy seeks to minimize credit risk through diversification of investments within the choices allowed under state statutes. CCERP policies minimize credit risk by setting a target average credit quality of "A" or higher for the bond portfolio. Investments in all corporate fixed income securities are limited to an investment grade of "BAA" or higher as rated by Moody's or "BBB" or higher as rated by Standard & Poor's.

All of the County's investments in U.S. Treasury and Agency securities carry the explicit guarantee of the U.S. government. U.S. Agency securities underlie repurchase agreements.

Foreign currency risk is the risk that exchange rates may effect the valuation of an investment. The Pension Plan has investments in one international equity fund (various currencies) subject to foreign currency risk. The fair value of these funds as of June 30, 2009 was \$11,522,677. State law limits the Pension Plan's investment in foreign equities, and the County has not adopted additional policies.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% of more of total investments, exclusive of mutual funds, external investment pools, and investments issued or guaranteed by the U.S. government. The County's Investment Policies places maximum limits on investment of public funds as follows:

Bankers' Acceptances maturing within 270 days and eligible for purchase by the Federal Reserve	20%
Certificates of Deposit	20%
U.S. Treasury Obligations	100%
OTFS-Georgia Fund 1 (liquidity pool)	80%
OTFS-GEAP (intermediate pool)	50%
Obligations of Georgia and its political subdivisions	25%
Repurchase agreements collateralized by US Government Securities	25%
Collateralized instruments offered by approved County depository bank(s)	100%
Interests or securities in no-load, open-end mutual funds as provided for in OCGA 36-82-7 (bond proceeds only)	100%
Mortgage pass-throughs/REMICS/CMOs/other mortgage-backed Securities (other than high-risk* derivatives) issued by a US Government Agency or Instrumentality	25%
U.S. Government agencies or instrumentalities	100%
Local community investment opportunities	10%

*CMOs must pass the FFIEC (or surviving and mutually agreed upon equivalent) tests one and two.

In addition, the CCERP's Investment Policy seeks a diversified portfolio of fully negotiable, equity, fixed income, and money market securities, with the following maximum investment limits, stated at cost:

Equity securities	60%
Foreign equity assets	10%
Small or Mid-Cap Stocks	30%
Single Corporate Issuer	5%
Collateralized Mortgage Obligations	15%

There are no limits on fixed income securities issued directly by the U.S. government or any agency thereof. Prohibited investments are also specified in the policy.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

Basic financial statements:

Cash and investments	\$ 315,801,388
Restricted cash	7,154,901
Trust and agency funds	137,479,449
Total	<u><u>\$ 460,435,738</u></u>

Notes to financial statements:

Cash on hand	\$ 49,677
Deposits	91,366,767
Investments	369,019,294
Total	<u><u>\$ 460,435,738</u></u>

B. Receivables

Receivables as of year end for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

Receivables:	Taxes	Accounts	Inter- governmental	Gross Receivables	Allowance for Uncollectibles	Net Receivables
General	\$16,015,779	\$ 72,537	\$ 2,077,626	\$18,165,942	\$ (156,000)	\$ 18,009,942
Special Service District	1,800,617	300,569	114,257	2,215,443	(18,000)	2,197,443
Multiple Grant Fund	-	-	3,455,078	3,455,078	-	3,455,078
Sales Tax I	-	-	-	-	-	-
Sales Tax II	-	-	567,136	567,136	-	567,136
Sales Tax III	-	-	243,540	243,540	-	243,540
Sales Tax IV	-	-	340,754	340,754	-	340,754
Sales Tax V	-	-	6,050,245	6,050,245	-	6,050,245
Chatham Area Transit	-	320,475	2,758,991	3,079,466	-	3,079,466
Solid Waste	-	49,351	-	49,351	-	49,351
Nonmajor Governmental	21,769	437,324	566,643	1,025,736	(1,000)	1,024,736
Internal Service	-	131,170	-	131,170	-	131,170
Nonmajor Enterprise	-	824,971	-	824,971	(194,607)	630,364
Fiduciary Fund	-	1,218,654	-	1,218,654	-	1,218,654
Total	<u><u>\$17,838,165</u></u>	<u><u>\$ 3,355,051</u></u>	<u><u>\$ 16,174,270</u></u>	<u><u>\$37,367,486</u></u>	<u><u>\$ (369,607)</u></u>	<u><u>\$ 36,997,879</u></u>

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

C. Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Non-Depreciable Assets:</i>				
Land	\$ 27,656,839	\$ 817,823	\$ -	\$ 28,474,662
Right of Ways	333,553,537	2,605,000	-	336,158,537
Construction in Progress	36,745,252	12,601,189	6,439,597	42,906,844
<i>Depreciable Assets:</i>				
Buildings and Improvements	144,321,518	10,026,402	-	154,347,920
Machinery and Equipment	43,285,297	6,507,437	1,650,700	48,142,034
Infrastructure	398,913,165	1,363,444	484,958	399,791,651
Total	984,475,608	33,921,295	8,575,255	1,009,821,648
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(32,298,265)	(3,457,582)	(217)	(35,755,630)
Machinery and Equipment	(32,788,221)	(3,280,682)	(1,516,978)	(34,551,925)
Infrastructure	(177,027,530)	(8,315,911)	(319,605)	(185,023,836)
Total Accumulated Depreciation	(242,114,016)	(15,054,175)	(1,836,800)	(255,331,391)
Total Governmental Activities	742,361,592	18,867,120	6,738,455	754,490,257
Business-Type Activities:				
<i>Non-Depreciable Assets:</i>				
Land	9,658,612	63,115	-	9,721,727
Construction in Progress	100,000	35,000	-	135,000
<i>Depreciable Assets:</i>				
Buildings and Improvements	11,918,071	215,611	4,751	12,128,931
Plant	11,660,989	23,345	-	11,684,334
Machinery and Equipment	24,017,942	1,120,043	2,234,409	22,903,576
Total	57,355,614	1,457,114	2,239,160	56,573,568
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(5,536,817)	(451,410)	(4,751)	(5,983,476)
Plant	(6,389,960)	(317,545)	-	(6,707,505)
Machinery and Equipment	(13,042,137)	(1,739,176)	(2,201,194)	(12,580,119)
Total Accumulated Depreciation	(24,968,914)	(2,508,131)	(2,205,945)	(25,271,100)
Total Business-Type Activities	32,386,700	(1,051,017)	33,215	31,302,468
Total Capital Assets	\$ 774,748,292	\$ 17,816,103	\$ 6,771,670	\$ 785,792,725

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,287,323
Judiciary	295,938
Public safety	2,488,725
Public works	8,534,573
Culture and recreation	628,609
Health and welfare	819,007
Total depreciation expense	\$ 15,054,175

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

The County has active construction projects as of June 30, 2009. At year-end the government's major commitments are as follows:

	Contract Balance June 30, 2009
Sales Tax I	\$ 2,817,127
Sales Tax II	1,338,580
Sales Tax III	5,901,020
Sales Tax IV	3,667,002
Nonmajor Governmental	8,037,534
Total	\$ 21,761,263

The Chatham Area Transit Authority had outstanding at June 30, 2009 contract commitments totaling approximately \$11,112,000 related to design and construction of a new marine vessel and the purchase of eleven hybrid buses. These capital asset projects are to be funded through matching federal and state grants.

D. Interfund receivables, payables and transfers

Interfund receivable and payable balances at June 30, 2009 are as follows:

Receivable Fund	Payable Fund	Amount
General	Multiple Grant Fund	\$ 1,868,221
	Nonmajor Governmental	582,966
	Nonmajor Enterprise	152,347
Special Service District	Nonmajor Governmental	6,168
	Nonmajor Enterprise	200,489
Chatham Area Transit Authority	General Fund	199,435
Total		\$ 3,009,626

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimburseable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

A summary of interfund transfers by fund type is as follows:

<u>Receiving Fund:</u>	<u>Paying Fund:</u>	<u>A m o u n t</u>
Major Funds		
General	Special Service District	\$ 350,417
General	Nonmajor Governmental	809,045
Special Service District	Nonmajor Governmental	682,844
Special Service District	Nonmajor Enterprise Funds	27,000
Solid Waste	General	1,230,943
Solid Waste	Special Service District	1,485,020
Chatham Area Transit	General	1,846,109
Nonmajor Funds		
Special Revenue	General	1,169,009
Special Revenue	Special Service District	85,922
Capital Project	General	5,847,000
Capital Project	Special Service District	186,000
Capital Project	Nonmajor Governmental	146,230
Capital Project	Sales Tax V	2,104,865
Enterprise Fund	Special Service District	777,000
Internal Service Fund	General	2,395,760
Internal Service Fund	Special Service District	439,750
Total		<u>\$ 19,582,914</u>

Interfund transfers are used to 1) move revenues from the fund where they are authorized for collection by statute or budget to the fund where statute or budget requires expenditure, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group.

E. Short-term Debt

Chatham Area Transit Authority has a \$1,500,000 operating line of credit agreement with a bank that expires December 31, 2009. The bank made advances on the line of credit in order to provide the Authority with operating funds throughout the year. Interest is payable monthly at LIBOR market index rate plus 1.25%.

A schedule of changes in short-term debt follows:

<u>Fund:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Chatham Area Transit				
Authority Enterprise Fund	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>
Total	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

F. Capital Leases

The County and its agencies have entered into lease agreements as lessee for financing the acquisition of machinery and equipment for various County offices. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of capital assets leased under capital leases as of June 30, 2009:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 8,134,526	\$ 365,161
Less: Accumulated depreciation	(6,983,078)	(241,587)
Total	\$ 1,151,448	\$ 123,574

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

Year Ending June 30	Governmental Activities	Business-Type Activities
2010	\$ 425,465	\$ 51,134
2011	355,590	51,134
2012	324,158	17,045
2013	54,953	-
2014	4,579	-
Total minimum lease payments	1,164,745	119,313
Less: amount representing interest	(94,893)	(8,425)
Present value of minimum lease payments	\$ 1,069,852	\$ 110,888

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

G. Long -term debt

Schedule of Contractual Obligations

<u>Purpose</u>	<u>Issue Date</u>	<u>Average Interest Rates</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Governmental Activities:				
(1) Downtown Savannah Authority (Chatham County Projects) Series 2005	June 2005	3.00 - 4.25%	\$ 29,055,000	\$ 18,265,000
(2) Chatham County Hospital Authority Revenue Bonds	April 1993	3.50 - 5.70%	2,245,000	785,000
(3) Downtown Savannah Authority Revenue Bonds Series 1999	November 1999	5.10 - 5.75%	9,300,000	430,000
(4) Downtown Savannah Authority Series 2005A	November 2005	3.00 - 5.00%	6,075,000	5,975,000
(5) Mosquito Control Facility	January 2003	6.08%	4,596,057	4,166,343
Total			<u>\$ 51,271,057</u>	<u>\$ 29,621,343</u>

Information on each of these contractual obligations is shown below:

Governmental Activities:

(1) Downtown Savannah Authority Revenue Refunding and Improvement Bonds (Chatham County Projects), Series 2005:

In June 2005 the County issued bonds through the Downtown Savannah Authority in the amount of \$29,055,000. The bonds bear interest ranging between 3% and 4.25% with final maturity in 2024. Proceeds of the bond issue were used to i) currently refund and redeem all of the outstanding Downtown Savannah Authority Refinanced Courthouse Improvement Detention Bonds, Series 1993A in the amount of \$17,404,290, ii) provide new facilities funding of \$12,000,000, and iii) pay related costs of issuance. The bonds were issued at a premium of \$717,431.

The refunding provided a reduction in total future debt service payments of \$742,116 with most of the savings occurring within the first year. The transaction generated an economic gain (difference between the present values of the old and new debt service payments) of \$710,522. On June 29, 2005 all of the Series 1993 bonds were called for redemption. Thus, none of the 1993 bond series remain outstanding.

Proceeds from the bond sale will be applied to the following projects, i) renovation of health facilities for the Chatham County Board of Health, ii) conversion of an existing facility into a behavioral health facility, iii) replacement of a dome roof on the Chatham County Aquatic Center, iv) replacement of the Chatham County Animal Control Shelter, v) construction of a fifth floor addition on the South Annex for county offices, and vi) construction or purchase of a facility for the Chatham County Counter Narcotics Team.

Pursuant to the bond issue, the County entered into an intergovernmental contract with the Downtown Savannah Authority whereby the County has an unconditional obligation to provide sufficient funds for debt service payments and related paying agent or bond registrar fees. The County is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

(2) Chatham County Hospital Authority Revenue Bonds:

On April 28, 1993, the Chatham County Hospital Authority (Georgia) issued \$2.245 million Revenue Bonds. The bonds were issued by the Chatham County Hospital Authority to provide funds for the purpose of acquiring land and constructing improvements and/or making renovations to existing improvements thereon, in order to provide additional and enhanced public health facilities in Chatham County.

The Bonds are limited obligations of the Authority, payable from payments made by the County to the Authority under the Lease with respect to the Project costs and from other revenues and funds pledged to the payment thereof as described herein. The obligation of the County pursuant to the Lease is to make payments sufficient to pay the principal of, absolute and unconditional within the seven mill limitation prescribed by the Hospital Authorities Law of Georgia, and the County has covenanted to annually levy a tax, within said seven mill limitation, on all property subject to taxation within the County to enable it to make such payments. However, the Bonds do not constitute direct obligations of the County and are not themselves secured by the general credit of taxing power of the County.

(3) Downtown Savannah Authority (Chatham County Projects), Series 1999:

In November 1999, Chatham County issued \$9.3 million revenue bonds to finance certain capital improvements and construction through the Downtown Savannah Authority (DSA). The bonds are limited obligations of the DSA, payable from payments made by the County to the DSA under the provisions of an intergovernmental contract between the County and the DSA dated November 1, 1999. Under the terms of the contract, the County covenants to include in each of its annual budgets an amount sufficient to make the contract payment each year and to levy and collect taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of the contract. The Bonds pay interest between 5.1% and 5.75%, depending on the maturity date, with a final maturity on January 1, 2020. These bonds were partially refunded in November 2005 with the issuance of the Downtown Savannah Authority Bonds Series 2005A. Proceeds from the sale of those bonds will be used to advance refund and redeem on January 1, 2010 the Series 1999 bonds maturing on January 1, 2011 and thereafter, which are outstanding in the aggregate principal amount of \$5,845,000. The remaining balance for the 1999 Series at June 30, 2009 was \$430,000.

(4) Downtown Savannah Authority Revenue Refunding Bonds (Chatham County Projects), Series 2005A:

In November 2005 the County issued bonds through the Downtown Savannah Authority in the amount of \$6,075,000. The bonds bear interest ranging between 3.00% and 5.00% with final maturity in 2020. Proceeds of the bond issue were used to i) partially refund and redeem the outstanding Downtown Savannah Authority Revenue Bonds, Series 1999 in the amount of \$5,845,000 and ii) pay related costs of issuance. The bonds were issued at a premium of \$221,126. Remaining balance for the 2005A Series at June 20, 2009 was \$5,975,000.

The refunding provided a reduction in total future debt service payments of \$322,407 with most of the savings occurring within the first year. The transaction generated an economic gain (difference between the present values of the old and new debt service payments) of \$243,373.

Pursuant to the bond issue, the County entered into an intergovernmental contract with the Downtown Savannah Authority whereby the County has an unconditional obligation to provide sufficient funds for debt service payments and related paying agent or bond registrar fees. The County is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by contract.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

(5) Mosquito Control Facility:

On February 2001, the County entered into an intergovernmental agreement with the Savannah Airport Commission (SAC). Under terms of the agreement the County contracted to reimburse the SAC for the design and construction costs of a Mosquito Control Facility. The County occupied the Mosquito Control Facility on January 1, 2003. The County will repay SAC \$4,596,057 over thirty years at an interest rate of 6.08%. Monthly payments of \$27,793, began January 1, 2003 and will conclude on December 1, 2032.

The County is also leasing an approximately 7.7 acre site (land lease) where the facility was built for fifty years with annual rental based on the appraised value of the land multiplied by a 12% factor. Rental rates for the land lease will be amended and modified every five years based upon a reappraisal of the value of the land. At inception, the agreement specified an annual land rental of \$36,342. Effective January 1, 2008 the annual land rental rate was amended to \$38,496 based on the new market valuation. The Savannah Airport Commission voted to implement the new market valuation incrementally over a five-year period (\$1,600 divided by 5 years = \$320 increase per year). In addition the Commission agreed to decrease the ground lease rate factor from 12% to 10%.

A summary of annual debt service requirements to maturity for contractual obligations follows:

Annual Debt Service Requirements to Maturity

Year Ending June 30	Governmental Activities	
	Principal	Interest
2010	\$ 3,687,470	\$ 1,400,201
2011	3,852,626	1,213,802
2012	1,368,105	1,022,661
2013	1,428,926	964,370
2014	1,485,111	902,704
2015-2019	7,457,745	3,575,686
2020-2024	6,056,882	1,946,759
2025-2029	3,235,415	664,136
2030-2033	1,049,063	118,221
Total	<u>\$ 29,621,343</u>	<u>\$ 11,808,540</u>

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Other Long Term Liabilities:

Governmental Activities:

(1) Pollution Control Facilities Financing

Chatham County, under court order, had agreements with various county municipalities regarding the financing of pollution control facilities. The only outstanding agreement is with the City of Pooler which began in 1984 for \$349,230. Annual payments and the schedule by years for the future minimum payments under this agreement are:

Fiscal Year	City of Pooler
2010	\$ 9,978
2011	9,978
2012	9,978
2013	9,978
2014	9,978
2015-2018	39,912
Total	<u>\$ 89,802</u>

Business-Type Activities:

(2) Closure and Postclosure Care Cost for Solid Waste Enterprise Fund:

The Georgia Comprehensive Solid Waste Management Act effective January 1, 1992 requires the County to strengthen solid waste management practices and to achieve a 25 percent reduction in the amount of solid waste disposed of in landfills and by thermal combustion units by the year 1996. This act requires the County to further comply with the cost reporting mandate in capturing and reporting costs for local solid waste operations, direct costs for solid waste collecting, handling and disposal, indirect administrative costs, such as for shared central services, billable cost, (external and internal), costs for debt retirement, and interest expenses. State and federal laws and regulations require the County to place a final cover on the Wilmington Island landfill, Dillion landfill, Chevis landfill, Sharon Park landfill and Thomas Avenue landfill sites when each stops accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that these landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity of the landfills. The \$3,326,590 reported as the landfill closure and postclosure care liability at June 30, 2009 represents the cumulative amount reported to date based on the use of the percentage of the estimated capacity of the landfills. The percentage of landfill capacity used at June 30, 2009 is estimated to be 100%. The County has closed all the landfills. The actual cost of closure and postclosure care may fluctuate annually due to inflation, changes in technology, or changes in environmental laws and regulations. The County has set aside \$3,326,590 for financial assurance of closure and postclosure.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Changes in Long-Term Liabilities

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Capital Leases	\$ 2,518,310	\$ -	\$ 1,448,458	\$ 1,069,852	\$ 376,683
Contractual Obligations	33,148,959	-	3,527,616	29,621,343	3,687,470
Pollution Control Facilities	99,780	-	9,978	89,802	9,978
Compensated Absences	10,253,919	7,108,465	6,823,426	10,538,958	1,159,285
Claims & Judgements	315,000	209,000	50,000	474,000	10,000
Deferred Amounts:					
Issuance cost/Loss on Early Retirement	(565,655)	-	(121,197)	(444,458)	-
Discounts	(49,084)	-	(5,147)	(43,937)	-
Premium	545,880	-	132,514	413,366	-
Total Governmental Activities	\$ 46,267,109	\$ 7,317,465	\$ 11,865,648	\$ 41,718,926	\$ 5,243,416
Business-Type Activities:					
Capital Leases	\$ 156,382	\$ -	\$ 45,494	\$ 110,888	\$ 47,778
Contractual Obligations	4,692,415	-	4,692,415	-	-
Closure and Postclosure Cost	3,536,312	-	209,722	3,326,590	209,722
Compensated Absences	210,840	103,453	101,539	212,754	23,403
Deferred Rebates to Developers	327,815	-	327,815	-	-
Total Business-Type Activities	\$ 8,923,764	\$ 103,453	\$ 5,376,985	\$ 3,650,232	\$ 280,903

Capital leases, contractual obligations, pollution control facilities, compensated absences, and claims & judgements are generally liquidated by the general and special service district funds, except for the Chatham County Hospital Authority Revenue Bonds contractual obligation that is liquidated by the debt service fund. Bond Issuance costs are reported as an asset in the Statement of Net Assets.

H. Reserved Fund Balances/Restricted Net Assets/Designated Fund Balances

Reserves are used to indicate that a portion of the fund balance or net assets is legally segregated for a specific future use. The County uses the following reserves:

Reserved for Inventory and Prepaid Items - General and Special Revenue Fund - The reserve is used to segregate a portion of fund balance to indicate that by using the consumption method, inventories of supplies do not represent "available spendable resources" even though they are a component of net current assets.

Reserved for Debt Service - Debt Service Fund - The reserve is used for future debt service on revenue bonds. This amount is also shown as Restricted Net Assets on the government-wide statements.

Reserved for Encumbrances - General and Special Revenue Fund - The reserve is used to segregate a portion of fund balance for expenditure for contracts and open purchase orders.

Reserved for Restricted Fees - General Fund - The reserve is composed of juvenile court supervision fees and

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

surcharges collected by the Courts for the victim assistance program and for drug abuse and treatment. Due to legal restrictions on their use, these fees are also shown as restricted net assets on the government-wide statements.

Reserved for Public Safety - Special Revenue Fund - The reserve is restricted for payment of complex investigations, to purchase emergency communications equipment and for other law enforcement purposes deemed appropriate including the local emergency planning committee (LEPC). Due to legal restrictions on their use, amounts reserved for public safety in the nonmajor special revenue funds are shown as restricted net assets on the government-wide statements.

Reserved for Pension and Other Employee Benefits - Trust and Agency Fund - The reserve is restricted for payment of retirement and other post-employment benefits.

Designated - General and Special Revenue Fund - The designation represents portions of fund balance in excess of recommended reserve levels stated in adopted financial policies. Designated funds may be considered for capital projects funding or other significant organizational expenditures, subject to Board approval

Financial statements prepared on the accrual basis of accounting (proprietary funds and government-wide statements) show restrictions of net assets as follows:

Restricted for Capital Projects - Capital Project Funds - The restriction represents amounts to be used for capital project expenditures as legally restricted through public referendum or contractual obligation.

Restricted for Education and Recycling - Enterprise Fund - These amounts are legally restricted for certain uses as specified by State statutes.

Restricted for Other Purposes - Special Revenue Funds - The restriction represents amounts restricted by state law for court fees and law enforcement purposes.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

IV. OTHER INFORMATION

A. Pension - The Chatham County Employees' Retirement Plan (CCERP)

Chatham County administers a defined benefit pension plan. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

1. Summary of Significant Accounting Policies:

Basis of Accounting - CCERP financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

2. Plan Description and Contribution Information

Plan Description

The Chatham County Employees' Retirement Plan (Plan) is a single-employer defined benefit pension plan that covers all County employees and former employees now employed within the Savannah-Chatham Metropolitan Police Department. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Article IX of the Chatham County Employees' Retirement Plan defines the authority of the Pension Board including their ability to establish and amend the benefit provisions of the plan.

Benefits vest after five years of service. For general employees normal retirement age is 62 and for peace officer's employee's normal retirement age is 55. County employees who retire at normal retirement age are entitled to 2 percent of the final average earnings for each of the first 30 years of credited service plus one percent of final average earnings for the remaining number of years of credited service. Employees who are age 55 with 25 or more years of service have the reduced benefit from 30 years of service in lieu of age. The plan also provides for occupational and non-occupational disability. Members may also retire with unreduced benefits with 25 years of credited service. The plan also provides incentives for early retirements with reduced benefits of a 3 percent per year penalty for early retirement. Full benefits are equal to the average of the highest three years of covered earnings. Cost-of-living adjustments (COLA) are provided at the discretion of the Pension Board.

The County administers the Plan, and the County's responsibility includes pension disbursements and general administration of the Plan under the authority of the Chatham County Pension Board. The Pension Board has contracted with State Street Bank to act as custodian of the assets of the Plan. The accounting and financial reporting functions are performed by the County Finance Department. The County's General Fund bears most of the Plan's administrative costs. The Plan's audited financial statement is included in the County's Comprehensive Annual Financial Report as a Pension Trust Fund. The Plan does not issue a stand-alone financial report. The benefit provisions and all other related plan requirements are established and may be amended by County Ordinance. The Pension Plan is actuarially evaluated every year.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Membership of the plan consisted of the following as of July 1, 2008, the date of the last actuarial evaluation:

Disabled employees, retirees and beneficiaries receiving benefits	438
Terminated plan members entitled to but not yet receiving benefits	56
Active plan members	1,492
Total membership	<u><u>1,986</u></u>

Contributions

The annual contribution amounts are actuarially determined. Effective July 1, 2007, the Plan requires contributions of 3.5% by the employee, a 1% increase in the contribution rate from the prior year. The County contributes such additional amounts as are necessary, based on actuarial valuations, to provide the plan with sufficient assets to meet future benefit payments. In 2009 the County contributed \$8,199,933 (12.8% of covered payroll), and the contributions paid by employees totaled \$2,187,321. The total payroll for employees covered under the plan for the year ended June 30, 2009 was \$63.9 million.

3. Annual Pension Cost and Net Pension Obligation (Asset)

The County's annual pension cost and net pension obligation for fiscal 2009 is shown below:

Annual required contribution	\$ 7,998,524
Interest on net pension obligation (asset)	(19,864)
Adjustment to annual required contribution	<u>26,690</u>
Annual Pension Cost	8,005,350
Contributions made	<u>(8,199,933)</u>
Increase (decrease) in net pension obligation	(194,583)
Net pension obligation (asset), beginning of year	<u>(233,695)</u>
Net pension obligation (asset), end of year	<u><u>\$ (428,278)</u></u>

The annual required contribution was determined as part of the July 1, 2008 actuarial valuation using the entry age normal actuarial cost method. The Plan changed from the aggregate actuarial cost method to the entry age normal method on July 1, 2003. The Plan's amortization method is level dollar with closed amortization periods. The equivalent single amortization period is 15 years, based on all of the current amortizations. The actuarial assumptions include an 8.5% investment rate of return (net of administrative expenses). Prior to 1998, compensation was assumed to increase each year by an amount equal to 4% of the salary at the beginning of that year. Beginning with the 1998 plan year, salary progression rates were based on actual compensation increases during the 1994-1997 plan years. An inflation factor of 3% is included in the assumptions for salary growth purposes. The assumptions do not include postretirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Gains or losses are recognized at 20% per year. The County amortizes the July 1, 2003 unfunded actuarial accrued liability over 30 years (25 remaining), increases or decreases in the actuarial accrued liability due to plan amendments over 20 years, actuarial gains/losses over 15 years, and changes in the actuarial accrued liability due to assumption changes over 30 years. Assumption changes for retired members only are amortized over 10 years.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

4. Three Year Trend Information

Data relating to the Plan for the past three years is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2007	\$ 6,176,443	105.0	\$ (35,546)
2008	7,361,585	102.7	(233,695)
2009	8,005,350	102.4	(428,278)

5. Funded Status and Funding Progress

Schedule of Funding Progress
(dollars in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll</u>
July 1, 2008	\$125,759	\$180,456	\$54,697	69.7%	\$63,973	85.5%

Multi-year trend information shown in the Required Supplementary Information section provides information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Post-employment Benefits Other Than Pensions (OPEB)

The County maintains a single-employer defined benefit OPEB plan (the Chatham County OPEB Plan) to provide medical and life insurance benefits to its retirees.

1. Summary of Significant Accounting Policies:

Basis of Accounting – The County has implemented the requirements of Statements 43 and 45 of the Governmental Accounting Standards Board on a prospective basis to the basic financial statements presented herein, and, accordingly, no net OPEB liability existed at the transition date. Financial statements for the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due. Benefits and claims are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

2. Plan Description

Plan Description

The Chatham County OPEB Plan is a single-employer defined benefit plan that provides medical and life insurance benefits upon retirement to the County's retirees and their spouses and/or dependents. Retirees may choose from two medical plans administered by Blue Cross Blue Shield of Georgia. Medicare eligible retirees receive secondary coverage through the County. The County also provides a life insurance benefit of \$10,000 for all retirees. Participation in the Plan is voluntary. Benefit levels, contribution rates and eligibility provisions of

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

the Plan are determined by the Chatham County Board of Commissioners. The Plan does not provide for automatic or ad hoc postretirement benefit increases.

For the plan year, eligibility for life insurance and retiree medical coverage was available upon retirement upon attainment of any one of the following age and service combinations:

Law Enforcement & Emergency Medical Service Employees	General Employees
Age 55 with any service, or Age 50 & 15 years of service, or Any age with 25 years of service.	Age 62 with any service, or Age 55 & 10 years of service, or Any age with 25 years of service.

Investment authority for the Plan is the responsibility of the County's Pension Board through an agreement between the Pension Board and the Chatham County Board of Commissioners. In March 2008, the Chatham County Board of Commissioners established a trust under Section 115 of the United States Internal Revenue Code to further the Board's purpose of providing adequate funding for post-retirement benefits. The Board also entered into an agreement granting the Pension Board investment authority over the assets of the trust. Activities of the Plan are reported on the County's Comprehensive Annual Financial Report as a Trust Fund, Chatham County OPEB Trust Fund. The Plan does not issue a stand-alone financial report. Benefit provisions and all other related plan requirements are established annually by the Board of Commissioners.

The County administers the Plan, and the County's responsibility includes claims administration and general administration. The County's General Fund bears most of the administrative costs of the Plan. The Plan is actuarially evaluated every year.

Membership of the plan consisted of the following as of July 1, 2008, the last valuation date:

Retirees and beneficiaries currently receiving benefits	359
Active plan participants	<u>1,360</u>
Total	<u>1,719</u>

Contributions

Funding for the Plan is derived from two sources: member contributions and employer contributions. Member contributions are set annually by the Board. Annual contributions of Plan members for the current fiscal year were as follows:

Retiree, under 65	\$ 503
Retiree + Family, under 65	\$1,224
Retiree, 65 and over	\$ 419
Retiree + Family, 65 and over	\$1,187

Contributions paid by retirees in the current fiscal year totaled \$320,319. The County contributes annually an amount equal to the pay-as-you-go cost of retiree healthcare. Subject to budgetary constraints, the County contributes additional amounts to the Plan for advance funding of future liabilities. The Annual OPEB Cost is actuarially determined. In 2009 the County contributed \$7,650,296 or 11.9% of the covered payroll for employees of \$63,973,000 under the plan for the year ended June 30, 2009.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

3. Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost and net OPEB obligation for the past two years is shown below:

<u>Plan Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2008	\$9,738,000	81.6%	\$1,791,876
June 30, 2009	10,242,000	74.7%	4,383,580

The Net OPEB Obligation was developed as follows, based on an actuarial valuation date of July 1, 2008:

Annual Required Contribution	\$10,205,000
Interest on Unfunded ARC	129,000
Adjustment of ARC	(92,001)
Annual OPEB Cost	10,241,999
Actual Contribution	(7,650,296)
Increase in OPEB Obligation	2,591,703
Net OPEB Obligation(asset), beg of year	<u>1,791,876</u>
Net OPEB Obligation at year end	<u>\$4,383,579</u>

4. Funded Status and Funding Progress

Schedule of Funding Progress
(dollars in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll</u>
July 1, 2008	\$7,943	\$99,598	(\$91,655)	7.98%	\$63,973	143.3%

Only two years of data is shown in the Required Supplementary Information section. As the Plan gains experience, this table and the schedules found in the Required Supplementary Information section will show multi-year trend information about whether the actuarial value of plan assets is decreasing over time relative to the actuarial accrued liability for benefits

5. Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, actuarial calculations reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The Plan uses the projected unit credit actuarial cost method, and the amortization period for the unfunded actuarial accrued liability is 30 years with an open period. The investment return assumption or discount rate is assumed to be 7.2% based on the funding policy currently in place. Upon full annual funding of the Annual OPEB Cost, an 8.5% rate would be assumed. The health care cost trend rate (medical and pharmacy) was 8% for 2007 with a decrease of 1% per year until 2010, when the rate levels to 5%. Full participation by the eligible population is assumed. The valuation does not use a core inflation rate directly, although inflation trends are reviewed to ensure consistency in the selection of the discount rate and the medical trend rate. Calculations are based on

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

the types of benefits provided under the plan at the time of each valuation and on the pattern of cost sharing between the employer and plan members to that point. The County has not entered into any long-term contracts for contributions to the Plan with any party, and, accordingly, there were not amounts of contractually required contributions outstanding at the report date.

6. Unpaid Claims

The OPEB Trust Fund pays health claims and administrative costs related to providing health care benefits for the County's retirees. Incurred but not reported claims totaling \$256,386 have been accrued as a liability in the OPEB Trust Fund. The fund's claims experience was:

Fiscal Year	Unpaid Claims Beginning of Year	Incurred Claims Including IBNRs	Actual Claim Payments	Unpaid Claims End of Year
2008	\$ -	\$4,009,518	\$3,726,449	\$283,069
2009	283,069	3,772,258	3,798,941	256,386

7. Chatham Area Transit Authority

Chatham Area Transit maintains a single-employer defined benefit postemployment life and healthcare plan for its retired employees. Plan benefit provisions and contribution requirements are established and may be amended by the Authority, subject to negotiations between it and the Amalgamated Transit Union. The Annual OPEB Cost, percentage of cost contributed and Net OPEB Obligation were:

<u>Plan Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2008	\$ 47,695	4.19%	\$ 45,695
June 30, 2009	49,148	5.93%	91,929

As of July 1, 2007, the actuarial accrued liability for benefits was \$644,005 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability of \$644,005.

Further details on the CAT plan can be obtained from the Chatham Area Transit Authority.

C. Risk Management

Chatham County is 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 has established the Catastrophic Claims Fund, an internal service fund, and the Claims and Judgments account within the Risk Management Fund to account for and finance its uninsured risks of loss. The net assets of the Catastrophic Claims Fund at June 30, 2009 are \$1,762,265.

The claims liability is disclosed based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend upon such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liability is reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using expected future investment yield assumptions ranging from 4 to 6 %. During 2009, there were no annuity contracts purchased.

Group Health:

The County has established a Health Insurance Internal Service Fund whereby premiums paid by other funds are available to pay health claims and administrative costs. Program reserves and Incurred But Not Reported (IBNR) claims of \$909,007 have been accrued as a liability in the Health Insurance Internal Service Fund based primarily upon the provider's projections. Interfund premiums are based upon the Health Insurance Fund's prior years claims experience. The Group Health Internal Service Fund's total net assets as of June 30, 2009 are \$3,528,904. The County retains the first \$130,000 of each health claim. Specific Excess Insurance is purchased for each claim that exceeds the \$130,000 per claim retention, and Aggregate Excess Insurance is purchased for aggregate annual claims that exceed 125% of the insurance provider's annual projections.

Fiscal Year	Unpaid Claims Beginning of Year	Incurred Claims Including IBNRs	Actual Claim Payments	Unpaid Claims End of Year
2007	\$ 1,000,448	\$ 15,751,316	\$ 15,537,343	\$ 1,214,421
2008	1,214,421	10,832,603	11,052,130	994,894
2009	994,894	12,543,083	12,628,970	909,007

Workers Compensation:

Workers Compensation is administered in the Risk Management Fund. The Worker's Compensation program retains the first \$450,000 of each incurred claim. The County purchases Specific Excess Insurance for each individual claim that exceeds the \$450,000 retention. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years. The liability reported for Incurred But Not Reported (IBNR) claims and program reserves for June 30, 2009 totaled \$2,330,974.

Fiscal Year	Unpaid Claims Beginning of Year	Incurred Claims Including IBNRs	Actual Claim Payments	Unpaid Claims End of Year
2007	\$ 2,141,565	\$ 2,279,532	\$ 1,861,560	\$ 2,559,537
2008	2,559,537	954,946	1,195,317	2,319,166
2009	2,319,166	1,497,539	1,485,731	2,330,974

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

D. Commitments and Contingencies

The County reviews all outstanding judgments to determine if any estimated liabilities should be accrued at year end. In the opinion of management, based on this review and on the advice of legal counsel, the ultimate disposition of claims and judgments will not have a material adverse effect on the financial position of the County.

The County participates in a number of Federal and State assisted grant programs. Grant amounts received and receivables are subject to audit by grantor agencies. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

The Chatham Hospital Authority (Georgia) Revenue Anticipation Certificates were issued to provide funds for the purpose of acquiring land and construction improvements and making renovations to existing improvements, in order to provide additional and enhanced public health facilities in Chatham County, consisting of (i) a mid-town public health clinic, with adjoining parking facilities, (ii) a mental health, mental retardation and substance abuse treatment satellite facility and (iii) an adolescent residential substance abuse treatment facility. All of said facilities are leased to the County, a political subdivision of the State of Georgia, pursuant to a Lease Agreement, dated as of April 1, 1993, between the Authority and the County, and are subleased by the County to the Chatham County Board of Health, Gateway and the Savannah Area Behavioral Health Collaborative.

The Bonds are limited obligations of the Authority, payable from payments made by the County to the Authority under the Lease with respect to the Projects and from other revenues and funds pledged to the payment thereof as described above. The obligation of the County pursuant to the Lease to make payments sufficient to pay the principal of, redemption premium, if any, and interest due on the bonds is absolute and unconditional within the seven mill limitation prescribed by the Hospital Authorities Law of Georgia, and the County has covenanted to annually levy a tax, within said seven mill limitation, on all property subject to taxation within the County to enable it to make such payments. However, the Bonds do not constitute direct obligations of the County and are not secured by the general credit or taxing power of the County, the State of Georgia, or any political subdivision thereof.

At June 30, 2009, the Revenue Anticipation Certificates outstanding aggregated \$785,000.

E. Subsequent Events

In August 2009, the County issued revenue bonds through the Downtown Savannah Authority in the amount of \$2.4 million to purchase 120 Fahm Street. The County will concurrently enter into a lease with Union Mission. By terms of the lease, Union Mission will be provided all rights of ownership except title as long as Union Mission continues to provide services and maintains its 501(c) (3) status. The bonds bear interest of 3.81% with a maturity date of July 1, 2029.

F. New Funds

On September 2006, a referendum was held and approved by the voters to impose a 1% Special Purpose Local Option Sales Tax. The effective date was October 1, 2008 and will continue through September 30, 2014. Consequently, the County has established the Sales Tax V Fund.

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

G. Trust Fund Statements

Financial statements for each of the County's trust funds are shown herein, and are provided as a supplement to the plan disclosures found in IV A and IV B of the notes to the basic financial statements:

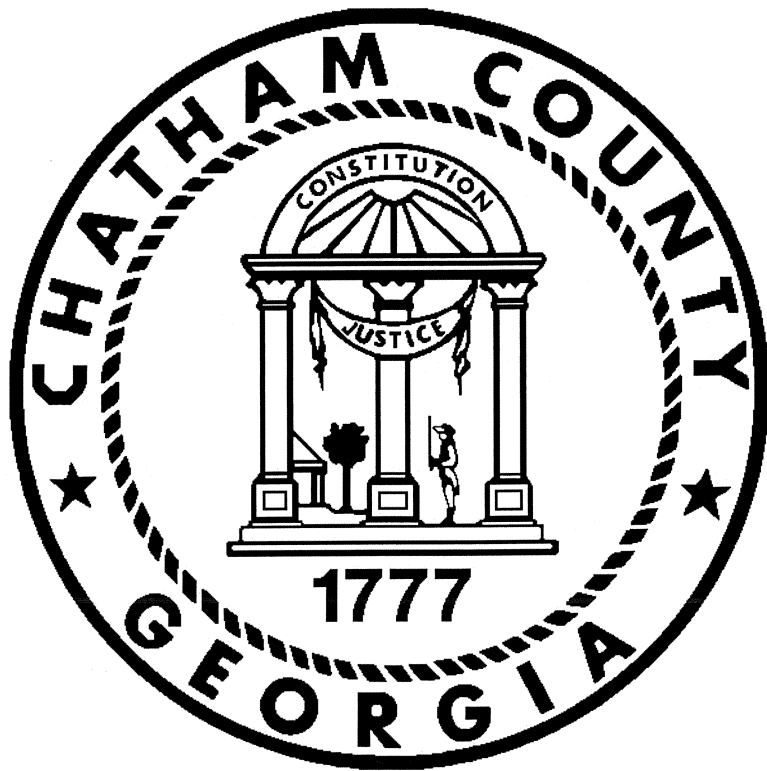
CHATHAM COUNTY, GEORGIA
PENSION (AND OTHER POST EMPLOYEE BENEFIT) TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
June 30, 2009

	Pension Trust Fund	OPEB Trust Fund	TOTAL
ASSETS			
Cash	\$16,389,989	\$8,184,120	\$24,574,109
Interest and dividend	656,478	-	656,478
Sale of investments	475,258	-	475,258
Accounts	68,085	18,833	86,918
U.S. government and agency obligations	9,980,060	-	9,980,060
Mortgage backed securities	4,210,729	-	4,210,729
Corporate bonds	30,559,687	-	30,559,687
Domestic stocks	28,342,256	-	28,342,256
Real estate investment trust	306,264	-	306,264
Other Asset Backed Securities	275,860	-	275,860
International equity funds	11,522,677	-	11,522,677
Total Investments	85,197,533	-	85,197,533
Total assets	102,787,343	8,202,953	110,990,296
LIABILITIES			
Accounts payable	968,674	260,262	1,228,936
Total liabilities	968,674	260,262	1,228,936
NET ASSETS			
Held in trust for pension and other employee benefits	\$101,818,669	\$7,942,691	\$109,761,360

CHATHAM COUNTY, GEORGIA
Notes to the Basic Financial Statements

CHATHAM COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the year ended June 30, 2009

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>TOTAL</u>
ADDITIONS			
Contributions:			
Employer	\$8,199,933	\$7,650,296	\$15,850,229
Plan members	2,187,321	320,319	2,507,640
Total contributions	<u>10,387,254</u>	<u>7,970,615</u>	<u>18,357,869</u>
Investment earnings:			
Net appreciation (depreciation) in fair value of investments	(18,722,504)	-	(18,722,504)
Interest	2,762,732	23,124	2,785,856
Dividends	1,546,710	-	1,546,710
Total	<u>(14,413,062)</u>	<u>23,124</u>	<u>(14,389,938)</u>
Less investment expense	428,271	-	428,271
Net investment income	<u>(14,841,333)</u>	<u>23,124</u>	<u>(14,818,209)</u>
Total additions	<u>(4,454,079)</u>	<u>7,993,739</u>	<u>3,539,660</u>
DEDUCTIONS			
Benefits	8,162,270	-	8,162,270
Risk management	-	3,794,095	3,794,095
Refunds of contributions	161,784	-	161,784
Administrative expense	127,752	399,465	527,217
Total deductions	<u>8,451,806</u>	<u>4,193,560</u>	<u>12,645,366</u>
Change in net assets	<u>(12,905,885)</u>	<u>3,800,179</u>	<u>(9,105,706)</u>
Net assets - beginning	<u>114,724,554</u>	<u>4,142,512</u>	<u>118,867,066</u>
Net assets - ending	<u>\$101,818,669</u>	<u>\$7,942,691</u>	<u>\$109,761,360</u>



**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

CHATHAM COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
RESOURCES (Inflows):				
Property taxes	\$ 117,138,366	\$ 117,138,366	\$ 118,206,385	\$ 1,068,019
Local option sales tax	11,000,000	11,000,000	10,711,764	(288,236)
Other taxes	375,000	375,000	461,344	86,344
Penalties and interest on delinquent taxes	932,900	932,900	1,961,092	1,028,192
Licenses and permits	910,040	910,040	1,015,535	105,495
Homeowners tax relief grant	3,463,372	3,463,372	3,590,369	126,997
Intergovernmental	1,995,967	2,164,357	2,687,500	523,143
Charges for services	10,035,554	10,165,554	10,370,831	205,277
Fines and fees	3,286,190	3,286,190	3,191,564	(94,626)
Investment income	360,743	360,743	627,160	266,417
Other revenue	450,218	471,029	474,658	3,629
Transfers from other funds	426,500	1,235,545	1,159,462	(76,083)
	<u>150,374,850</u>	<u>151,503,096</u>	<u>154,457,664</u>	<u>2,954,568</u>
AMOUNTS AVAILABLE FOR APPROPRIATION				
CHARGES TO APPROPRIATIONS (Outflows):				
GENERAL GOVERNMENT:				
County Commissioners	821,800	1,179,776	743,473	436,303
Youth Commission	25,000	25,000	25,000	-
County Clerk	98,110	110,458	102,272	8,186
County Manager	653,476	686,906	669,115	17,791
Elections	1,253,931	1,342,295	1,077,307	264,988
Voter Registration	710,928	751,901	751,529	372
Finance	2,158,168	2,288,116	2,063,332	224,784
Professional Services	117,410	117,410	104,396	13,014
Purchasing	711,314	744,873	687,943	56,930
County Attorney	698,688	859,773	830,461	29,312
Information Communication Systems	2,687,813	2,901,212	2,758,428	142,784
Communications	829,000	827,078	485,800	341,278
Human Resources	1,257,073	1,302,160	1,253,956	48,204
Temporary Pool	181,381	189,573	187,748	1,825
Tax Commissioner	4,621,004	4,764,047	4,389,352	374,695
Tax Assessor	4,645,620	4,688,020	4,243,055	444,965
Board of Equalization	174,444	177,281	177,019	262
ADA Compliance	167,443	174,189	113,412	60,777
Internal Audit	440,576	458,016	457,802	214
Building Maintenance and Operations	2,151,193	2,221,421	2,099,805	121,616
Fleet Operations	817,706	857,313	717,741	139,572
Utilities	765,000	993,000	956,097	36,903
Administrative Services	862,127	881,485	881,239	246

(Continued)

CHATHAM COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
GENERAL GOVERNMENT (Continued):				
Building Safety and Regulatory Services	\$ 124,989	\$ 129,099	\$ 77,608	\$ 51,491
Pensioners' Health Insurance	3,780,343	3,780,343	3,780,343	-
OPEB Contribution	-	875,000	875,000	-
Special Appropriations	133,100	235,649	122,055	113,594
Vacant positions	(745,000)	(745,000)	-	(745,000)
Other	865,400	877,772	849,569	28,203
Contingencies	5,025,068	2,992,365	-	2,992,365
TOTAL GENERAL GOVERNMENT	36,033,105	36,686,531	31,480,857	5,205,674
JUDICIARY:				
Court Administrator	3,234,812	3,390,634	3,229,530	161,104
Court Expenditures	869,832	875,577	814,946	60,631
Alternative Dispute Resolution	143,924	149,410	137,392	12,018
Superior Court Clerk	2,586,257	2,473,913	2,331,635	142,278
District Attorney	5,471,026	5,759,377	5,317,757	441,620
Victim Witness Program	620,290	642,124	630,117	12,007
State Court Judge	1,293,922	1,342,610	1,232,557	110,053
State Court Clerk	1,251,247	1,290,439	1,205,652	84,787
DUI Court	187,119	190,149	169,054	21,095
Magistrate Court	1,300,536	1,371,200	1,284,256	86,944
Probate Court	814,193	848,307	754,550	93,757
Probate Court Filing Fees	150,000	205,000	201,351	3,649
Juvenile Court	4,486,737	4,684,852	4,414,527	270,325
Grand Jury	23,360	23,360	2,341	21,019
Law Library	111,530	114,805	97,558	17,247
Public Defenders Office	2,368,155	2,385,908	2,325,618	60,290
Panel Attorneys	1,607,200	1,407,200	1,027,110	380,090
Juvenile Court Restricted Expenditures	80,000	363,227	32,714	330,513
Drug Treatment Restricted Expenditures	65,500	221,046	54,388	166,658
5 % Victim Witness Fees Restricted Expenditures	248,800	729,876	250,176	479,700
TOTAL JUDICIARY	26,914,440	28,469,014	25,513,229	2,955,785

(Continued)

CHATHAM COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
PUBLIC SAFETY:				
Counter Narcotics Team	\$ 4,303,896	\$ 4,198,115	\$ 3,884,446	\$ 313,669
Marine Police Patrol	646,336	646,336	625,372	20,964
Sheriff's Office	9,777,904	10,047,230	9,252,589	794,641
Detention Center	33,741,760	34,038,641	33,112,946	925,695
Emergency Medical Service	997,350	999,850	989,292	10,558
County Coroner	357,631	365,131	312,386	52,745
Animal Control	811,186	811,186	757,960	53,226
Hazardous Materials	42,340	42,340	41,977	363
TOTAL PUBLIC SAFETY	50,678,403	51,148,829	48,976,968	2,171,861
PUBLIC WORKS:				
Public Works	748,000	748,000	727,931	20,069
Bridge Operations and Maintenance	705,364	721,829	603,916	117,913
TOTAL PUBLIC WORKS	1,453,364	1,469,829	1,331,847	137,982
HEALTH AND WELFARE:				
Indigent Health Center	4,823,608	4,823,608	4,666,213	157,395
Health Department	1,315,750	1,315,750	1,315,750	-
Other Health Services	5,000	85,000	42,250	42,750
Mosquito Control	3,664,045	3,535,022	3,326,562	208,460
Family and Children Services	709,513	709,513	709,513	-
Greenbriar Children's Home	331,968	331,968	331,968	-
Union Mission	-	200,000	-	200,000
Summer Bonanza	25,000	25,000	25,000	-
TOTAL HEALTH AND WELFARE	10,874,884	11,025,861	10,417,256	608,605
CULTURE AND RECREATION:				
Frank G Murray Community Center	122,014	126,847	116,899	9,948
Recreation Department	3,370,802	3,747,989	3,283,800	464,189
Aquatic Center Pool	1,082,370	1,150,667	1,046,407	104,260
Weightlifting Center	280,532	282,459	255,199	27,260
Tybee Pier and Pavilion	27,880	27,880	16,820	11,060
Georgia Forestry	42,713	44,070	42,573	1,497
Library	6,494,037	6,494,037	6,494,037	-
TOTAL CULTURE AND RECREATION	11,420,348	11,873,949	11,255,735	618,214

(Continued)

CHATHAM COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
HOUSING AND DEVELOPMENT:				
Creative Coast	\$ -	\$ 61,692	\$ 61,692	\$ -
Co-Operative Extension Service	180,000	180,314	154,041	26,273
Coastal Soil and Water	600	600	-	600
Construction Apprentice Program	185,919	203,288	201,949	1,339
Community Outreach	259,500	31,500	12,525	18,975
RDC Regional Transit	-	30,000	-	30,000
Bamboo Farm	173,590	173,590	140,819	32,771
	<u>799,609</u>	<u>680,984</u>	<u>571,026</u>	<u>109,958</u>
TOTAL HOUSING AND DEVELOPMENT				
DEBT SERVICE:				
Principal	4,006,595	4,799,770	4,795,936	3,834
Interest and other charges	1,654,850	1,672,606	1,620,300	52,306
TOTAL DEBT SERVICE	<u>5,661,445</u>	<u>6,472,376</u>	<u>6,416,236</u>	<u>56,140</u>
TRANSFERS TO OTHER FUNDS	<u>6,539,252</u>	<u>12,440,224</u>	<u>12,488,821</u>	<u>(48,597)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>150,374,850</u>	<u>160,267,597</u>	<u>148,451,975</u>	<u>11,815,622</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	(8,764,501)	6,005,689	14,770,190
FUND BALANCE ALLOCATION	-	8,764,501	-	(8,764,501)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,005,689</u>	<u>\$ 6,005,689</u>

(Concluded)

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – SPECIAL SERVICE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
RESOURCES (Inflows):				
Property taxes	\$ 15,290,463	\$ 15,290,463	\$ 15,190,858	\$ (99,605)
Other taxes	6,891,000	6,891,000	7,001,267	110,267
Penalties and interest on delinquent taxes	12,500	12,500	40,667	28,167
Homeowners tax relief grant	536,828	536,828	548,563	11,735
Intergovernmental	716,200	716,200	874,769	158,569
Charges for services	342,751	342,751	128,570	(214,181)
Fines and fees	1,834,500	1,834,500	1,463,691	(370,809)
Investment income	350,000	350,000	137,702	(212,298)
Other revenue	5,000	5,000	2,506	(2,494)
Transfers from other funds	672,660	672,660	709,844	37,184
AMOUNTS AVAILABLE FOR APPROPRIATION	26,651,902	26,651,902	26,098,437	(553,465)
CHARGES TO APPROPRIATIONS (Outflows):				
GENERAL GOVERNMENT:				
Finance	73,378	76,084	75,493	591
Professional services	22,020	22,020	21,854	166
Human Resources	31,438	33,737	31,487	2,250
County Engineer	1,249,423	1,298,043	1,049,673	248,370
Indirect cost charges	1,001,000	30,270	30,270	-
Building Safety and Regulatory Services	508,178	534,748	484,138	50,610
Reimbursable expenses	707,200	707,200	474,195	233,005
Other general government	-	-	(540)	540
Contingencies	827,790	347,915	-	347,915
Vacant positions	(250,000)	(250,000)	-	(250,000)
TOTAL GENERAL GOVERNMENT	4,170,427	2,800,017	2,166,570	633,447
JUDICIARY:				
Recorders Court	929,300	1,905,885	2,249,736	(343,851)
TOTAL JUDICIARY	929,300	1,905,885	2,249,736	(343,851)
PUBLIC SAFETY:				
Police	13,534,218	13,764,218	13,759,593	4,625
Sheriff/Peace Officers' Retirement	60,000	60,000	47,819	12,181
Crimestoppers	120,395	120,395	110,655	9,740
TOTAL PUBLIC SAFETY	13,714,613	13,944,613	13,918,067	26,546

(Continued)

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – SPECIAL SERVICE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PUBLIC WORKS:				
County Engineer - Traffic Lights	\$ 225,000	\$ 225,000	\$ 159,908	\$ 65,092
Public Works	5,638,304	5,908,984	5,494,065	414,919
Fell Street Pump Maintenance	15,000	15,000	15,000	-
TOTAL PUBLIC WORKS	5,878,304	6,148,984	5,668,973	480,011
HOUSING AND DEVELOPMENT:				
Metropolitan Planning Commission	1,238,909	1,238,909	1,238,909	-
SAGIS	276,423	279,390	279,313	77
Coastal Area Regional Development Center	109,875	109,875	107,172	2,703
TOTAL HOUSING AND DEVELOPMENT	1,625,207	1,628,174	1,625,394	2,780
DEBT SERVICE:				
Principal	55,120	55,120	55,117	3
Interest and other charges	32,000	32,000	6,999	25,001
TOTAL DEBT SERVICE	87,120	87,120	62,116	25,004
TRANSFERS TO OTHER FUNDS	2,855,183	3,923,348	3,324,109	599,239
TOTAL CHARGES TO APPROPRIATIONS	29,260,154	30,438,141	29,014,965	1,423,176
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(2,608,252)	(3,786,239)	(2,916,528)	869,711
FUND BALANCE ALLOCATION	2,608,252	3,786,239	-	(3,786,239)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	\$ -	\$ -	\$ (2,916,528)	\$ (2,916,528)

(Concluded)

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – MULTIPLE GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Revenue from other governmental units	\$ 112,800	\$ 10,903,848	\$ 4,113,995	\$ (6,789,853)
Total revenues	<u>112,800</u>	<u>10,903,848</u>	<u>4,113,995</u>	<u>(6,789,853)</u>
EXPENDITURES:				
Current:				
General government	-	8,189,601	3,425,035	4,764,566
Judiciary	-	281,618	272,281	9,337
Public safety	112,800	728,311	371,983	356,328
Public works	-	1,704,318	44,696	1,659,622
Total expenditures	<u>112,800</u>	<u>10,903,848</u>	<u>4,113,995</u>	<u>6,789,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE				
	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR				
	-	-	-	-
FUND BALANCE, END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, GEORGIA
Notes to Required Supplementary Information

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in this report.

1. Departments submit detailed budget requests to the Budget Office, which reviews, compiles the requests, and makes recommendations to the County Manager.
2. The County Manager submits a proposed budget to the Board of County Commissioners no later than the first week in May.
3. The Board of County Commissioners holds such public workshops as it deems necessary and holds an advertised public hearing on the proposed budget at which the first reading of the budget resolution occurs. The budget is finally adopted at a regular Board meeting upon the second reading of the budget resolution prior to June 30th.
4. Annual budgets are adopted for the general fund, special revenue funds and debt service funds for legal budgetary control. Project length budgets are adopted for capital projects funds. Annual budgets are also adopted for other funds as a management tool.
5. Budgets for previously mentioned governmental fund types are maintained on a basis consistent with generally accepted accounting principles. The proprietary funds adopt budgets as a management tool. Since these budgets are not a required disclosure item, they are not presented herein.
6. The County Manager, Finance Director and Budget Officer are authorized to transfer budgeted amounts within departments. The Board of Commissioners may transfer amounts between departments and approve appropriations of additional resources in accordance with Georgia State Laws.
7. Supplemental and decreases in budget appropriations were properly approved by the County Commissioners. For the year ended June 30, 2009, the following supplemental and decrease in appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriations</u>	<u>Supplemental Appropriations</u>	<u>Supplemental Decreases</u>	<u>Final Appropriations</u>
General	\$ 150,374,850	\$ 9,892,747	\$ -	\$ 160,267,597
Special Revenue	39,137,243	12,897,234	-	52,034,477
Debt Service	214,018	102,896	-	316,914

8. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level.

CHATHAM COUNTY, GEORGIA
Notes to Required Supplementary Information

B. Excess of Expenditures Over Appropriation in Individual Funds

<u>Fund</u>	<u>Department</u>	<u>Negative Variance</u>
General Fund	Transfers Out	\$ 48,597
Special Service District	Recorder's Court	343,851

Chatham County, Georgia
Required Supplementary Information – Pension Schedules
June 30, 2009

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Chatham County Employees' Retirement Plan	
Actuarial Valuation Date	June 30, 2008
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level dollar with closed amortization periods
Remaining Amortization Period	15 years
Asset Valuation Method	Adjusted Market Value
Actuarial Assumptions:	
Investment rate of return	8.5%, compounded annually
Projected salary increases	4.0%, compounded annually
Inflation rate	3.0%, compounded annually
Postretirement benefit increases	N/A

Schedule of Funding Progress
(dollar amounts in thousands)
1998 - 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1998	62,822	63,484	662	99.0	36,692	1.8 %
12/31/1999	73,526	80,317	6,791	91.5	40,940	16.6
07/01/2001 *	85,352	87,146	1,794	97.9	43,134	4.2
07/01/2002	90,420	97,293	6,873	92.9	41,078	16.7
07/01/2003	93,250	106,259	13,009	87.8	43,760	29.7
07/01/2004	94,522	117,585	23,063	80.4	46,320	49.8
07/01/2005	97,427	130,304	32,877	74.8	50,935	64.5
07/01/2006	102,952	142,973	40,021	72.0	55,437	72.2
07/01/2007	113,248	156,624	43,376	72.3	58,929	73.6
07/01/2008	125,759	180,456	54,697	69.7	63,973	85.5

* The valuation plan year changed from January 1 to July 1. Due to this change, there is an 18 month period between the December 31, 1999 information and the July 1, 2001 information.

Schedule of Employer Contributions
2000-2009

Year Ended	Annual Contribution	Percentage of Annual Pension Cost Contributed	Year Ended	Annual Contribution	Percentage of Annual Pension Cost Contributed
6/30/2000	\$ 1,397,196	100.0%	6/30/2005	\$ 3,690,313	83.4%
6/30/2001	2,794,392	100.0%	6/30/2006	4,884,890	100.1%
6/30/2002	2,005,964	139.3%	6/30/2007	6,176,443	105.0%
6/30/2003	2,781,215	87.7%	6/30/2008	7,559,734	102.7%
6/30/2004	3,169,496	95.2%	6/30/2009	8,199,933	102.4%

Chatham County, Georgia
Required Supplementary Information – OPEB Schedules
June 30, 2009

Chatham County OPEB Trust Plan
Schedule of Funding Progress
June 30, 2009
(dollars in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Ratio of the Actuarial Liability to Annual Covered Payroll</u>
July 1, 2007	\$4,425	\$91,278	(\$86,853)	4.85%	\$58,929	147.4%
July 1, 2008	7,943	99,598	(91,655)	7.98%	63,973	143.3%

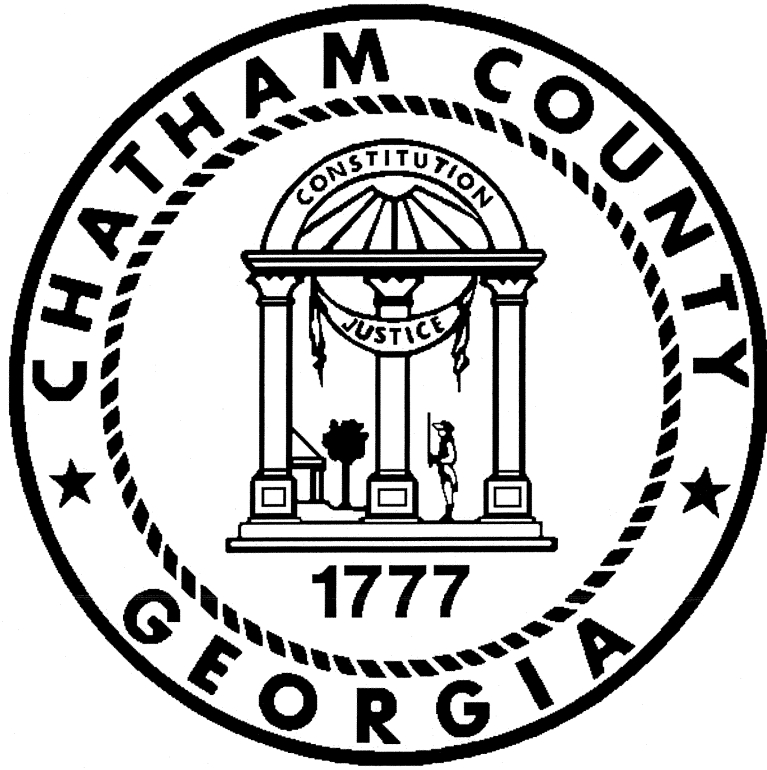
Chatham County OPEB Trust Plan
Schedule of Valuation Details
June 30, 2009

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30 years, open period
Remaining Amortization Period:	30 years
Asset Valuation Method:	Market value
Investment Return Assumption:	7.2%
Health Care Cost Trend Rate:	8% current year, 1% incremental decrease annually to 5% rate by 2010
Population information:	
Retirees & current beneficiaries	359
Active plan participants	<u>1,360</u>
Total	<u>1,719</u>

Chatham County OPEB Trust Plan
Schedule of Employer Contributions
2008-2009

<u>Year Ended</u>	<u>Annual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
June 30, 2008	\$ 7,946,124	81.6%
June 30, 2009	7,650,296	74.7%

**SUPPLEMENTARY DATA – COMBINING FUND
FINANCIAL STATEMENTS AND SCHEDULES**



**NONMAJOR FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS:

The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Chatham Emergency Management Agency - This agency provides emergency service in a disaster area and in the event of enemy attack.

Street Lighting Fund - To account for the Special assessments levied for street lighting services.

Street Paving Fund - To account for the special assessments levied for street improvements.

Confiscated Revenue Fund - To account for funds received from participation in drug related cases.

Emergency Telephone System Fund - To account for funds generated from telephone subscriber surcharge fees for operation of the emergency 911 system.

Land Bank Fund - To account for funds generated from the sale of surplus land.

Land Disturbing Activities Ordinance Fund - To account for fees generated under the Land Disturbing Ordinance.

Child Support Recovery Unit – To account for operations of the Child Support Recovery Unit under the Eastern Circuit District Attorney which is funded by a grant from State of Georgia Department of Human Resources.

Hotel/Motel Tax Fund – To account for the hotel/motel taxes collected.

DEBT SERVICE FUND:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, related costs and certain contractual obligations.

CAPITAL PROJECTS FUNDS:

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Program - To account for the construction and acquisition of major capital projects which cost in excess of \$ 10,000.

Capital Improvement Bond Fund (Series 1999) - To account for the proceeds of the \$9,300,000 DSA Revenue Bonds, Series 1999 to be used for construction, improvement and replacement for specific capital projects.

Capital Improvement Bond Fund (Series 2005) – To account for the proceeds of the \$29,055,000 DSA Revenue Bonds, Series 2005 to be used for refunding of existing debt, construction and capital improvements to buildings.

CHATHAM COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

Special Revenue Funds

	Chatham Emergency Management	Street Lighting	Street Paving	Confiscated Revenue Fund	Emergency Telephone System	Land Bank
ASSETS						
Cash and investments	\$ 417,294	\$ 33,442	\$ 175,622	\$ 445,541	\$ 1,083,682	\$ -
Receivable, net	-	20,769	87,877	-	210,727	10,921
Restricted cash	25,148	-	-	-	-	-
Total assets	\$ 442,442	\$ 54,211	\$ 263,499	\$ 445,541	\$ 1,294,409	\$ 10,921
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 161,708	\$ 34,879	\$ 87,877	\$ 26,480	\$ 656,404	\$ 2,565
Due to other funds	-	-	-	-	-	56,058
Other payables	-	-	-	-	-	755
Deferred revenue	-	17,300	-	-	-	-
Total liabilities	161,708	52,179	87,877	26,480	656,404	59,378
Fund balances:						
Reserved for:						
Public safety	25,148	-	-	419,061	638,005	-
Debt service	-	-	-	-	-	-
Unreserved reported in:						
Special revenue funds	255,586	2,032	175,622	-	-	(48,457)
Capital project funds	-	-	-	-	-	-
Total fund balances	280,734	2,032	175,622	419,061	638,005	(48,457)
Total liabilities and fund balances	\$ 442,442	\$ 54,211	\$ 263,499	\$ 445,541	\$ 1,294,409	\$ 10,921

Capital Projects

Land Disturbing Activities Ordinance	Child Support Enforcement	Hotel/Motel Tax Fund	Capital Improvement Program	Capital Improvement Bond Fund	2005 Series Capital Improvement Bond Fund	Debt Service	Total Other Governmental Funds
\$ 157,086	\$ -	\$ -	\$ 26,392,618	\$ 394,183	\$ 3,936,966	\$ 93,816	\$ 33,130,250
-	556,630	127,977	-	-	-	9,835	1,024,736
-	-	-	-	-	-	-	25,148
<u>\$ 157,086</u>	<u>\$ 556,630</u>	<u>\$ 127,977</u>	<u>\$ 26,392,618</u>	<u>\$ 394,183</u>	<u>\$ 3,936,966</u>	<u>\$ 103,651</u>	<u>\$ 34,180,134</u>
\$ -	\$ 29,567	\$ 121,809	\$ 288,976	\$ 14,780	\$ 27,819	\$ -	\$ 1,452,864
-	526,908	6,168	-	-	-	-	589,134
2,067	-	-	3,180	-	-	-	6,002
-	155	-	-	-	-	-	17,455
<u>2,067</u>	<u>556,630</u>	<u>127,977</u>	<u>292,156</u>	<u>14,780</u>	<u>27,819</u>	<u>-</u>	<u>2,065,455</u>
-	-	-	-	-	-	-	1,082,214
-	-	-	-	-	-	103,651	103,651
155,019	-	-	-	-	-	-	539,802
-	-	-	26,100,462	379,403	3,909,147	-	30,389,012
<u>155,019</u>	<u>-</u>	<u>-</u>	<u>26,100,462</u>	<u>379,403</u>	<u>3,909,147</u>	<u>103,651</u>	<u>32,114,679</u>
<u>\$ 157,086</u>	<u>\$ 556,630</u>	<u>\$ 127,977</u>	<u>\$ 26,392,618</u>	<u>\$ 394,183</u>	<u>\$ 3,936,966</u>	<u>\$ 103,651</u>	<u>\$ 34,180,134</u>

CHATHAM COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

Special Revenue Funds

	Chatham Emergency Management	Street Lighting	Street Paving	Confiscated Revenue Fund	Emergency Telephone System	Land Bank
REVENUES						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	89,815	-	-	-	-	-
Charges for services	-	456,919	-	-	2,482,975	-
Fees and fines	-	-	-	396,140	-	-
Investment earnings	3,743	341	2,893	2,602	11,744	191
Other revenue	10,341	-	1,094	74,579	122,870	11,611
Total revenues	<u>103,899</u>	<u>457,260</u>	<u>3,987</u>	<u>473,321</u>	<u>2,617,589</u>	<u>11,802</u>
EXPENDITURES						
Current:						
Public safety	1,118,764	-	-	388,433	2,731,828	-
Public works	-	456,700	1,671	-	-	-
Housing and development	-	-	-	-	-	218,135
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay						
Total expenditures	<u>1,118,764</u>	<u>456,700</u>	<u>1,671</u>	<u>388,433</u>	<u>2,731,828</u>	<u>218,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,014,865)</u>	<u>560</u>	<u>2,316</u>	<u>84,888</u>	<u>(114,239)</u>	<u>(206,333)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	991,280	-	-	-	117,701	75,950
Transfers out	-	-	(120,190)	-	-	-
Total other financing sources and uses	<u>991,280</u>	<u>-</u>	<u>(120,190)</u>	<u>-</u>	<u>117,701</u>	<u>75,950</u>
Net change in fund balances	<u>(23,585)</u>	<u>560</u>	<u>(117,874)</u>	<u>84,888</u>	<u>3,462</u>	<u>(130,383)</u>
Fund balances - beginning	304,319	1,472	293,496	334,173	634,543	81,926
Fund balances - ending	<u>\$ 280,734</u>	<u>\$ 2,032</u>	<u>\$ 175,622</u>	<u>\$ 419,061</u>	<u>\$ 638,005</u>	<u>\$ (48,457)</u>

Capital Projects

Land Disturbing Activities Ordinance	Child Support Enforcement	Hotel/Motel Tax Fund	Capital Improvement Program	Capital Improvement Bond Fund	2005 Series Capital Improvement Bond Fund	Debt Service	Total Other Governmental Funds
\$ -	\$ -	\$ 1,262,170	\$ -	\$ -	\$ -	\$ -	\$ 1,262,170
345,514	-	-	-	-	-	-	345,514
-	2,751,847	-	-	-	-	-	2,841,662
-	-	-	-	-	-	-	2,939,894
-	-	-	-	-	-	-	396,140
3,035	-	-	199,574	3,635	58,789	757	287,304
-	-	-	56,281	-	-	214,017	490,793
<u>348,549</u>	<u>2,751,847</u>	<u>1,262,170</u>	<u>255,855</u>	<u>3,635</u>	<u>58,789</u>	<u>214,774</u>	<u>8,563,477</u>
-	2,821,847	-	-	-	-	-	7,060,872
-	-	-	-	-	-	-	458,371
447,280	-	631,085	-	-	-	-	1,296,500
-	-	-	-	-	-	135,000	135,000
-	-	-	-	-	-	52,979	52,979
-	-	-	6,662,125	145,124	394,699	-	7,201,948
<u>447,280</u>	<u>2,821,847</u>	<u>631,085</u>	<u>6,662,125</u>	<u>145,124</u>	<u>394,699</u>	<u>187,979</u>	<u>16,205,670</u>
<u>(98,731)</u>	<u>(70,000)</u>	<u>631,085</u>	<u>(6,406,270)</u>	<u>(141,489)</u>	<u>(335,910)</u>	<u>26,795</u>	<u>(7,642,193)</u>
-	70,000	-	8,284,095	-	-	-	9,539,026
-	-	(631,085)	(860,804)	-	-	(26,040)	(1,638,119)
-	70,000	(631,085)	7,423,291	-	-	(26,040)	7,900,907
(98,731)	-	-	1,017,021	(141,489)	(335,910)	755	258,714
253,750	-	-	25,083,441	520,892	4,245,057	102,896	31,855,965
<u>\$ 155,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,100,462</u>	<u>\$ 379,403</u>	<u>\$ 3,909,147</u>	<u>\$ 103,651</u>	<u>\$ 32,114,679</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – CHATHAM EMERGENCY MANAGEMENT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Revenue from other governmental units	\$ -	\$ -	\$ 89,815	\$ 89,815
Investment income	-	-	3,743	3,743
Other	-	-	10,341	10,341
Total revenues	<u>-</u>	<u>-</u>	<u>103,899</u>	<u>103,899</u>
EXPENDITURES:				
Current:				
Public safety - CEMA	<u>991,280</u>	<u>1,295,599</u>	<u>1,118,764</u>	<u>176,835</u>
Total expenditures	<u>991,280</u>	<u>1,295,599</u>	<u>1,118,764</u>	<u>176,835</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(991,280)</u>	<u>(1,295,599)</u>	<u>(1,014,865)</u>	<u>280,734</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>991,280</u>	<u>991,280</u>	<u>991,280</u>	<u>-</u>
Total other financing sources	<u>991,280</u>	<u>991,280</u>	<u>991,280</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(304,319)	(23,585)	280,734
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>304,319</u>	<u>304,319</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,734</u>	<u>\$ 280,734</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – STREET LIGHTING
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 617,720	\$ 617,720	\$ 456,919	\$ (160,801)
Investment income	-	-	341	341
Total revenues	<u>617,720</u>	<u>617,720</u>	<u>457,260</u>	<u>(160,460)</u>
EXPENDITURES:				
Current:				
Public works	<u>617,720</u>	<u>619,192</u>	<u>456,700</u>	<u>162,492</u>
Total expenditures	<u>617,720</u>	<u>619,192</u>	<u>456,700</u>	<u>162,492</u>
NET CHANGE IN FUND BALANCE	-	(1,472)	560	2,032
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>1,472</u>	<u>1,472</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,032</u>	<u>\$ 2,032</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – STREET PAVING
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Investment income	\$ 3,130	\$ 3,130	\$ 2,893	\$ (237)
Other	-	-	1,094	1,094
Total revenues	<u>3,130</u>	<u>3,130</u>	<u>3,987</u>	<u>857</u>
EXPENDITURES:				
Current:				
Public works	295,258	176,436	1,671	174,765
Total expenditures	<u>295,258</u>	<u>176,436</u>	<u>1,671</u>	<u>174,765</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(292,128)	(173,306)	2,316	175,622
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(120,190)	(120,190)	-
Total other financing sources	<u>-</u>	<u>(120,190)</u>	<u>(120,190)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(292,128)	(293,496)	(117,874)	175,622
FUND BALANCE, BEGINNING OF YEAR	<u>292,128</u>	<u>293,496</u>	<u>293,496</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,622</u>	<u>\$ 175,622</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – CONFISCATED REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Fines and fees	\$ 50,000	\$ 241,170	\$ 396,140	\$ 154,970
Investment income	-	-	2,602	2,602
Other	-	73,835	74,579	744
Total revenues	<u>50,000</u>	<u>315,005</u>	<u>473,321</u>	<u>158,316</u>
EXPENDITURES:				
Current:				
Public safety	<u>100,000</u>	<u>649,178</u>	<u>388,433</u>	<u>260,745</u>
Total expenditures	<u>100,000</u>	<u>649,178</u>	<u>388,433</u>	<u>260,745</u>
NET CHANGE IN FUND BALANCE	<u>(50,000)</u>	<u>(334,173)</u>	<u>84,888</u>	<u>419,061</u>
FUND BALANCE, BEGINNING OF YEAR	<u>50,000</u>	<u>334,173</u>	<u>334,173</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,061</u>	<u>\$ 419,061</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – EMERGENCY TELEPHONE SYSTEM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 1,164,403	\$ 1,164,403	\$ 2,482,975	\$ 1,318,572
Investment income	3,972	-	11,744	11,744
Other	-	-	122,870	122,870
Total revenues	<u>1,168,375</u>	<u>1,164,403</u>	<u>2,617,589</u>	<u>1,453,186</u>
EXPENDITURES:				
Current:				
Public safety	<u>2,450,733</u>	<u>2,485,476</u>	<u>2,731,828</u>	<u>(246,352)</u>
Total expenditures	<u>2,450,733</u>	<u>2,485,476</u>	<u>2,731,828</u>	<u>(246,352)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,282,358)</u>	<u>(1,321,073)</u>	<u>(114,239)</u>	<u>1,206,834</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>682,558</u>	<u>686,530</u>	<u>117,701</u>	<u>(568,829)</u>
Total other financing sources	<u>682,558</u>	<u>686,530</u>	<u>117,701</u>	<u>(568,829)</u>
NET CHANGE IN FUND BALANCE	(599,800)	(634,543)	3,462	638,005
FUND BALANCE, BEGINNING OF YEAR	<u>599,800</u>	<u>634,543</u>	<u>634,543</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,005</u>	<u>\$ 638,005</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – LAND BANK
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Investment income	\$ -	\$ -	\$ 191	\$ 191
Other	340,743	340,743	11,611	(329,132)
Total revenues	<u>340,743</u>	<u>340,743</u>	<u>11,802</u>	<u>(328,941)</u>
EXPENDITURES:				
Current:				
Housing and development	416,693	453,813	218,135	235,678
Total expenditures	<u>416,693</u>	<u>453,813</u>	<u>218,135</u>	<u>235,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(75,950)	(113,070)	(206,333)	(93,263)
OTHER FINANCING SOURCES (USES):				
Transfers in	75,950	75,950	75,950	-
Total other financing sources (uses)	<u>75,950</u>	<u>75,950</u>	<u>75,950</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(37,120)	(130,383)	(93,263)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>37,120</u>	<u>81,926</u>	<u>44,806</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,457)</u>	<u>\$ (48,457)</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – LAND DISTURBING ACTIVITIES ORDINANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Licenses and permits	\$ 513,165	\$ 513,165	\$ 345,514	\$ (167,651)
Investment income	5,000	5,000	3,035	(1,965)
Total revenues	<u>518,165</u>	<u>518,165</u>	<u>348,549</u>	<u>(169,616)</u>
EXPENDITURES:				
Current:				
Housing and development	<u>518,165</u>	<u>518,165</u>	<u>447,280</u>	<u>70,885</u>
Total expenditures	<u>518,165</u>	<u>518,165</u>	<u>447,280</u>	<u>70,885</u>
NET CHANGE IN FUND BALANCE	-	-	(98,731)	(98,731)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>253,750</u>	<u>253,750</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,019</u>	<u>\$ 155,019</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – CHILD SUPPORT ENFORCEMENT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

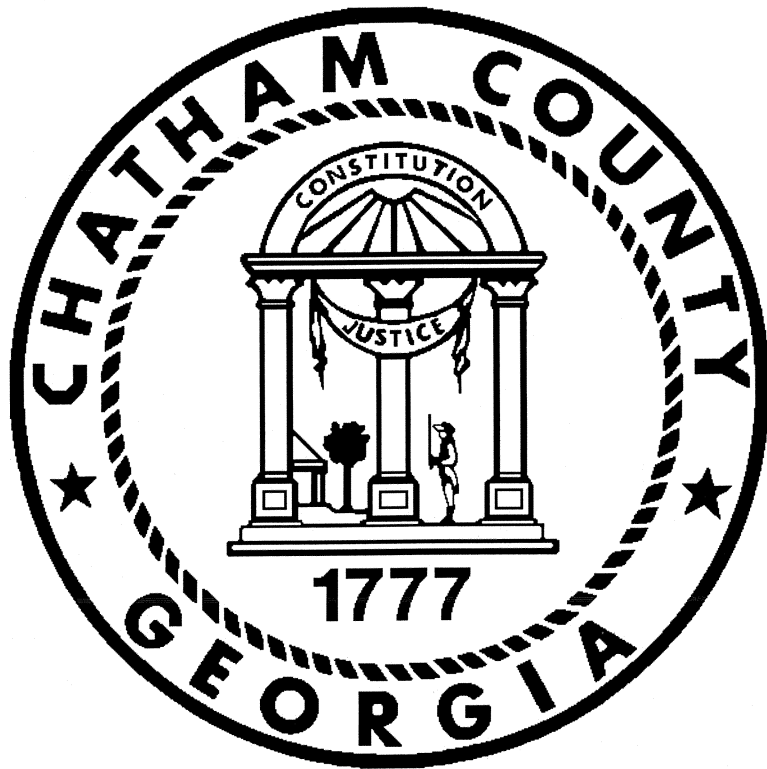
	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Revenue from other governmental units	\$ 3,013,120	\$ 3,013,120	\$ 2,751,847	\$ (261,273)
Other	-	-	-	-
Total revenues	<u>3,013,120</u>	<u>3,013,120</u>	<u>2,751,847</u>	<u>(261,273)</u>
EXPENDITURES:				
Current:				
Public safety	<u>3,083,120</u>	<u>3,083,120</u>	<u>2,821,847</u>	<u>261,273</u>
Total expenditures	<u>3,083,120</u>	<u>3,083,120</u>	<u>2,821,847</u>	<u>261,273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total other financing sources (uses)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, GEORGIA
SPECIAL REVENUE FUND – HOTEL/MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes:				
Hotel/motel taxes	\$ 1,291,320	\$ 1,291,320	\$ 1,262,170	\$ (29,150)
Total revenues	<u>1,291,320</u>	<u>1,291,320</u>	<u>1,262,170</u>	<u>(29,150)</u>
EXPENDITURES:				
Current:				
Housing and development	645,660	645,660	631,085	14,575
Total expenditures	<u>645,660</u>	<u>645,660</u>	<u>631,085</u>	<u>14,575</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>645,660</u>	<u>645,660</u>	<u>631,085</u>	<u>(14,575)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(645,660)	(645,660)	(631,085)	14,575
Total other financing sources (uses)	<u>(645,660)</u>	<u>(645,660)</u>	<u>(631,085)</u>	<u>14,575</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, GEORGIA
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES:				
Investment income	\$ -	\$ -	\$ 757	\$ 757
Other	214,018	214,018	214,017	(1)
Total revenues	<u>214,018</u>	<u>214,018</u>	<u>214,774</u>	<u>756</u>
EXPENDITURES:				
Debt Service:				
Bond principal retirement	135,000	135,000	135,000	-
Interest and fiscal charges	54,018	156,914	52,979	103,935
Total expenditures	<u>189,018</u>	<u>291,914</u>	<u>187,979</u>	<u>103,935</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,000</u>	<u>(77,896)</u>	<u>26,795</u>	<u>104,691</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(25,000)	(25,000)	(26,040)	(1,040)
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(26,040)</u>	<u>(1,040)</u>
NET CHANGE IN FUND BALANCE	-	(102,896)	755	103,651
FUND BALANCE, BEGINNING OF YEAR	-	102,896	102,896	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,651</u>	<u>\$ 103,651</u>



NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water and Sewer Fund - To account for the provision of water and sewer services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

Parking Garage Fund - To account for parking services.

Henderson Golf Course- To account for recreational golf services.

Building Safety & Regulatory Services Fund – To account for the collection of permits, plan reviews, inspections and zoning fees.

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS:

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 governmental unit, or to other governmental units, on a cost reimbursement basis.

Health Insurance Fund - To account for the claims arising from employee medical costs for which the County is self-insured.

Catastrophic Claims Fund - To account for catastrophic claims in excess of \$100,000.

Risk Management Fund – To account for workers compensation claims and other risk management activities.

CHATHAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	Water and Sewer Fund	Parking Garage Fund	Henderson Golf Club Fund	Building Safety and Regulatory Services	Total
ASSETS					
Current assets:					
Cash and investments	\$ 2,705,232	\$ 1,338,268	\$ 220,237	\$ -	\$ 4,263,737
Receivable, net	625,697	667	4,000	-	630,364
Restricted cash	236,436	-	-	-	236,436
Total current assets	<u>3,567,365</u>	<u>1,338,935</u>	<u>224,237</u>	<u>-</u>	<u>5,130,537</u>
Capital assets:					
Capital assets (net of accumulated depreciation)	5,351,307	1,762,055	7,171,058	262,726	14,547,146
Total assets	<u>8,918,672</u>	<u>3,100,990</u>	<u>7,395,295</u>	<u>262,726</u>	<u>19,677,683</u>
LIABILITIES					
Current liabilities:					
Accounts payable	205,765	3,091	-	86	208,942
Payable from restricted assets	236,436	-	-	-	236,436
Due to other funds	-	-	152,347	200,489	352,836
Other accrued expenses	2,097	444	-	7,399	9,940
Unearned revenue	-	711	-	-	711
Current portion of long-term liabilities	2,938	628	-	4,280	7,846
Total current liabilities	<u>447,236</u>	<u>4,874</u>	<u>152,347</u>	<u>212,254</u>	<u>816,711</u>
Non-current liabilities:					
Due in more than one year	23,768	5,082	-	34,629	63,479
Net OPEB Obligation	16,656	5,552	-	67,777	89,985
Total non-current liabilities	<u>40,424</u>	<u>10,634</u>	<u>-</u>	<u>102,406</u>	<u>153,464</u>
Total liabilities	<u>487,660</u>	<u>15,508</u>	<u>152,347</u>	<u>314,660</u>	<u>970,175</u>
NET ASSETS					
Invested in capital assets, net of related debt	5,351,307	1,762,055	7,171,058	262,726	14,547,146
Unrestricted	3,079,705	1,323,427	71,890	(314,660)	4,160,362
Total net assets	<u>\$ 8,431,012</u>	<u>\$ 3,085,482</u>	<u>\$ 7,242,948</u>	<u>\$ (51,934)</u>	<u>\$ 18,707,508</u>

CHATHAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Water and Sewer Fund	Parking Garage Fund	Henderson Golf Club Fund	Building Safety and Regulatory Services	Total
OPERATING REVENUES					
Charges for services	\$ 1,894,733	\$ 257,770	\$ 48,000	\$ 979,249	\$ 3,179,752
Miscellaneous	168	-	188,052	-	188,220
Total operating revenues	<u>1,894,901</u>	<u>257,770</u>	<u>236,052</u>	<u>979,249</u>	<u>3,367,972</u>
OPERATING EXPENSES					
Personal services	414,500	103,465	-	1,375,540	1,893,505
Contractual services	1,157,085	20,938	-	41,018	1,219,041
Other supplies and expenses	372,309	31,303	-	57,228	460,840
Interdepartmental charges	151,427	50,676	-	258,118	460,221
Depreciation	354,355	76,149	19,321	30,763	480,588
Total operating expenses	<u>2,449,676</u>	<u>282,531</u>	<u>19,321</u>	<u>1,762,667</u>	<u>4,514,195</u>
Operating income (loss)	<u>(554,775)</u>	<u>(24,761)</u>	<u>216,731</u>	<u>(783,418)</u>	<u>(1,146,223)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	41,190	15,846	1,612	-	58,648
Gain (loss) on sale of assets	-	-	139,736	-	139,736
Total non-operating revenue (expenses)	<u>41,190</u>	<u>15,846</u>	<u>141,348</u>	<u>-</u>	<u>198,384</u>
Income (loss) before transfers	<u>(513,585)</u>	<u>(8,915)</u>	<u>358,079</u>	<u>(783,418)</u>	<u>(947,839)</u>
Transfers in	-	-	-	777,000	777,000
Transfers out	-	-	-	(27,000)	(27,000)
Change in net assets	<u>(513,585)</u>	<u>(8,915)</u>	<u>358,079</u>	<u>(33,418)</u>	<u>(197,839)</u>
Total net assets - beginning	<u>8,944,597</u>	<u>3,094,397</u>	<u>6,884,869</u>	<u>(18,516)</u>	<u>18,905,347</u>
Total net assets - ending	<u>\$ 8,431,012</u>	<u>\$ 3,085,482</u>	<u>\$ 7,242,948</u>	<u>\$ (51,934)</u>	<u>\$ 18,707,508</u>

CHATHAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Water and Sewer Fund	Parking Garage Fund	Henderson Golf Club Fund	Building Safety and Regulatory Services	Total
Cash flows from operating activities:					
Cash received from customers	\$ 2,293,820	\$ 250,066	\$ 369,509	\$ 979,279	\$ 3,892,674
Cash payments to employees for services	(405,143)	(100,346)	-	(1,304,886)	(1,810,375)
Cash payments to suppliers for goods and services	(1,643,721)	(99,175)	(337,056)	(385,416)	(2,465,368)
Net cash provided (used) by operating activities	<u>244,956</u>	<u>50,545</u>	<u>32,453</u>	<u>(711,023)</u>	<u>(383,069)</u>
Cash flows from noncapital financing activities:					
Borrowings from (repayments to) other funds	-	-	(190,384)	(38,977)	(229,361)
Transfers in	-	-	-	777,000	777,000
Transfers out	-	-	-	(27,000)	(27,000)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(190,384)</u>	<u>711,023</u>	<u>520,639</u>
Cash flows from capital and related financing activities:					
Proceeds from developers	3,879	-	-	-	3,879
Proceeds from sale capital assets	147,779	-	139,736	-	287,515
Interest payments on debt	-	-	-	-	-
Principal payments on debt	(304,936)	-	-	-	(304,936)
Acquisitions and construction of capital assets	(264,594)	-	-	-	(264,594)
Net cash (used) by capital and related financing activities	<u>(417,872)</u>	<u>-</u>	<u>139,736</u>	<u>-</u>	<u>(278,136)</u>
Cash flows from investing activities:					
Interest earned on cash and investments	41,190	15,846	1,612	-	58,648
Net cash provided (used) by investing activities	<u>41,190</u>	<u>15,846</u>	<u>1,612</u>	<u>-</u>	<u>58,648</u>
Net increase (decrease) in cash and cash equivalents	(131,726)	66,391	(16,583)	-	(81,918)
Cash and cash equivalents, beginning of year	3,073,394	1,271,877	236,820	-	4,582,091
Cash and cash equivalents, end of year	<u>\$ 2,941,668</u>	<u>\$ 1,338,268</u>	<u>\$ 220,237</u>	<u>\$ -</u>	<u>\$ 4,500,173</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (554,775)	\$ (24,761)	\$ 216,731	\$ (783,418)	\$ (1,146,223)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	354,355	76,149	19,321	30,763	480,588
Change in assets and liabilities:					
(Increase) decrease in accounts receivables	398,919	383	133,457	30	532,789
(Increase) decrease in prepaid items	-	-	6,548	-	6,548
Increase (decrease) in accounts payable and other accrued liabilities	37,100	3,742	(343,604)	5,577	(297,185)
Increase (decrease) in unearned revenue	-	(8,087)	-	-	(8,087)
Increase (decrease) in net OPEB obligations	9,357	3,119	-	36,025	48,501
Total adjustments	<u>799,731</u>	<u>75,306</u>	<u>(184,278)</u>	<u>72,395</u>	<u>763,154</u>
Net cash provided (used) by operating activities	<u>\$ 244,956</u>	<u>\$ 50,545</u>	<u>\$ 32,453</u>	<u>\$ (711,023)</u>	<u>\$ (383,069)</u>

CHATHAM COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

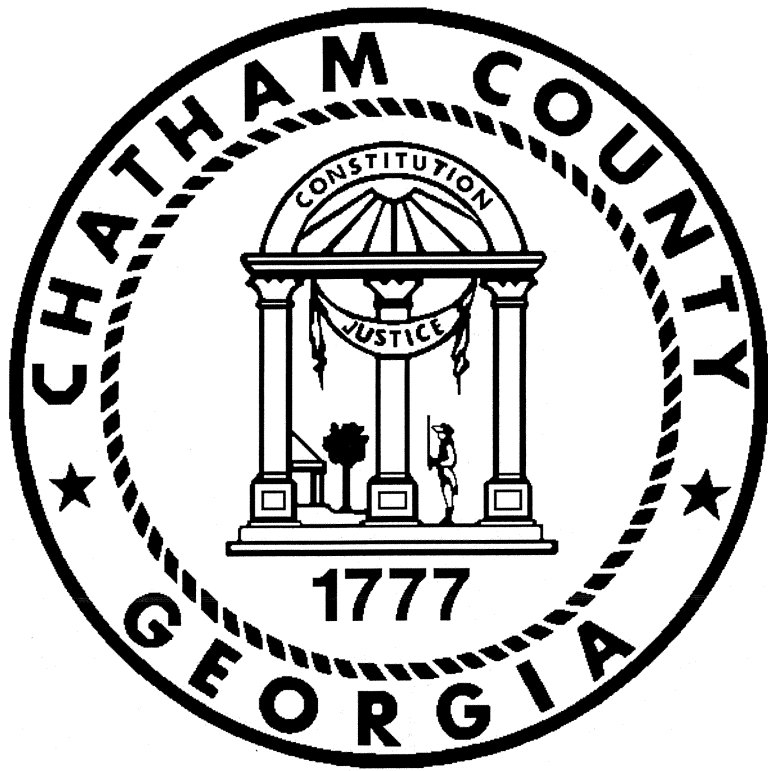
	Health Insurance	Risk Management Fund	Catastrophic Claims	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,368,795	\$ 5,075,112	\$ 1,762,265	\$ 11,206,172
Receivable, net	131,170	-	-	131,170
Total assets	<u>4,499,965</u>	<u>5,075,112</u>	<u>1,762,265</u>	<u>11,337,342</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	62,052	183,461	-	245,513
Noncurrent Liabilities:				
Claims payable	909,007	2,330,974	-	3,239,981
Total liabilities	<u>971,059</u>	<u>2,514,435</u>	<u>-</u>	<u>3,485,494</u>
NET ASSETS				
Unrestricted	3,528,906	2,560,677	1,762,265	7,851,848
Total net assets	<u>\$ 3,528,906</u>	<u>\$ 2,560,677</u>	<u>\$ 1,762,265</u>	<u>\$ 7,851,848</u>

CHATHAM COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Health Insurance	Risk Management Fund	Catastrophic Claims	Total
OPERATING REVENUES				
Employee contributions	\$ 2,446,411	\$ -	\$ -	\$ 2,446,411
Employer contributions	12,938,150	-	-	12,938,150
Other	226,998	-	-	226,998
Risk management fees	292,975	435,128	-	728,103
Total operating revenues	<u>15,904,534</u>	<u>435,128</u>	<u>-</u>	<u>16,339,662</u>
OPERATING EXPENSES				
Risk management	13,008,306	2,578,421	-	15,586,727
Administrative fees	1,914,633	75,884	-	1,990,517
Total operating expenses	<u>14,922,939</u>	<u>2,654,305</u>	<u>-</u>	<u>17,577,244</u>
Operating income (loss)	<u>981,595</u>	<u>(2,219,177)</u>	<u>-</u>	<u>(1,237,582)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue (expense)	24,917	49,047	23,770	97,734
Total non-operating revenue (expenses)	<u>24,917</u>	<u>49,047</u>	<u>23,770</u>	<u>97,734</u>
Income (loss) before transfers	1,006,512	(2,170,130)	23,770	(1,139,848)
Transfers in	-	2,835,510	-	2,835,510
Change in net assets	1,006,512	665,380	23,770	1,695,662
Total net assets - beginning	<u>2,522,394</u>	<u>1,895,297</u>	<u>1,738,495</u>	<u>6,156,186</u>
Total net assets - ending	<u>\$ 3,528,906</u>	<u>\$ 2,560,677</u>	<u>\$ 1,762,265</u>	<u>\$ 7,851,848</u>

CHATHAM COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Health Insurance	Risk Management Fund	Catastrophic Claims	Total
Cash flows from operating activities:				
Employee and employer contributions	\$ 15,384,561	\$ -	\$ -	\$ 15,384,561
Other	226,998	435,128	-	662,126
Risk management fees	294,148	-	-	294,148
Payment of claims, fees and expenses	(14,946,774)	(2,616,137)	-	(17,562,911)
Net cash provided (used) by operating activities	<u>958,933</u>	<u>(2,181,009)</u>	<u>-</u>	<u>(1,222,076)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	2,835,510	-	2,835,510
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>2,835,510</u>	<u>-</u>	<u>2,835,510</u>
Cash flows from investing activities:				
Interest earned on cash and investments	24,917	49,047	23,770	97,734
Net cash provided (used) by investing activities	<u>24,917</u>	<u>49,047</u>	<u>23,770</u>	<u>97,734</u>
Net increase (decrease) in cash and cash equivalents	983,850	703,548	23,770	1,711,168
Cash and cash equivalents, beginning of year	3,384,945	4,371,564	1,738,495	9,495,004
Cash and cash equivalents, end of year	<u>\$ 4,368,795</u>	<u>\$ 5,075,112</u>	<u>\$ 1,762,265</u>	<u>\$ 11,206,172</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 981,595	\$ (2,219,177)	\$ -	\$ (1,237,582)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in other receivables	1,173	-	-	1,173
Increase (decrease) in accounts / claims payable	(23,835)	38,168	-	14,333
Total adjustments	<u>(22,662)</u>	<u>38,168</u>	<u>-</u>	<u>15,506</u>
Net cash provided (used) by operating activities	<u>\$ 958,933</u>	<u>\$ (2,181,009)</u>	<u>\$ -</u>	<u>\$ (1,222,076)</u>



FIDUCIARY FUNDS

TRUST FUNDS:

Pension Trust Fund – To account for the public employee retirement plan.

Other Post-Employment Benefit (OPEB) Fund – To account for transactions related to retiree healthcare and other post-employment benefits, including activities related to the prefunding of retiree healthcare.

AGENCY FUNDS:

Agency Funds are used to account for assets held by a governmental unit in a trustee capacity as an agent for individuals, private organizations and other governmental units.

Tax Commissioner - To account for all real, personal, tangible, and intangible recording taxes collected and forwarded to the County and other governmental bodies.

Flexible Benefit Plan - To provide eligible Employees with a means of (1) selecting benefits from a "cafeteria" which are best to his/her family's needs and (2) paying for certain types of expenses with PRE-TAX income dollars (referred to as Flexible Dollars), thus reducing taxable income and increasing net take-home pay.

The following agency funds are used to account for fines, fees, and other monies collected by the courts and remitted to other parties in accordance with court orders:

**Clerk of Superior Court
Registry of Superior Court
Clerk's Office State Court
Sheriff's Office of State and Superior Court
Clerk's Office Magistrate Court
Probate Court**

CHATHAM COUNTY, GEORGIA
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
JUNE 30, 2009

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 16,389,989	\$ 8,184,120	\$ 24,574,109
Receivables:			
Interest and dividend	656,478	-	656,478
Sale of investments	475,258	-	475,258
Accounts	68,085	18,833	86,918
Investments:			
U.S. government and agency obligations	9,980,060	-	9,980,060
Mortgage backed securities	4,210,729	-	4,210,729
Corporate bonds	30,559,687	-	30,559,687
Domestic stocks	28,342,256	-	28,342,256
Real estate investment trust	306,264	-	306,264
International equity funds	11,522,677	-	11,522,677
Asset backed securities	275,860	-	275,860
Total Investments	<u>85,197,533</u>	<u>-</u>	<u>85,197,533</u>
Total assets	<u>102,787,343</u>	<u>8,202,953</u>	<u>110,990,296</u>
LIABILITIES			
Accounts payable	968,674	260,262	1,228,936
Total liabilities	<u>968,674</u>	<u>260,262</u>	<u>1,228,936</u>
NET ASSETS			
Held in trust for pension and other employee benefits	<u>\$ 101,818,669</u>	<u>\$ 7,942,691</u>	<u>\$ 109,761,360</u>

CHATHAM COUNTY, GEORGIA
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Pension Trust Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 8,199,933	\$ 7,650,296	\$ 15,850,229
Plan members	2,187,321	320,319	2,507,640
Total contributions	<u>10,387,254</u>	<u>7,970,615</u>	<u>18,357,869</u>
Investment earnings:			
Net appreciation (depreciation) in fair value of investments	(18,722,504)	-	(18,722,504)
Interest	2,762,732	23,124	2,785,856
Dividends	1,546,710	-	1,546,710
Total net investment earnings	<u>(14,413,062)</u>	<u>23,124</u>	<u>(14,389,938)</u>
Less investment expense	428,271	-	428,271
Net investment income	<u>(14,841,333)</u>	<u>23,124</u>	<u>(14,818,209)</u>
 Total additions	 <u>(4,454,079)</u>	 <u>7,993,739</u>	 <u>3,539,660</u>
DEDUCTIONS			
Benefits	8,162,270		8,162,270
Risk management		3,794,095	3,794,095
Refunds of contributions	161,784	-	161,784
Administrative expense	127,752	399,465	527,217
Total deductions	<u>8,451,806</u>	<u>4,193,560</u>	<u>12,645,366</u>
Change in net assets	(12,905,885)	3,800,179	(9,105,706)
Net assets - beginning	114,724,554	4,142,512	118,867,066
Net assets - ending	<u>\$ 101,818,669</u>	<u>\$ 7,942,691</u>	<u>\$ 109,761,360</u>

CHATHAM COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
TAX COMMISSIONER				
Assets:				
Cash and investments	\$ 14,680,315	\$ 187,033,193	\$ 186,150,823	\$ 15,562,685
Total Assets	<u>\$ 14,680,315</u>	<u>\$ 187,033,193</u>	<u>\$ 186,150,823</u>	<u>\$ 15,562,685</u>
Liabilities:				
Due to others	\$ 14,680,315	\$ 187,033,193	\$ 186,150,823	\$ 15,562,685
Total Liabilities	<u>\$ 14,680,315</u>	<u>\$ 187,033,193</u>	<u>\$ 186,150,823</u>	<u>\$ 15,562,685</u>
CLERK OF SUPERIOR COURT				
Assets:				
Cash and investments	\$ 479,703	\$ 3,928,352	\$ 3,935,452	\$ 472,603
Total Assets	<u>\$ 479,703</u>	<u>\$ 3,928,352</u>	<u>\$ 3,935,452</u>	<u>\$ 472,603</u>
Liabilities:				
Due to others	\$ 479,703	\$ 3,928,352	\$ 3,935,452	\$ 472,603
Total Liabilities	<u>\$ 479,703</u>	<u>\$ 3,928,352</u>	<u>\$ 3,935,452</u>	<u>\$ 472,603</u>
REGISTRY OF SUPERIOR COURT				
Assets:				
Cash and investments	\$ 9,351,595	\$ 5,395,319	\$ 5,813,952	\$ 8,932,962
Total Assets	<u>\$ 9,351,595</u>	<u>\$ 5,395,319</u>	<u>\$ 5,813,952</u>	<u>\$ 8,932,962</u>
Liabilities:				
Due to others	\$ 9,351,595	\$ 5,395,319	\$ 5,813,952	\$ 8,932,962
Total Liabilities	<u>\$ 9,351,595</u>	<u>\$ 5,395,319</u>	<u>\$ 5,813,952</u>	<u>\$ 8,932,962</u>
CLERK'S OFFICE STATE COURT				
Assets:				
Cash and investments	\$ 162,634	\$ 1,719,660	\$ 1,660,761	\$ 221,533
Total Assets	<u>\$ 162,634</u>	<u>\$ 1,719,660</u>	<u>\$ 1,660,761</u>	<u>\$ 221,533</u>
Liabilities:				
Due to others	\$ 162,634	\$ 1,719,660	\$ 1,660,761	\$ 221,533
Total Liabilities	<u>\$ 162,634</u>	<u>\$ 1,719,660</u>	<u>\$ 1,660,761</u>	<u>\$ 221,533</u>

CHATHAM COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
SHERIFF'S OFFICE STATE AND SUPERIOR COURTS				
Assets:				
Cash and investments	\$ 2,299,253	\$ 1,660,545	\$ 1,642,300	\$ 2,317,498
Total Assets	<u>\$ 2,299,253</u>	<u>\$ 1,660,545</u>	<u>\$ 1,642,300</u>	<u>\$ 2,317,498</u>
Liabilities:				
Due to others	\$ 2,299,253	\$ 1,660,545	\$ 1,642,300	\$ 2,317,498
Total Liabilities	<u>\$ 2,299,253</u>	<u>\$ 1,660,545</u>	<u>\$ 1,642,300</u>	<u>\$ 2,317,498</u>
CLERK'S OFFICE MAGISTRATE COURT				
Assets:				
Cash and investments	\$ 98,856	\$ 1,912,631	\$ 1,913,462	\$ 98,025
Total Assets	<u>\$ 98,856</u>	<u>\$ 1,912,631</u>	<u>\$ 1,913,462</u>	<u>\$ 98,025</u>
Liabilities:				
Due to others	\$ 98,856	\$ 1,912,631	\$ 1,913,462	\$ 98,025
Total Liabilities	<u>\$ 98,856</u>	<u>\$ 1,912,631</u>	<u>\$ 1,913,462</u>	<u>\$ 98,025</u>
PROBATE COURT				
Assets:				
Cash and investments	\$ 36,521	\$ 29,470	\$ 4,468	\$ 61,523
Total Assets	<u>\$ 36,521</u>	<u>\$ 29,470</u>	<u>\$ 4,468</u>	<u>\$ 61,523</u>
Liabilities:				
Due to others	\$ 36,521	\$ 29,470	\$ 4,468	\$ 61,523
Total Liabilities	<u>\$ 36,521</u>	<u>\$ 29,470</u>	<u>\$ 4,468</u>	<u>\$ 61,523</u>
JUVENILE COURT				
Assets:				
Cash and investments	\$ 33,841	\$ 59,463	\$ 62,167	\$ 31,137
Total Assets	<u>\$ 33,841</u>	<u>\$ 59,463</u>	<u>\$ 62,167</u>	<u>\$ 31,137</u>
Liabilities:				
Due to others	\$ 33,841	\$ 59,463	\$ 62,167	\$ 31,137
Total Liabilities	<u>\$ 33,841</u>	<u>\$ 59,463</u>	<u>\$ 62,167</u>	<u>\$ 31,137</u>

CHATHAM COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
FLEX BENEFIT PLAN				
Assets:				
Cash and investments	\$ 2,364	\$ 804,248	\$ 796,771	\$ 9,841
Total Assets	<u>\$ 2,364</u>	<u>\$ 804,248</u>	<u>\$ 796,771</u>	<u>\$ 9,841</u>
Liabilities:				
Due to others	\$ 2,364	\$ 804,248	\$ 796,771	\$ 9,841
Total Liabilities	<u>\$ 2,364</u>	<u>\$ 804,248</u>	<u>\$ 796,771</u>	<u>\$ 9,841</u>
TOTAL				
Assets:				
Cash and investments	\$ 27,145,082	\$ 202,542,881	\$ 201,980,156	\$ 27,707,807
Total Assets	<u>\$ 27,145,082</u>	<u>\$ 202,542,881</u>	<u>\$ 201,980,156</u>	<u>\$ 27,707,807</u>
Liabilities:				
Due to others	\$ 27,145,082	\$ 202,542,881	\$ 201,980,156	\$ 27,707,807
Total Liabilities	<u>\$ 27,145,082</u>	<u>\$ 202,542,881</u>	<u>\$ 201,980,156</u>	<u>\$ 27,707,807</u>