

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CHATHAM COUNTY, GEORGIA**  
124 BULL STREET, SAVANNAH, GEORGIA 31401

***FOR THE FISCAL YEAR ENDED JUNE 30, 2010***

**PREPARED BY  
DEPARTMENT OF FINANCE  
November 19, 2010**



**CHATHAM COUNTY, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010  
TABLE OF CONTENTS**

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| <i><b>INTRODUCTORY SECTION</b></i>   | <u><b>PAGE</b></u> |
|--|--------------------|
| Letter of Transmittal.....   | A - 1              |
| List of Principal Officials.....   | A - 6              |
| Organizational Chart.....  | A - 8              |
| GFOA Certificate of Achievement for Excellence in Financial Reporting.....   | A - 9              |
| <br><i><b>FINANCIAL SECTION</b></i>  |                    |
| INDEPENDENT AUDITORS' REPORT.....  | B - 1              |
| MANAGEMENT'S DISCUSSION AND ANALYSIS.....  | C - 1              |
| <b>BASIC FINANCIAL STATEMENTS:</b>   |                    |
| <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>   |                    |
| Statement of Net Assets.....   | D - 1              |
| Statement of Activities.....   | D - 2              |
| <b>FUND FINANCIAL STATEMENTS:</b>  |                    |
| <b>Governmental Funds:</b>   |                    |
| Balance Sheet.....   | D - 4              |
| Reconciliation of Total Governmental Fund Balances to<br>Net Assets of Governmental Activities.....  | D - 6              |
| Statement of Revenues, Expenditures, and Changes in Fund Balances.....   | D - 7              |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities..... | D - 9              |
| <b>Proprietary Funds:</b>  |                    |
| Statement of Fund Net Assets.....  | D - 10             |
| Statement of Revenues, Expenses, and Changes in Fund Net Assets.....   | D - 11             |
| Statement of Cash Flows.....   | D - 12             |
| <b>Fiduciary Funds:</b>  |                    |
| Statement of Fiduciary Net Assets.....   | D - 13             |
| Statement of Changes in Fiduciary Net Assets.....  | D - 14             |
| NOTES TO THE BASIC FINANCIAL STATEMENTS.....   | D - 15             |
| <b>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&amp;A:</b>   |                    |
| Budgetary Comparison Schedule - General Fund.....  | E - 1              |
| Budgetary Comparison Schedule - Special Service District Fund.....   | E - 5              |
| Notes to Required Supplementary Information.....   | E - 7              |
| Required Supplementary Information - Pension Schedules.....  | E - 8              |
| Required Supplementary Information - OPEB Schedules.....   | E - 9              |

**CHATHAM COUNTY, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010  
TABLE OF CONTENTS**

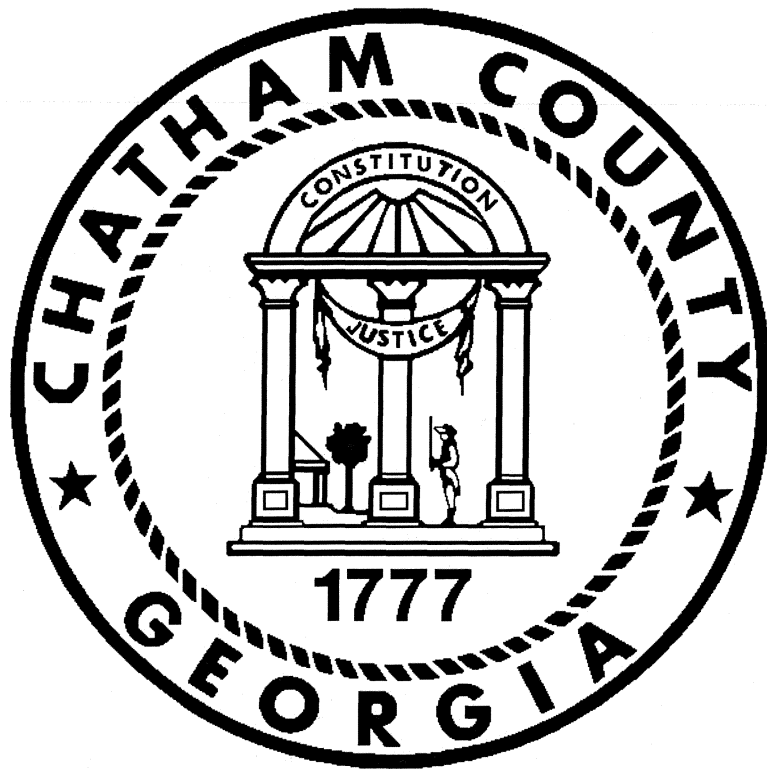
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|  |                    |
|--|--------------------|
| <b>SUPPLEMENTARY DATA - Combining Fund Financial Statements and Schedules:</b>       | <b><u>PAGE</u></b> |
| <br><b>NONMAJOR GOVERNMENTAL FUNDS:</b>  |                    |
| Combining Balance Sheet.....   | F - 1              |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances ..... | F - 3              |
| <br><b>Budgetary Comparison Schedules - Nonmajor Governmental Funds:</b>             |                    |
| <b>Special Revenue Funds:</b>  |                    |
| Chatham Emergency Management Agency.....   | F - 5              |
| Street Lighting.....   | F - 6              |
| Street Paving.....   | F - 7              |
| Confiscated Revenue Fund.....  | F - 8              |
| Emergency Telephone System.....  | F - 9              |
| Land Bank.....   | F - 10             |
| Land Disturbing Activities Ordinance.....  | F - 11             |
| Multiple Grant Fund.....   | F - 12             |
| Child Support Enforcement.....   | F - 13             |
| Hotel/Motel Tax.....   | F - 14             |
| Debt Service Fund.....   | F - 15             |
| <br><b>NONMAJOR ENTERPRISE FUNDS:</b>  |                    |
| Combining Statement of Net Assets.....   | F - 16             |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....       | F - 17             |
| Combining Statement of Cash Flows.....   | F - 18             |
| <br><b>INTERNAL SERVICE FUNDS:</b>   |                    |
| Combining Statement of Net Assets.....   | F - 19             |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....       | F - 20             |
| Combining Statement of Cash Flows.....   | F - 21             |
| <br><b>FIDUCIARY FUNDS:</b>  |                    |
| Combining Statement of Plan Net Assets - Pension and OPEB Trust Fund.....            | F - 22             |
| Combining Statement of Changes in Plan Net Assets - Pension and OPEB Trust Fund..... | F - 23             |
| Combining Statement of Changes in Assets and Liabilities - Agency Funds.....         | F - 24             |



**CHATHAM COUNTY, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010  
TABLE OF CONTENTS**

| <b>STATISTICAL SECTION</b>  | <b><u>PAGE</u></b> |
|---|--------------------|
| Comment Relative to Statistical Section.....  | G - 1              |
| Narrative to Statistics.....  | G - 2              |
| Net Assets by Component - Last Nine Fiscal Years.....   | G - 3              |
| Graphic Presentation - Total Government Net Assets - Last Nine Fiscal Years.....                  | G - 4              |
| Change in Net Assets - Last Nine Fiscal Years.....  | G - 5              |
| Graphic Presentation - Change in Net Assets -<br>Last Nine Fiscal Years.....                      | G - 7              |
| Fund Balances of Governmental Funds - Last Ten Fiscal Years.....                                  | G - 8              |
| Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years.....                       | G - 10             |
| Governmental Activities Tax Revenues by Source - Last Nine Fiscal Years.....                      | G - 12             |
| Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....        | G - 13             |
| Graphic Presentation -Total Taxable Assessed Value and Exemptions -<br>Last Ten Fiscal Years..... | G - 15             |
| Property Tax Rates - Last Ten Fiscal Years.....   | G - 16             |
| Graphic Presentation - County Government Property Tax Rates -<br>Last Ten Fiscal Years.....       | G - 18             |
| Principal Property Taxpayers.....   | G - 19             |
| Property Tax Levies and Collections - Consolidated Digest - Last Eight Fiscal Years.....          | G - 20             |
| Ratios of Outstanding Debt by Type - Last Nine Fiscal Years.....                                  | G - 21             |
| Ratios of General Bonded Debt Outstanding - Last Nine Fiscal Years.....                           | G - 22             |
| Direct and Overlapping Governmental Activities Debt.....  | G - 23             |
| Legal Debt Margin Information - Last Nine Fiscal Years.....                                       | G - 24             |
| Demographic and Economic Statistics - Last Ten Fiscal Years.....                                  | G - 25             |
| Principal Employers - Current and Nine Years Ago.....   | G - 26             |
| Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years.....         | G - 27             |
| Operating Indicators by Function - Last Nine Fiscal Years.....                                    | G - 28             |
| Capital Asset Statistics by Function - Last Nine Fiscal Years.....                                | G - 29             |
| <b>STATE MANDATED PROGRAM INFORMATION SECTION</b>   |                    |
| Child Support Enforcement Program Information:  |                    |
| Summary Statement and Schedules of Vehicles.....  | H - 1              |
| Schedule of Salaries and Travel.....  | H - 2              |
| Schedule of Contract Revenues and Expenditures.....   | H - 3              |
| Schedules of Projects Constructed with Special Sales Tax Proceeds.....                            | H - 4              |
| Schedule of Required Expenditures Generated by the Hotel/Motel Tax.....                           | H - 13             |

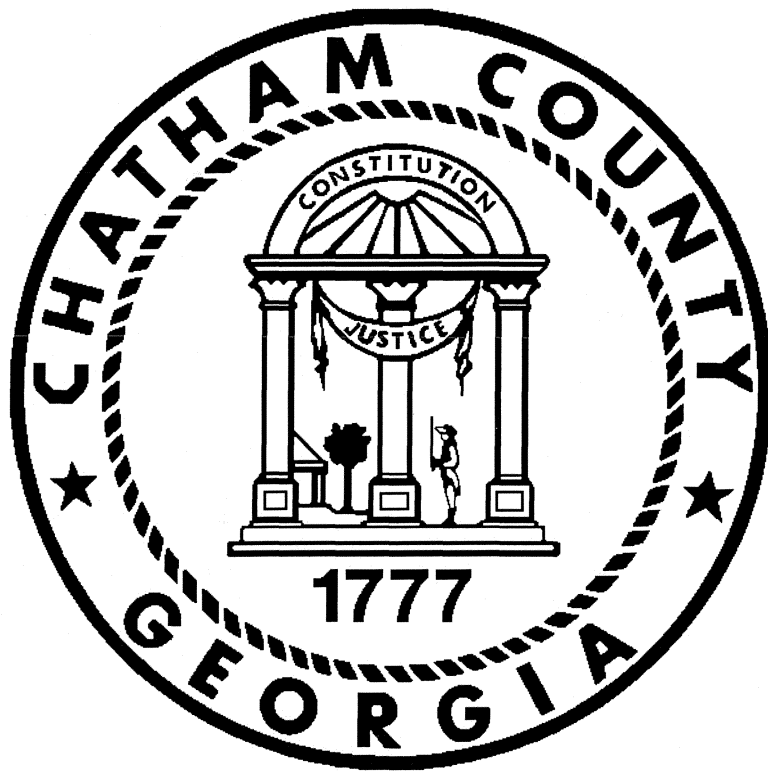


**LETTER OF TRANSMITTAL**

**LIST OF PRINCIPAL OFFICIALS**

**ORGANIZATIONAL CHART**

**GFOA CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING**



# COMMISSIONERS OF CHATHAM COUNTY

CHATHAM COUNTY COURTHOUSE

124 BULL STREET

P. O. BOX 8161

SAVANNAH, GEORGIA 31412

<http://www.chathamcounty.org>

(912) 652-7869 VOICE

(912) 652-7874 FAX



PETE LIAKAKIS  
Chairman

PRISCILLA D. THOMAS  
District 8  
Vice Chairman

DEAN KICKLIGHTER  
District 7  
Chairman Pro Tem

HELEN L. STONE  
District 1

JAMES J. HOLMES  
District 2

PATRICK SHAY  
District 3

PATRICK K. FARRELL  
District 4

HARRIS ODELL, JR.  
District 5

DAVID M. GELLATLY  
District 6

R. E. ABOLT  
County Manager

R. JONATHAN HART  
County Attorney

SYBIL E. TILLMAN  
County Clerk

November 19, 2010

The Chairman and Members  
Board of County Commissioners  
Chatham County, Georgia

The Comprehensive Annual Financial Report of Chatham County, Georgia (County) for the year ended June 30, 2010 is hereby submitted to meet the requirements of local ordinances and state statutes. Those requirements state that the County must annually issue a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants.

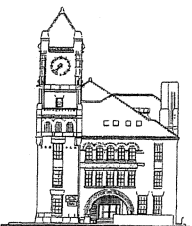
Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with management. Management hereby asserts that, to the best of its knowledge and belief, the financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The firm Karp, Ronning & Tindol, CPA, was selected by the Board of County Commissioners to provide independent audit services. The auditor's report on the basic financial statements is included in the Financial Section of this report and expresses an unqualified opinion. In addition to the audit of the financial records, the County is required to undergo an annual single audit in conformity with the provisions of the federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. The auditor's report on internal controls and compliance with applicable laws and regulations, including the schedule of findings and questioned costs, are found in the Single Audit Report, which is published separately from the CAFR document. The Single Audit Report can be obtained from the County's Finance Department.

The internal audit function is the responsibility of the Internal Audit Department. Internal audit is an independent appraisal function that examines and evaluates the activities of the County's various departments, agencies, and officials. The Internal Audit Director reports to the County Manager.

In addition to independent review, the County is in the last year of a project to document departmental internal controls and develop risk matrices for each control area. The documentation from this project is useful to both external and internal auditors in their review of county controls and processes. Management is also able to review the risk matrices to evaluate where controls may need improvement.

The Management's Discussion and Analysis is designed to be an objective and easily readable analysis of the County's financial activities on both a short-term and long-term basis. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Independent Auditors' Report.



## ***Profile of the Government***

The County, incorporated in 1777, is located in the southeastern part of the state and has a land area of 455 square miles with a population of 256,992. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

The County has operated under the county-manager form of government since 1985. Policy making and legislative authority are vested in the governing Board of Commissioners consisting of a Chairman and eight Commissioners. The Board's responsibilities include passing ordinances, adopting an annual budget, appointing committees, and hiring the County Manager and the County Attorney. The County Manager is responsible for carrying out the policies and ordinances of the governing county commission, for overseeing the day-to-day operations of the County, and for appointing the heads of the County's departments. The Chairman and County Commissioners are elected for a four-year term with the current term expiring on December 31, 2012.

The County provides a full range of services including public safety, health and social services, judicial functions, planning and zoning, parking, sanitation services, recreational activities, cultural events, general administrative services, and the construction and maintenance of highways, streets and infrastructure. Public transportation services are provided by one of the County's component units, Chatham Area Transit. Information on all of the County's component units can be found in Note I A. of the Notes to the Basic Financial Statements.

The County's financial reporting entity incorporates the activities of three component units. The County is considered a primary government. The financial activities of the Chatham Area Transit Authority (CAT) are included as an enterprise fund in the County's financial statements as a part of the primary government. Financial activities of the Chatham County Board of Health and the Live Oak Library System are reported separately from the primary government on the Statement of Net Assets and the Statement of Activities.

The County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Commission and to provide appropriate disclosures to the general public. Activities of the General Fund, special revenue funds and debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for the capital project funds. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund. The County also maintains an encumbrance accounting system as one method of maintaining budgetary control. Although encumbrances lapse at year end, outstanding encumbrances are re-appropriated as part of the following year's budget.

## ***Local Economic Condition and Outlook***

The region has a varied manufacturing and industrial base which adds to the area's relative economic stability. Major industries with headquarters or divisions located within the County's boundaries or in close proximity include aircraft manufacturing, construction equipment manufacturing, paper products, chemical manufacturers, sugar, and dental equipment.

The Port of Savannah is a catalyst for the area's economic growth. The port is the farthest inland port on the East Coast and is the nation's fourth busiest container port. Although the port has a number of private businesses with docking facilities, the Georgia Ports Authority has the largest wharfing facilities for cargo handling. More than 2.6 million TEUs (twenty foot equivalent unit containers) were processed at the Port's Garden City terminal in fiscal 2010. This represented a 9.7% increase in container traffic over the 2009 fiscal period. Exports represented 53% of the traffic while imports represented 47%. Infrastructure improvements at the port continued to enhance its capability.

The majority of the area's employment is in the service sector. The County's central business district enjoys stable growth with a variety of stores, specialty shops, hotels and commercial businesses. The combination of convention facilities, a vital historic district and over 14,000 hotel/motel rooms have produced a steady tourism and convention trade for the area. The Savannah Area Convention and Visitors Bureau estimates that Savannah attracted over 11 million visitors in 2009 with at least half staying overnight. Visitor spending exceeded \$1.2 billion.

The County is also home to Hunter Army Airfield. Fort Stewart is located nearby in Hinesville, Georgia, covering over 280,000 acres. The two military installations employ approximately 29,000 military and civilian employees.

The diversity of the area's businesses has enabled it to better withstand recent recessionary forces. According to the Georgia Department of Labor, the County's June 2010 unemployment rate was 9.0 percent while the state's average rate was 9.5 percent and the national average was 10 percent. In June 2010 the County had an employed labor force of approximately 118,795.

There are bright spots in Chatham County's future. In September 2009, Mitsubishi Power Systems announced its intent to locate a new, state-of-the-art manufacturing facility in Chatham County, ultimately creating 500 jobs with an investment of \$325 million. The facility is being constructed on the "megasite" located in Pooler, Georgia, and will manufacture energy solutions such as gas turbine combustor components.

In November 2010 Gulfstream Aerospace Corporation announced a \$500 million, seven year expansion of their Savannah facilities. Gulfstream intends to hire 1,000 employees for engineering and production jobs to meet anticipated future production levels.

JCB Corporation's retooling of its Savannah facility has recently been completed. In November 2010 JCB announced its plan to hire 200 additional employees during 2011 to manufacture skid steer and compact track loaders. In addition, Walmart has announced that it will hire about 250 employees for a new store opening on Savannah's southside in early 2011.

Historical area growth is often measured by assessed property values as listed in the County's property tax digest. For the first time in many years, the County's 2010 tax digest decreased from 2009 levels. The General Fund's property tax digest declined 3.02% or \$3.6 million while the County's unincorporated special service district decreased by 2.36% or \$366,500.

### ***Financial Planning Efforts***

The County incorporates financial planning in its decision making and budget processes. The financial policies adopted by the Board in fiscal 2004 continue to be used as a guideline for fiscal management. Financial policies were updated in July 2010 to reflect the "new fund balance" as noted in GASB Statement 54 and GFOA best practices.

The County Commissioners, with assistance from staff, utilize a five year forecasting model for the two main operating funds and the enterprise funds. The model shows the impact of current year's decisions in "out" years, including the effect on fund balance, as well as the impact of millage rate / service fee changes. This model is also utilized as recurring revenues or expenditures are considered.

Each January the Board receives the Five-Year Capital Improvement Program workbook which outlines the County's CIP needs for the next five years. In February the Board holds workshops to discuss the projects, review project ratings, and discuss funding. This process enables the County to identify long-term capital needs and plan for their implementation.

Also, each February the Board of Commissioners meet with department heads and elected officials at their annual budget retreat to review Commission goals, department goals, and prioritize budgetary needs. Additional workshops may also occur before final budget adoption in June.

The combined factors of financial forecasting results and the recent economic downturn pushed the County into a conservative posture at the onset of the fiscal 2011 budget process. Departments were asked to hold their budgets flat. Once final property tax digest numbers were received, a number of spending cuts were made to County operations to balance the budget. The County was able to avoid staff layoffs in all departments except for building safety and regulatory services staff.

### ***Fund Balance Policy***

The County has a fund balance retention policy equal to one month of expenditures in the General Fund M&O Fund and two months of expenditures in the unincorporated Special Service District Fund. Conservative budgeting has enabled the County to adhere to this policy. Funds in excess of stated reserve levels can be redirected to capital improvement project funding. As a result of the policy, the County has been able to transfer budgetary savings to the Capital Projects Fund for maintenance needs, new facilities, and facility upgrades.

### ***Debt Administration***

Chatham County's financial condition is demonstrated by the Aa3 rating of its bonds by Moody's Investor Services and AA from Standard and Poor's Corporation. The county was reviewed by Moody's in August 2009 and Standard and Poor's in September 2010.

The constitutional debt limit for direct general obligation bonds is 10 percent of the assessed value of taxable property within the County. The constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized if approved by a majority of those voting in an election held for that purpose. Capital leases and contractual obligations are presented in Note III. F and G and constitute a debt, general obligation, or a pledge of the faith and credit of the County.

### ***Pension Fund***

To ensure the provision of benefits for retirees, the County made an additional contribution of \$1.8 million to its defined benefit pension plan in fiscal 2010. The contribution was needed to offset declines in investment market values that impacted the plan's funding status.

### ***Other Post-Employment Benefits***

In response to GASB Statement 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, during fiscal 2008 the County established a separate trust fund to account for its retiree health care and life insurance costs. In 2009 the County received approval from the Internal Revenue Service to establish a Section 115 trust. Transactions related to the pre-funding of OPEB benefits as well as pay-as-you-go claims expenses have been recorded in the OPEB Trust Fund. For fiscal 2010, the County made contributions totalling 80.6% of its Annual OPEB Cost, leaving a Net OPEB Obligation, or annual unfunded portion, of \$6.5 million. The County is reviewing various methods to further manage the liability.

### ***Awards & Acknowledgments***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the twenty-sixth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County



must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County believes that the 2010 comprehensive annual financial report continues to meet the program's requirements, and is submitting the report to the GFOA to determine its eligibility for another certificate. In addition, the County also received the GFOA's Award for Distinguished Budget presentation for its Adopted Annual Budget for the fiscal year July 1, 2009 – June 30, 2010. The County's budget document was judged proficient in several categories including policy documentation, financial planning and organization.

The Finance Director would like to extend thanks and appreciation to all parties who have provided their support and encouragement to the Department throughout the past year. This includes the County Manager, the County Board of Commissioners, Assistant County Managers, the Internal Audit Director, and the Fixed Assets Coordinator. In addition thanks and appreciation go out to all members of the Finance Department in some way involved in the audit process. The hard work and dedication of Finance Staff is reflected each year in the final report document and in any subsequent awards received.

Sincerely,



R. E. Abolt  
County Manager



Linda B. Cramer  
Finance Director

**CHATHAM COUNTY, GEORGIA**  
**DEPARTMENT OF FINANCE**

|                                       |                 |
|---------------------------------------|-----------------|
| Finance Director . . . . .            | Linda B. Cramer |
| Assistant Finance Director . . . . .  | Lesha Lanier    |
| Financial Services Manager . . . . .  | Alisa Fish      |
| Budget Officer . . . . .              | Read Dehaven    |
| Senior Accountant. . . . .            | Roger Deschenes |
| Senior Accountant. . . . .            | Lynn Stennett   |
| Special Projects Accountant . . . . . | Vida Hill       |
| Special Projects Accountant . . . . . | Joyce Prescott  |
| Accountant I . . . . .                | Janie Brooks    |
| Accountant I . . . . .                | Irene Vigh      |
| Payroll Administrator . . . . .       | Melva Sharpe    |
| Risk Manager . . . . .                | Chuck Voelker   |
| Administrative Assistant . . . . .    | Delores Stokes  |

**CHATHAM COUNTY, GEORGIA**  
**PURCHASING DEPARTMENT**

|                                  |                 |
|----------------------------------|-----------------|
| Fixed Asset Coordinator. . . . . | Syrina Mitchell |
|----------------------------------|-----------------|

**CHATHAM COUNTY, GEORGIA  
BOARD OF COMMISSIONERS**

**2009-2012**

**CHAIRMAN  
VICE-CHAIRMAN  
CHAIRMAN PRO-TEM**

**Pete Liakakis  
Dr. Priscilla D. Thomas  
Dean Kicklighter**

**DISTRICT ONE  
DISTRICT TWO  
DISTRICT THREE  
DISTRICT FOUR  
DISTRICT FIVE  
DISTRICT SIX  
DISTRICT SEVEN  
DISTRICT EIGHT**

**Helen L. Stone  
James J. Holmes  
Patrick Shay  
Patrick K. Farrell  
Harris Odell, Jr.  
David M. Gellatly  
Dean Kicklighter  
Dr. Priscilla D. Thomas**

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**Independent Auditor  
Karp, Ronning, & Tindol, P.C.  
Certified Public Accountants**

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**Russell E. Abolt  
County Manager**

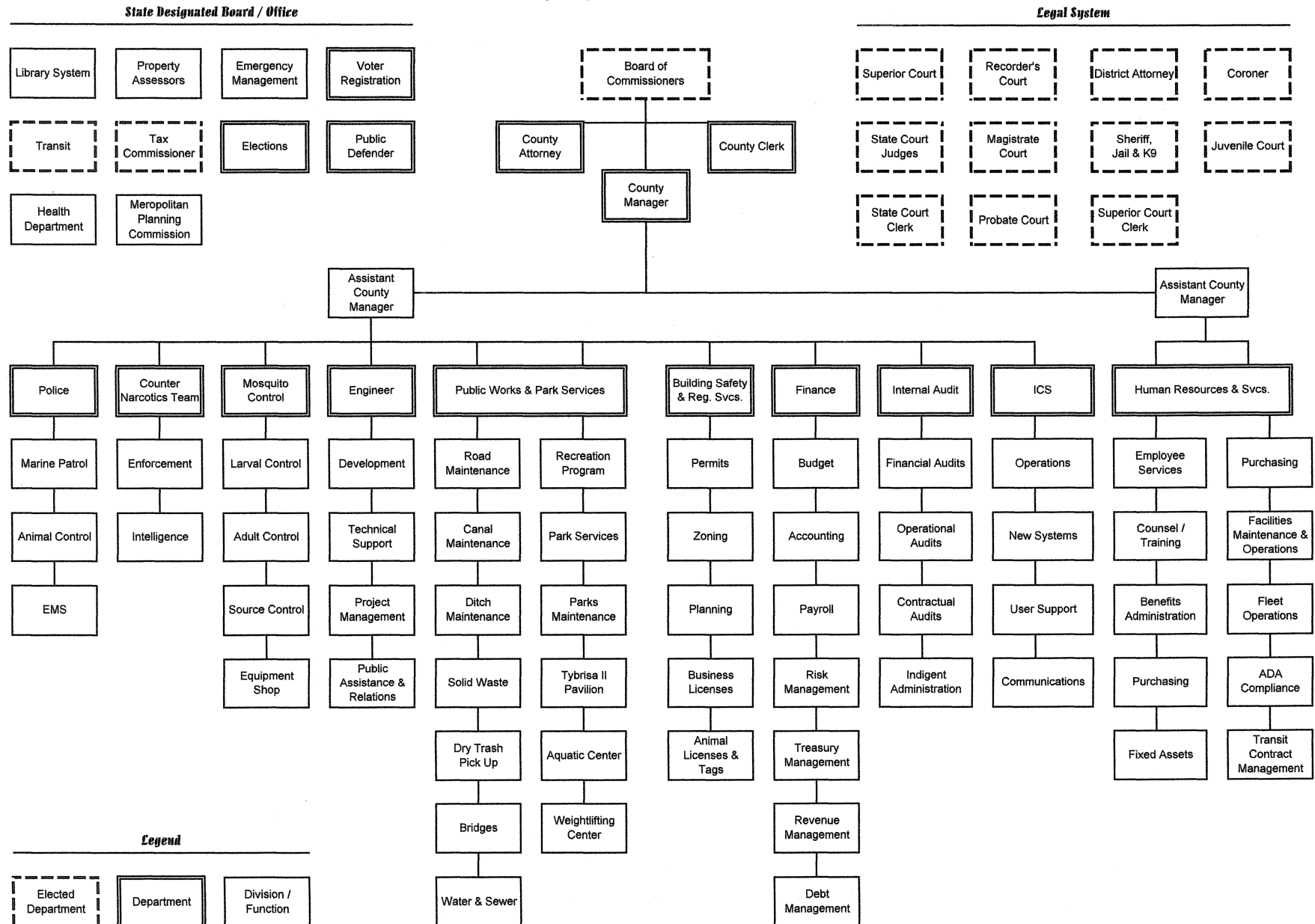
**Patrick C. Monahan  
Assistant County Manager**

**R. Jonathan Hart  
County Attorney**

**Sybil E. Tillman  
Clerk of Commission**

# CHATHAM COUNTY ORGANIZATIONAL CHART

## By Department / Function



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chatham County  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

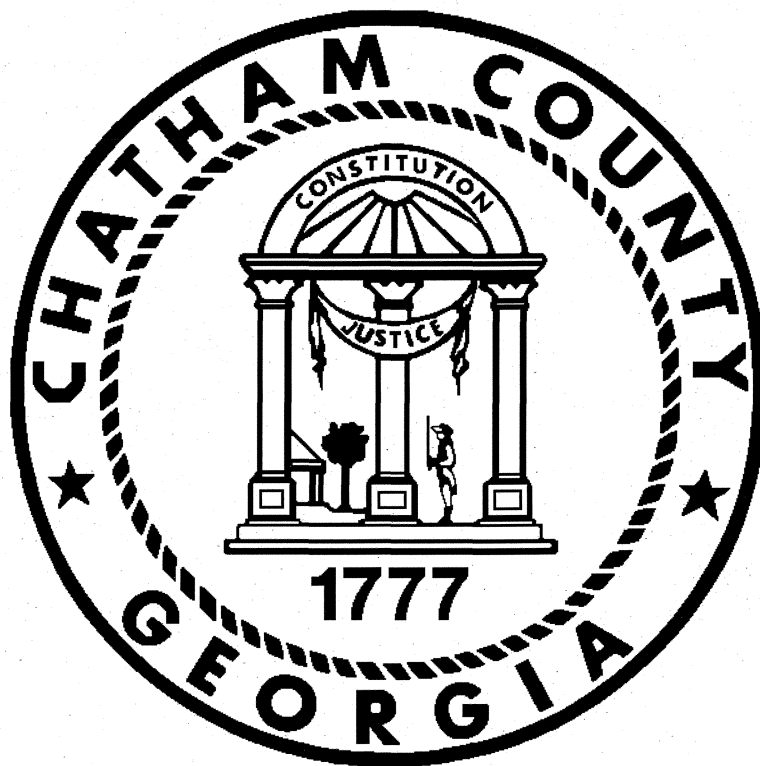


A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director



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





# KARP, RONNING & TINDOL

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD D. TINDOL, CPA  
DERRICK A. COWART, CPA  
CHRISTOPHER T. LIGHTLE, CPA  
MARTIN L. KARP, CPA  
DENNIS W. RONNING, CPA  
A.L. KARP (1925-1969)

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BRADLEY A. LUCAS, CPA, CVA  
ANDREW W. BRODMANN, CPA  
FRANK A. SLOTIN, CPA  
DANIEL J. MAHFET, CPA  
CAROL L. DRAKE, CPA

## 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, 2010, 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 50.5%, 52.7% and 75.3% 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, 2010, 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 19, 2010, 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 & Tinsdel, P.C.*

November 19, 2010

## **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, 2010. 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, 2010 by \$1,133,179,443 (net assets). Of this amount, \$76,647,462 (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 \$54 million. Net assets of governmental activities increased \$57,266,021 while net assets from business-type activities decreased by \$3,285,295.
- At June 30, 2010, Chatham County's governmental funds balance sheet reports combined ending fund balances of \$318,518,184, an increase of \$15,601,451 over the previous fiscal year. Of this amount, \$312,945,866 remains in the various fund types of the County as unreserved with \$14,376,398 designated for capital projects or other significant organizational expenditures.
- The General Fund reported an unreserved fund balance of \$26,765,482, an annual increase of \$474,372. Of the unreserved fund balance, \$14,376,398 was designated for capital projects or other significant organizational expenditures. Total fund balance increased by \$601,424 to \$30,462,483 in 2010.
- Total long-term liabilities of Chatham County decreased by \$2,196,682 from the previous fiscal year as a result of routine debt service payments.

### **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 seven major funds: General Fund, Special Service District 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 and the Special Service District 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 \$1,133,179,443 as of June 30, 2010.

During fiscal 2010 the County implemented GASB Statement 51, Accounting and Reporting for Intangible Assets. As a result of this change in accounting principle, beginning net assets were restated by \$338,690 to reflect retroactive asset reporting.

The largest portion of Chatham County's net assets (69.5%) 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 (23.73%) 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 \$76,647,462, a 3.9% increase over the prior year. Total net assets increased by approximately \$54 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         |               |
|-------------------------------|-------------------------|---------------|--------------------------|------------|---------------|---------------|
|                               | 2010                    | 2009          | 2010                     | 2009       | 2010          | 2009          |
| Current and other assets      | 367,535,203             | 341,380,064   | 17,824,233               | 19,195,704 | 385,359,436   | 360,575,768   |
| Capital assets, net           | 786,266,086             | 754,490,257   | 29,400,853               | 31,302,468 | 815,666,939   | 785,792,725   |
| Total assets                  | 1,153,801,289           | 1,095,870,321 | 47,225,086               | 50,498,172 | 1,201,026,375 | 1,146,368,493 |
| Current and other liabilities | 14,298,290              | 14,016,665    | 3,259,176                | 3,202,677  | 17,557,466    | 17,219,342    |
| Noncurrent liabilities        | 46,440,536              | 46,395,904    | 3,848,930                | 3,893,220  | 50,289,466    | 50,289,124    |
| Total liabilities             | 60,738,826              | 60,412,569    | 7,108,106                | 7,095,897  | 67,846,932    | 67,508,466    |
| Net assets:                   |                         |               |                          |            |               |               |
| Invested in capital assets,   |                         |               |                          |            |               |               |
| net of related debt           | 758,599,615             | 729,953,233   | 28,986,827               | 31,191,580 | 787,586,442   | 761,144,813   |
| Restricted                    | 265,588,109             | 240,733,031   | 3,357,430                | 3,566,728  | 268,945,539   | 244,299,759   |
| Unrestricted                  | 68,874,739              | 65,110,178    | 7,772,723                | 8,643,967  | 76,647,462    | 73,754,145    |
| Total net assets              | 1,093,062,463           | 1,035,796,442 | 40,116,980               | 43,402,275 | 1,133,179,443 | 1,079,198,717 |

*Governmental Activities* - Governmental activities increased the County's net assets by \$57,266,021, accounting for 106% of the total growth in the County's net assets. Key components of the increase were:

- Revenues outpaced spending. Although revenues decreased from prior year levels by over \$10 million, revenues still outpaced spending. This can be attributed to the County's capital project funds where revenue is generally collected prior to project appropriation. Even after funds are appropriated, spending on the projects may not be immediate due to permitting and/or design issues. For example, the Sales Tax V Fund has received \$97.2 million of tax receipts for expansion of the County's Detention Center. Since the project is still in the planning and design phase, the majority of appropriated funds have not been expended.
- Declines in Tax and HTRG revenues. Tax revenue declined \$1.5 million from 2009 levels. In addition, the State of Georgia cancelled its homeowners tax credit grant (HTRG) in 2010. The HTRG was a tax credit granted by the State to residential taxpayers. In prior years the County had given taxpayers a credit for the HTRG on their

County property tax bills, and the State had reimbursed the County for the credit amount. During 2009 the State reimbursed the County \$3.6 million for the HTRG. The inclusion of the HTRG in the analysis of tax revenues results in a total revenue decrease of \$5.1 million.

- While most expense categories were either relatively even with or below prior year levels, public safety expenditures increased \$8.3 million. Most of the change resulted from variations in charges for capital outlay expenses. However, operating costs did increase in some departments including increases of \$1.4 million for the Detention Facility and \$.5 million for the Counter Narcotics Team.
- Public works expenses declined by \$9.6 million from 2009 levels. In 2009 the County charged capital outlay costs of \$14.4 million for public works functions. In 2010 the expense decreased to \$5.6 million. Culture and recreation also experienced decreases in capital outlay expense over the two year period.
- Investment income. Revenues in this category were half of prior year numbers. Investment income was severely impacted by the low market investment rates being offered in this recessionary environment.

Tax revenue provided 83% of the County's total revenues while charges for various goods and services provided 7.8%. Unrestricted investment earnings represented .9% of total revenues. The County's expenses cover a range of services. Public safety expenses, the largest category of expenses, were \$78.7 million, an increase from the prior year total of \$70 million. General government expenses totaled over \$40 million, slightly less than the prior year total of \$41.4 million. Public works expenses were \$22.2 million. Total excess revenues over expenses before transfers amounted to \$54.5 million. Transfers out to other funds of \$2.7 million resulted in a total change in net assets of \$57.27 million.

*Business-type Activities* - Business-type activities net assets decreased \$3.3 million for the fiscal year ended June 30, 2010. Prior to transfers out of \$2.7 million, business-type activities experienced a deficiency of \$586,921. Key factors within the business-type activities included:

- At the end of the fiscal year, the Henderson Golf Fund was closed and net assets of \$7.2 million were transferred to the Governmental Activities of the General Fund.
- Charges for services included \$900,741 from the implementation of a solid waste service fee of \$43 per single family residential unit in fiscal 2010. In addition Chatham Area Transit charges for services increased over \$246,000. Fees for building permits decreased by \$431,563 from 2009 levels. Staff layoffs for Building Safety and Regulatory Services were enacted in Spring 2010 to offset revenue reductions.
- Federal transit grant revenues decreased \$2 million for Chatham Area Transit. The \$2.9 million reduction in formula grants was partially offset by increases in capital grants of \$670,000.



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                   |                         |
|--|-------------------------|------------------------|--------------------------|----------------------|-------------------------|-------------------------|
|  | 2010                    | 2009                   | 2010                     | 2009                 | 2010                    | 2009                    |
| <b>Revenues:</b>   |                         |                        |                          |                      |                         |                         |
| Program Revenues:  |                         |                        |                          |                      |                         |                         |
| - Charges for services   | \$ 19,856,024           | \$ 20,268,290          | \$ 8,429,203             | \$ 7,209,253         | \$ 28,285,227           | \$ 27,477,543           |
| - Operating grants and contributions                           | 5,877,512               | 4,948,290              | 995,974                  | 3,879,731            | 6,873,486               | 8,828,021               |
| - Capital grants and contributions                             | 11,242,146              | 14,745,626             | 6,633,637                | 5,260,943            | 17,875,783              | 20,006,569              |
| General Revenues:  |                         |                        |                          |                      |                         |                         |
| - Property taxes   | 135,014,252             | 136,671,942            | 7,365,560                | 7,602,999            | 142,379,812             | 144,274,941             |
| - Sales and use taxes  | 67,109,716              | 66,749,167             |                          |                      | 67,109,716              | 66,749,167              |
| - Other taxes  | 8,472,967               | 8,724,781              |                          |                      | 8,472,967               | 8,724,781               |
| - Grants and contributions not restricted to specific programs | -                       | 4,138,932              |                          |                      | -                       | 4,138,932               |
| - Unrestricted investment earnings                             | 2,220,501               | 4,480,682              | 32,822                   | 203,759              | 2,253,323               | 4,684,441               |
| - Miscellaneous  | 3,663,979               | 2,876,528              | 1,337,984                | 1,510,028            | 5,001,963               | 4,386,556               |
| <b>Total Revenues</b>  | <b>253,457,097</b>      | <b>263,604,238</b>     | <b>24,795,180</b>        | <b>25,666,713</b>    | <b>278,252,277</b>      | <b>289,270,951</b>      |
| <b>Expenses:</b>   |                         |                        |                          |                      |                         |                         |
| General Government   | 40,142,519              | 41,390,534             |                          |                      | 40,142,519              | 41,390,534              |
| Judiciary  | 29,869,363              | 28,081,609             |                          |                      | 29,869,363              | 28,081,609              |
| Public Safety  | 78,673,805              | 70,319,328             |                          |                      | 78,673,805              | 70,319,328              |
| Public Works   | 22,221,382              | 31,865,047             |                          |                      | 22,221,382              | 31,865,047              |
| Health and welfare   | 11,652,725              | 11,235,644             |                          |                      | 11,652,725              | 11,235,644              |
| Culture and recreation   | 12,118,894              | 14,557,184             |                          |                      | 12,118,894              | 14,557,184              |
| Housing and development  | 2,778,599               | 3,486,707              |                          |                      | 2,778,599               | 3,486,707               |
| Interest on long-term debt                                     | 1,432,163               | 1,586,223              |                          |                      | 1,432,163               | 1,586,223               |
| Environmental services-Solid Waste                             |                         |                        | 2,881,772                | 2,753,251            | 2,881,772               | 2,753,251               |
| Transportation services-Bus System                             |                         |                        | 18,183,426               | 18,399,887           | 18,183,426              | 18,399,887              |
| Recreational services-Golf                                     |                         |                        | 21,421                   | 19,321               | 21,421                  | 19,321                  |
| Other services-Water & Sewer                                   |                         |                        | 2,679,367                | 2,449,676            | 2,679,367               | 2,449,676               |
| Other services-Parking   |                         |                        | 287,934                  | 282,531              | 287,934                 | 282,531                 |
| Other services-Building Safety & Reg Services                  |                         |                        | 1,328,181                | 1,762,668            | 1,328,181               | 1,762,668               |
| <b>Total Expenses</b>  | <b>198,889,450</b>      | <b>202,522,276</b>     | <b>25,382,101</b>        | <b>25,667,334</b>    | <b>224,271,551</b>      | <b>228,189,610</b>      |
| <b>Excess (deficiency) before transfers</b>                    | <b>54,567,647</b>       | <b>61,081,962</b>      | <b>(586,921)</b>         | <b>(621)</b>         | <b>53,980,726</b>       | <b>61,081,341</b>       |
| Transfers  | 2,698,374               | (5,312,072)            | (2,698,374)              | 5,312,072            | -                       | -                       |
| <b>Total transfers</b>   | <b>2,698,374</b>        | <b>(5,312,072)</b>     | <b>(2,698,374)</b>       | <b>5,312,072</b>     | <b>-</b>                | <b>-</b>                |
| <b>Change in net assets</b>                                    | <b>57,266,021</b>       | <b>55,769,890</b>      | <b>(3,285,295)</b>       | <b>5,311,451</b>     | <b>53,980,726</b>       | <b>61,081,341</b>       |
| <b>Net assets - beginning</b>                                  | <b>1,035,796,442</b>    | <b>979,687,862</b>     | <b>43,402,275</b>        | <b>38,090,824</b>    | <b>1,079,198,717</b>    | <b>1,017,778,686</b>    |
| <b>Adjustment for accounting principle change</b>              | <b>-</b>                | <b>338,690</b>         |                          |                      | <b>-</b>                | <b>338,690</b>          |
| <b>Net assets - beginning restated</b>                         | <b>1,035,796,442</b>    | <b>980,026,552</b>     | <b>43,402,275</b>        | <b>38,090,824</b>    | <b>1,079,198,717</b>    | <b>1,018,117,376</b>    |
| <b>Net assets - ending</b>                                     | <b>\$ 1,093,062,463</b> | <b>\$1,035,796,442</b> | <b>\$ 40,116,980</b>     | <b>\$ 43,402,275</b> | <b>\$ 1,133,179,443</b> | <b>\$ 1,079,198,717</b> |

## 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, 2010, the County's governmental funds reported combined ending fund balances of \$318,518,184, an increase of \$15,601,451 in comparison to the previous year. Approximately 98% of the fund balance or \$312,945,866 is classified as unreserved. Of this amount, \$19,096,011 is available for spending in future years without restrictions that are more limited than the purpose of the fund. Of the unreserved amount, \$14,376,398 is designated. Other unrestricted portions of fund balance totaling \$279,473,457 represent funding for capital projects budgeted in the County's construction-in-progress funds. Most of these projects (92%) are funded by special purpose local option sales tax, a legally restricted revenue source. The rest are funded through general revenues or bond funds. The remaining 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 - \$2,359,571
- Payment of debt service - \$107,909
- Public safety purposes, reserved due to legal restrictions on the use of funds - \$1,559,491
- Funds that were generated through the County's court system with use restricted by law for certain County programs - \$984,051
- Various restricted amounts - \$561,296

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 \$30,462,483 of which \$26,765,482 was unreserved. Unreserved fund balance increased by \$474,372 over the prior year amount. Fund balance reserved for encumbrances decreased by \$241,080 and other reserved fund balance amounts increased by \$368,132. 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 19.1% of fiscal 2010 fund expenditures (excluding transfers out), as compared to 19.3% in 2009. Total fund balance represents 21.8% of that same amount, compared to 21.9% in the prior year.

Chatham County's General Fund showed a fund balance increase of \$601,424 for the current fiscal year. Key factors in the fund balance increase were:

- Revenues decreased from prior year levels by over \$5.4 million. Most of the decline (81%) was related to lower property tax collections. In 2009 property tax revenue

combined with the HTRG credit totaled \$121.8 million. In 2010 property tax revenue totaled \$117.4 million. Fiscal year property tax billings had incorporated 2009 property tax digest growth of 1.64%. In addition, all other revenue categories showed decreases except for penalties and interest on delinquent taxes, which increased by 4%.

- Expenditures increased by \$3.8 million over prior year levels. However, expenditures showed an overall favorable budget variance of \$8.6 million. Departmental spending was 92.6% of budgeted amounts.
- The fund transferred out \$7.9 million to other County funds. During the year the General Fund transferred over \$1.3 million to the Capital Improvement Fund to fund capital projects listed in the CIP Plan. \$2.2 million was transferred to the Chatham Area Transit Authority for Teleride paratransit services. \$1.2 million was transferred to the Solid Waste Fund for recycling centers. A transfer of \$2.1 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 the Special Service District Fund (SSD) as a major fund. The SSD Fund reports the operations and activities of Chatham County's unincorporated area which is subject to a special tax levy. Total fund balance of the SSD Fund was \$6,679,474, a decrease of \$1,133,785 over the prior year. Unreserved fund balance decreased \$1,044,051 from 2009 to 2010. An analysis of this fund reveals the following factors:

- Revenues experienced a decrease of \$328,601 from 2009 levels. Expenditures also decreased by over \$1.2 million.
- The 2009 property tax digest increased by 1.92% for the SSD. While property tax revenues and penalties and interest on delinquent taxes increased by \$502,641, the fund was impacted by the elimination of the HRTG which had added revenue of \$548,563 in the prior year. Investment income decreased by \$116,028 due to lower investment yields and tighter cash flow within the fund.
- Budgeted cost reductions were made to the fund throughout fiscal 2010 and the reduction in expenditures mirrors this. Many departments experienced cost decreases for the year including Police (\$542,911 reduction), Metropolitan Planning Commission (\$268,860 reduction), Building Safety (\$78,712 reduction) and Public Works (\$51,899). The decrease in Judiciary function resulted from shifting expenditures related to cost allocations to the General government functions.
- Transfers out to other funds were reduced in fiscal 2010. Due to the implementation of the \$43 solid waste service fee, the transfer out to the solid waste fund decreased by over \$1 million to \$465,000. The transfer out to the Building Safety and Regulatory Services funds was \$678,047, a decrease of over \$98,000 from the prior year. The SSD Fund transferred \$525,561 to the Capital Improvement Fund, and most of the funds transferred were utilized for the purchase of police vehicles.

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.

Revenues from special purpose local option sales tax declined \$4.4 million at the fund level from 2009 due to the lagging economy. Capital project expenditures in the major funds showed a slight increase from 2009 levels of \$755,173. 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 2010: approved additional funding for Teleride paratransit services of \$454,000
- May 2010: approved a fund balance appropriation for a contribution to the Pension Trust Fund of \$1,834,000 to improve the funded status of the defined benefit plan
- June 2010: approved transfer of \$1,184,243 to the CIP fund for capital equipment and projects including mosquito control equipment, police fleet vehicles, digital radio equipment and recreation improvements

Departmental budgets were also amended during the year to recognize 2009 encumbrance carry-forwards and transfer budgeted benefit costs back to departmental budgets.

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

- For fiscal 2010 there was a shortfall between revenue budgets and actual revenues of over \$3.1 million.
- The County's General Fund recognized digest-based property tax revenue of \$115.7 million for 2010. The revenue was \$3.5 million below budget estimates of \$119.2 million.
- Penalties and interest collected on delinquent taxes exceeded budgeted amounts by over \$1 million. However, the revenue category exceeded 2009 levels by only \$238,840.
- Local option sales tax (LOST) had a negative budget variance of \$630,954 reflective of the national recessionary environment. However, 2010 LOST collections were actually higher than 2009 levels by \$442,718.
- Departmental savings produced a positive appropriations variance for the General Fund of almost \$9 million which helped offset the decline in tax revenues. There were no departments exceeding their 2010 budget appropriation. Outstanding encumbrances are

not included in the budget variances shown. At year end, the encumbrances in the General Fund totaled \$2,169,399 or 24% of the expenditure variance. Encumbrances in effect represent commitments by management for certain goods and services to be paid in a future fiscal period.

- During the year fund balance appropriations of \$5.2 million were budgeted. Of this amount, \$2.4 was for prior year encumbrances and \$978,952 for restricted fees. In addition \$1.8 million was appropriated for contributions to the Pension Trust Fund to offset prior-year declines in market values in the County's defined benefit pension plan.

### **Capital Asset and Debt Administration**

*Capital Assets* - At the conclusion of 2010, the County had invested more than \$815 million in a broad range of capital assets including land, buildings, infrastructure, system improvements, machinery, equipment, parks, roads, bridges, major drainage structures and intangible assets. Investment in capital assets, net of depreciation, increased overall by \$29 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 projects and equipment including the purchase of the Commerce Building \$6.5 million, CAT transit vehicles \$6.8 million, Union Mission Health and Shelter Care Facility \$2.3 million, Tom Triplett Park land and land improvements \$1.6, Charlie Brooks Park land and land improvements \$1.3 million, Fawcett Canal Drainage System \$1.3 million, Halycon Drainage System \$1 million, Truman Parkway Phase IV right-of-ways \$1.3 million, and interoperable radio equipment \$1 million.
- Transfer of Henderson Golf Course land from business-type activities to governmental activities, \$6.6 million. The Henderson Golf Enterprise Fund was closed at year end, and all assets were transferred to the County's General Fund.
- The Construction-in-progress account reflected activity for a number of projects. Major expenditures for the year were reflected in the following projects:
  - Judicial Courthouse - \$4.5 million expended
  - Detention Center Expansion Project - \$3.2 million expended
  - Hardin Canal Drainage System - \$2.8 million expended
  - Animal Control Facility - \$1.2 million expended
  - Louis Mill/Redgate/Rahn Canal Drainage system - \$944,371 expended
  - Gateway/Henderson Canal Drainage System - \$828,996 expended

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 \$18,604,870. Financing for these construction commitments will be from special purpose local option sales tax collections. Chatham Area Transit had outstanding contract commitments of \$5,222,460 related to design and remodeling of its administrative offices and the purchase of nine hybrid buses.

Due to the implementation of GASB Statement 51, fiscal 2009 balances were restated to recognize retroactive reporting of intangible assets. The net book value of intangible assets added to the 2009 schedule was \$338,690.

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                 |                       |
|----------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                            | 2010                    | 2009                  | 2010                     | 2009                 | 2010                  | 2009                  |
| Land                       | \$ 39,131,388           | \$ 28,474,662         | \$ 3,137,856             | \$ 9,721,727         | \$ 42,269,244         | \$ 38,196,389         |
| Right of Ways              | 337,824,603             | 336,158,537           |                          |                      | 337,824,603           | 336,158,537           |
| Construction-in-progress   | 47,702,502              | 42,906,844            | 144,900                  | 135,000              | 47,847,402            | 43,041,844            |
| Buildings and improvements | 125,894,413             | 118,592,290           | 5,516,566                | 6,145,455            | 131,410,979           | 124,737,745           |
| Machinery and Equipment    | 14,994,321              | 13,590,109            | 15,747,178               | 10,323,457           | 30,741,499            | 23,913,566            |
| Plant                      |                         | 0                     | 4,854,353                | 4,976,829            | 4,854,353             | 4,976,829             |
| Infrastructure             | 220,718,859             | 214,767,815           |                          |                      | 220,718,859           | 214,767,815           |
| Intangible assets          | 0                       | 338,690               |                          |                      | 0                     | 338,690               |
| Totals                     | \$ <u>786,266,086</u>   | \$ <u>754,828,947</u> | \$ <u>29,400,853</u>     | \$ <u>31,302,468</u> | \$ <u>815,666,939</u> | \$ <u>786,131,415</u> |

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, 2010 totaled \$43,616,934, a decrease of \$2.2 million from 2009. Debt service payments for all of the County's obligations were made in accordance with contractual agreements. During the fiscal period, the County issued bonds through the Downtown Savannah Authority in the amount of \$2.4 million to acquire land and improvements for a health and shelter care facility as described on page D-34. The bonds mature in 2029.

*Net OPEB Obligation* – The County's Net OPEB obligation increased \$2.2 million from the prior year. The County is partially funding its annual OPEB obligation through a combination of pay-as-you-go and pre-funding of its obligations. The Net OPEB 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:

- 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. For calendar 2010 the County's tax digest declined 3.02% in the General Fund and 2.36% in the Special Service tax district. The County anticipates continued declines in its tax digest for 2011 based upon current national trends.
- Original revenue projections for the County's Sales Tax V Capital Projects Fund were approximately \$445 million. Due to revenue shortfalls to date, the County has reduced its revenue projection to \$392 million. Project budgets have been adjusted accordingly. If sales tax collections continue to decline, additional project budget adjustments may be required.
- The County's Capital Improvement Program contains a number of unfunded projects, many of which are maintenance projects. As operating budgets continue to tighten, the County will be challenged to find additional dollars for maintenance and 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 County has not identified a funding source for the additional operating costs.
- The Adopted 2011 budget included employer contributions of \$2,800 per active employee for pre-funding of retirement health care. Due to budgetary constraints, the County was not able to increase the per-employee rate from 2010 levels. In addition the County's OPEB Trust fund also has budgeted \$4.5 million for pay-as-you-go retiree health claims. To offset future benefit costs, the County needs to continue to increase funding for the OPEB Trust Fund to manage other post employment benefit costs.

### **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, 2010

|  | Primary Government      |                          |                  | Component Units                |                           |
|--|-------------------------|--------------------------|------------------|--------------------------------|---------------------------|
|  | Governmental Activities | Business-type Activities | Total            | Chatham County Board of Health | Live Oak Public Libraries |
| <b>ASSETS</b>                                    |                         |                          |                  |                                |                           |
| Cash and investments                             | \$ 327,401,371          | \$ 7,091,850             | \$ 334,493,221   | \$ 1,291,935                   | \$ 2,040,701              |
| Receivables                                      | 37,327,871              | 3,196,360                | 40,524,231       | 810,939                        | 335,526                   |
| Internal balances                                | (524,606)               | 524,606                  | -                | -                              | -                         |
| Prepaid items                                    | 430,134                 | -                        | 430,134          | 37,574                         | -                         |
| Inventories                                      | 131,161                 | 277,505                  | 408,666          | -                              | -                         |
| Deferred charges                                 | 369,751                 | -                        | 369,751          | -                              | -                         |
| Pension asset                                    | 2,016,455               | -                        | 2,016,455        | -                              | -                         |
| Restricted cash and investments                  | 383,066                 | 6,733,912                | 7,116,978        | -                              | -                         |
| Capital assets:                                  |                         |                          |                  |                                |                           |
| Land, improvements, and construction in progress | 424,658,493             | 3,282,756                | 427,941,249      | -                              | 1,909,046                 |
| Other capital assets, net of depreciation        | 361,607,593             | 26,118,097               | 387,725,690      | 71,221                         | 19,802,117                |
| Total assets                                     | 1,153,801,289           | 47,225,086               | 1,201,026,375    | 2,211,669                      | 24,087,390                |
| <b>LIABILITIES</b>                               |                         |                          |                  |                                |                           |
| Accounts payable                                 | 13,211,144              | 2,395,546                | 15,606,690       | 339,119                        | 5,789                     |
| Due to fiduciary funds                           | -                       | -                        | -                | -                              | -                         |
| Other liabilities                                | 1,025,791               | 801,331                  | 1,827,122        | -                              | 51,447                    |
| Unearned revenue                                 | 61,355                  | 62,299                   | 123,654          | -                              | 1,178                     |
| Noncurrent liabilities:                          |                         |                          |                  |                                |                           |
| Due within one year                              | 5,518,461               | 265,474                  | 5,783,935        | 106,900                        | 631,042                   |
| Due in more than one year                        | 34,608,789              | 3,224,210                | 37,832,999       | 427,601                        | 396,501                   |
| Net OPEB Obligation                              | 6,313,286               | 359,246                  | 6,672,532        | -                              | -                         |
| Total liabilities                                | 60,738,826              | 7,108,106                | 67,846,932       | 873,620                        | 1,085,957                 |
| <b>NET ASSETS</b>                                |                         |                          |                  |                                |                           |
| Invested in capital assets, net of related debt  | 758,599,615             | 28,986,827               | 787,586,442      | 71,221                         | 21,571,163                |
| Restricted for:                                  |                         |                          |                  |                                |                           |
| Capital projects                                 | 263,315,618             | -                        | 263,315,618      | -                              | 1,414,615                 |
| Debt service                                     | 107,909                 | -                        | 107,909          | -                              | -                         |
| Solid waste management activities                | -                       | 3,357,430                | 3,357,430        | -                              | -                         |
| Other purposes                                   | 2,164,582               | -                        | 2,164,582        | 1,331,035                      | -                         |
| Unrestricted                                     | 68,874,739              | 7,772,723                | 76,647,462       | (64,207)                       | 15,655                    |
| Total net assets                                 | \$ 1,093,062,463        | \$ 40,116,980            | \$ 1,133,179,443 | \$ 1,338,049                   | \$ 23,001,433             |

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

D-1

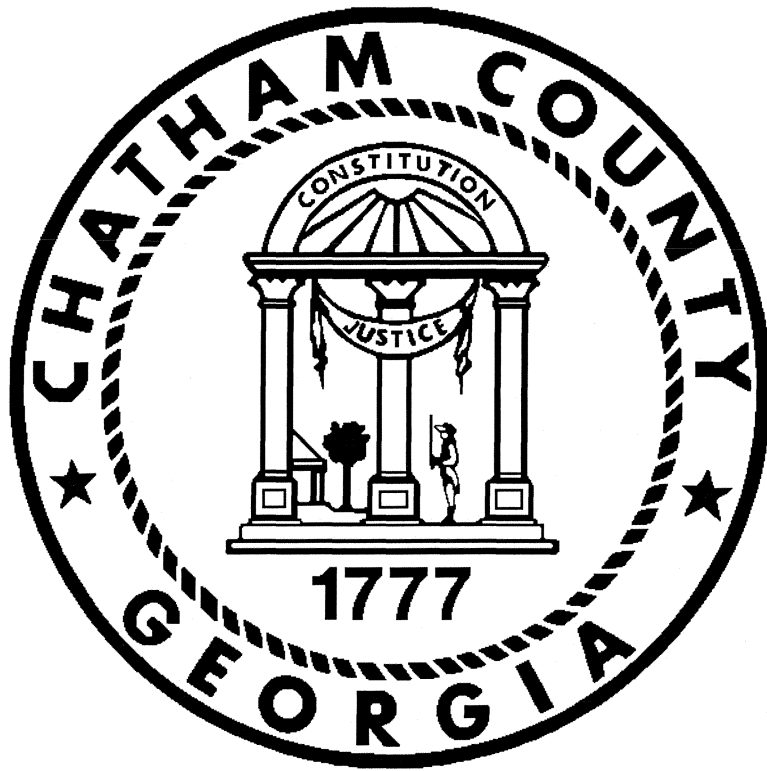
CHATHAM COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

| <u>Functions/Programs</u>                                    | <u>Expenses</u>       | <u>Program Revenues</u>               |   |   |
|--|-----------------------|---------------------------------------|---|---|
|  |                       | <u>Charges for</u><br><u>Services</u> | <u>Operating</u><br><u>Grants and</u><br><u>Contributions</u> | <u>Capital Grants</u><br><u>and</u><br><u>Contributions</u> |
| <b>Primary government:</b>                                   |                       |                                       |   |   |
| Governmental Activities:                                     |                       |                                       |   |   |
| General Government   | \$ 40,142,519         | \$ 6,833,044                          | \$ 140,549  | \$ 3,014,199  |
| Judiciary  | 29,869,363            | 5,816,833                             | 1,497,074   | -   |
| Public Safety  | 78,673,805            | 5,273,114                             | 4,135,942   | -   |
| Public Works   | 22,221,382            | 795,069                               | -   | 8,227,947   |
| Health and Welfare   | 11,652,725            | 55,650                                | 62,258  | -   |
| Culture and Recreation                                       | 12,118,894            | 609,683                               | 41,689  | -   |
| Housing and Development                                      | 2,778,599             | 472,631                               | -   | -   |
| Interest on Long-term debt                                   | 1,432,163             | -                                     | -   | -   |
| Total governmental activities                                | <u>198,889,450</u>    | <u>19,856,024</u>                     | <u>5,877,512</u>  | <u>11,242,146</u>   |
| Business-type activities:                                    |                       |                                       |   |   |
| Environmental services - Solid waste                         | 2,881,772             | 1,554,397                             | -   | 19,929  |
| Transportation services - Bus system                         | 18,183,426            | 3,607,722                             | 995,974   | 6,613,708   |
| Recreational services - Golf                                 | 21,421                | 50,293                                | -   | -   |
| Other services:  |                       |                                       |   |   |
| Water and Sewer  | 2,679,367             | 2,342,055                             | -   | -   |
| Parking  | 287,934               | 307,050                               | -   | -   |
| Building Safety and Regulatory Services                      | 1,328,181             | 567,686                               | -   | -   |
| Total business-type activities                               | <u>25,382,101</u>     | <u>8,429,203</u>                      | <u>995,974</u>  | <u>6,633,637</u>  |
| Total primary government                                     | <u>\$ 224,271,551</u> | <u>\$ 28,285,227</u>                  | <u>\$ 6,873,486</u>   | <u>\$ 17,875,783</u>  |
| <b>Component Units:</b>                                      |                       |                                       |   |   |
| Chatham County Board of Health                               | \$ 10,983,892         | \$ 3,023,411                          | \$ 6,897,013  | \$ -  |
| Live Oak Public Libraries                                    | 11,430,000            | 269,509                               | 1,102,127   | 2,092,391   |
| Total component units  | <u>\$ 22,413,892</u>  | <u>\$ 3,292,920</u>                   | <u>\$ 7,999,140</u>   | <u>\$ 2,092,391</u>   |
| <b>General revenues:</b>                                     |                       |                                       |   |   |
| 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, restated                             |                       |                                       |   |   |
| Net assets - ending  |                       |                                       |   |   |

CHATHAM COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

| Net (Expense) Revenue and Changes in Net Assets |                                     |                         |   |                                      |
|---|-------------------------------------|-------------------------|---|--------------------------------------|
| Primary Government                              |                                     |                         | Component Units                           |                                      |
| <u>Governmental<br/>Activities</u>              | <u>Business-type<br/>Activities</u> | <u>Total</u>            | <u>Chatham County<br/>Board of Health</u> | <u>Live Oak Public<br/>Libraries</u> |
| \$ (30,154,727)                                 |                                     | \$ (30,154,727)         |   |                                      |
| (22,555,456)                                    |                                     | (22,555,456)            |   |                                      |
| (69,264,749)                                    |                                     | (69,264,749)            |   |                                      |
| (13,198,366)                                    |                                     | (13,198,366)            |   |                                      |
| (11,534,817)                                    |                                     | (11,534,817)            |   |                                      |
| (11,467,522)                                    |                                     | (11,467,522)            |   |                                      |
| (2,305,968)                                     |                                     | (2,305,968)             |   |                                      |
| (1,432,163)                                     |                                     | (1,432,163)             |   |                                      |
| <u>(161,913,768)</u>                            |                                     | <u>(161,913,768)</u>    |   |                                      |
| -   | \$ (1,307,446)                      | (1,307,446)             |   |                                      |
| -   | (6,966,022)                         | (6,966,022)             |   |                                      |
| -   | 28,872                              | 28,872                  |   |                                      |
| -   | (337,312)                           | (337,312)               |   |                                      |
| -   | 19,116                              | 19,116                  |   |                                      |
| -   | (760,495)                           | (760,495)               |   |                                      |
| -   | <u>(9,323,287)</u>                  | <u>(9,323,287)</u>      |   |                                      |
| <u>(161,913,768)</u>                            | <u>(9,323,287)</u>                  | <u>(171,237,055)</u>    |   |                                      |
|   |                                     |                         | \$ (1,063,468)                            |                                      |
|   |                                     |                         | -   | \$ (7,965,973)                       |
|   |                                     |                         | <u>(1,063,468)</u>                        | <u>(7,965,973)</u>                   |
| 119,367,823                                     | -                                   | 119,367,823             | -   | -                                    |
| 15,646,429                                      | -                                   | 15,646,429              | -   | -                                    |
| -   | 7,365,560                           | 7,365,560               | -   | -                                    |
| 10,140,321                                      | -                                   | 10,140,321              | -   | -                                    |
| 56,969,395                                      | -                                   | 56,969,395              | -   | -                                    |
| 8,472,967                                       | -                                   | 8,472,967               | -   | 7,703,431                            |
| -   | -                                   | -                       | -   | 65,416                               |
| 2,220,501                                       | 32,822                              | 2,253,323               | -   | 9,062                                |
| 3,663,979                                       | 1,337,984                           | 5,001,963               | 1,515,056                                 | -                                    |
| 2,698,374                                       | (2,698,374)                         | -                       | -   | -                                    |
| <u>219,179,789</u>                              | <u>6,037,992</u>                    | <u>225,217,781</u>      | <u>1,515,056</u>                          | <u>7,777,909</u>                     |
| 57,266,021                                      | (3,285,295)                         | 53,980,726              | 451,588                                   | (188,064)                            |
| 1,035,796,442                                   | 43,402,275                          | 1,079,198,717           | 886,461                                   | 23,189,497                           |
| <u>\$ 1,093,062,463</u>                         | <u>\$ 40,116,980</u>                | <u>\$ 1,133,179,443</u> | <u>\$ 1,338,049</u>                       | <u>\$ 23,001,433</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, 2010

|                                      | General Fund         | Special Service<br>District | Sales Tax I          | Sales Tax II        |
|--------------------------------------|----------------------|-----------------------------|----------------------|---------------------|
| <b>ASSETS</b>                        |                      |                             |                      |                     |
| Cash and investments                 | \$ 28,093,679        | \$ 7,725,929                | \$ 16,260,194        | \$ 5,759,267        |
| Receivables                          | 19,521,659           | 2,553,008                   | 3,437,758            | 1,913,242           |
| Due from other funds                 | 2,661,409            | -                           | -                    | -                   |
| Inventories                          | 131,161              | -                           | -                    | -                   |
| Prepaid items                        | 412,389              | 17,745                      | -                    | -                   |
| Restricted cash                      | 348,598              | -                           | -                    | -                   |
| Total assets                         | <u>\$ 51,168,895</u> | <u>\$ 10,296,682</u>        | <u>\$ 19,697,952</u> | <u>\$ 7,672,509</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                             |                      |                     |
| Liabilities:                         |                      |                             |                      |                     |
| Accounts payable                     | \$ 2,784,774         | \$ 1,748,946                | \$ 133,347           | \$ 38,388           |
| Taxes withheld and accrued           | 29,612               | -                           | -                    | -                   |
| Due to other funds                   | 723,764              | -                           | -                    | -                   |
| Other payables                       | 843,372              | 48,864                      | 2,254                | -                   |
| Deferred revenue                     | 16,324,890           | 1,819,398                   | 3,437,758            | 1,853,379           |
| Total liabilities                    | <u>20,706,412</u>    | <u>3,617,208</u>            | <u>3,573,359</u>     | <u>1,891,767</u>    |
| Fund balances:                       |                      |                             |                      |                     |
| Reserved for:                        |                      |                             |                      |                     |
| Inventories and prepaid items        | 543,551              | 17,745                      | -                    | -                   |
| Encumbrances                         | 2,169,399            | 190,172                     | -                    | -                   |
| Restricted fees                      | 984,051              | -                           | -                    | -                   |
| Debt service                         | -                    | -                           | -                    | -                   |
| Public safety                        | -                    | 378,960                     | -                    | -                   |
| Unreserved:                          |                      |                             |                      |                     |
| Designated, reported in:             |                      |                             |                      |                     |
| General fund                         | 14,376,398           | -                           | -                    | -                   |
| Undesignated, reported in:           |                      |                             |                      |                     |
| General fund                         | 12,389,084           | -                           | -                    | -                   |
| Special revenue funds                | -                    | 6,092,597                   | -                    | -                   |
| Capital projects funds               | -                    | -                           | 16,124,593           | 5,780,742           |
| Total fund balances                  | <u>30,462,483</u>    | <u>6,679,474</u>            | <u>16,124,593</u>    | <u>5,780,742</u>    |
| Total liabilities and fund balances  | <u>\$ 51,168,895</u> | <u>\$ 10,296,682</u>        | <u>\$ 19,697,952</u> | <u>\$ 7,672,509</u> |

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



| <u>Sales Tax III</u> | <u>Sales Tax IV</u>  | <u>Sales Tax V</u>   | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>          |
|----------------------|----------------------|----------------------|---|-----------------------|
| \$ 62,911,713        | \$ 86,160,103        | \$ 81,273,022        | \$ 26,416,354                           | \$ 314,600,261        |
| 243,540              | 340,754              | 5,538,634            | 3,436,357                               | 36,984,952            |
| -                    | -                    | -                    | -                                       | 2,661,409             |
| -                    | -                    | -                    | -                                       | 131,161               |
| -                    | -                    | -                    | -                                       | 430,134               |
| -                    | -                    | -                    | 34,468                                  | 383,066               |
| <u>\$ 63,155,253</u> | <u>\$ 86,500,857</u> | <u>\$ 86,811,656</u> | <u>\$ 29,887,179</u>                    | <u>\$ 355,190,983</u> |
| <br>                 |                      |                      |   |                       |
| \$ 929,355           | \$ 841,340           | \$ 159,406           | \$ 2,446,926                            | \$ 9,082,482          |
| -                    | -                    | -                    | -                                       | 29,612                |
| -                    | -                    | -                    | 2,462,251                               | 3,186,015             |
| 2,298                | 3,686                | 2,034                | 4,376                                   | 906,884               |
| -                    | -                    | -                    | 32,381                                  | 23,467,806            |
| <u>931,653</u>       | <u>845,026</u>       | <u>161,440</u>       | <u>4,945,934</u>                        | <u>36,672,799</u>     |
| <br>                 |                      |                      |   |                       |
| -                    | -                    | -                    | -                                       | 561,296               |
| -                    | -                    | -                    | -                                       | 2,359,571             |
| -                    | -                    | -                    | -                                       | 984,051               |
| -                    | -                    | -                    | 107,909                                 | 107,909               |
| -                    | -                    | -                    | 1,180,531                               | 1,559,491             |
| <br>                 |                      |                      |   |                       |
| -                    | -                    | -                    | -                                       | 14,376,398            |
| -                    | -                    | -                    | -                                       | 12,389,084            |
| -                    | -                    | -                    | 614,330                                 | 6,706,927             |
| 62,223,600           | 85,655,831           | 86,650,216           | 23,038,475                              | 279,473,457           |
| 62,223,600           | 85,655,831           | 86,650,216           | 24,941,245                              | 318,518,184           |
| <u>\$ 63,155,253</u> | <u>\$ 86,500,857</u> | <u>\$ 86,811,656</u> | <u>\$ 29,887,179</u>                    | <u>\$ 355,190,983</u> |

CHATHAM COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2010

---

|   |    |             |
|---|----|-------------|
| Total fund balances, governmental funds | \$ | 318,518,184 |
|---|----|-------------|

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. |  | 786,266,086 |
|---|--|-------------|

|  |  |            |
|--|--|------------|
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. |  | 25,422,906 |
|--|--|------------|

|  |  |         |
|--|--|---------|
| Bond issuance costs and losses on early retirement are reported as expenditures in the governmental funds. |  | 369,751 |
|--|--|---------|

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:

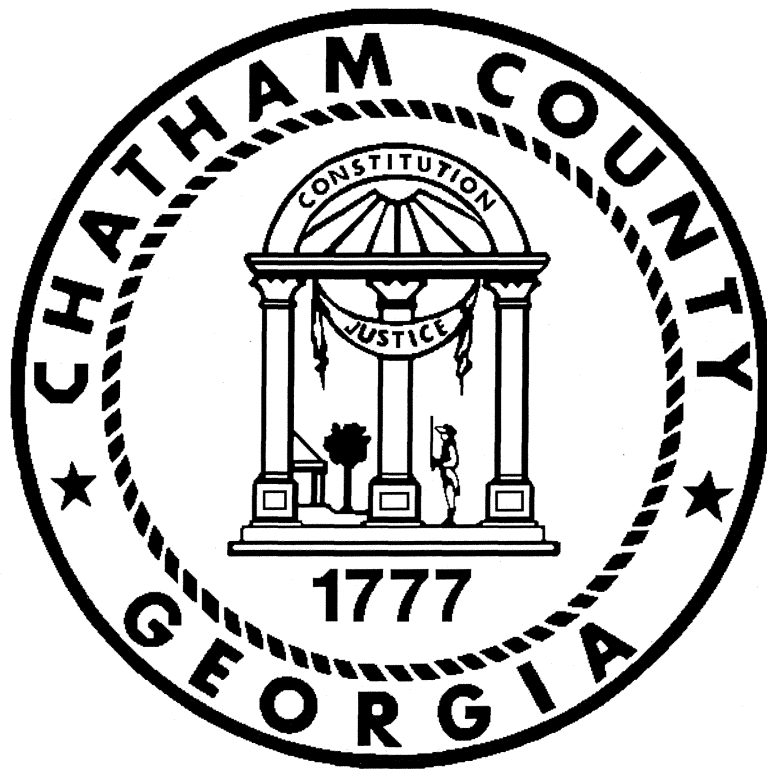
|                              |              |  |
|------------------------------|--------------|--|
| Capital leases               | \$ (693,169) |  |
| Contractual Obligations      | (28,575,930) |  |
| Pollution Control Facilities | (79,824)     |  |
| Compensated Absences         | (10,595,327) |  |
| Claims and Judgements        | (183,000)    |  |
|                              | (40,127,250) |  |

|  |  |             |
|--|--|-------------|
| Net OPEB liability not reported in fund statements |  | (6,313,286) |
|--|--|-------------|

|   |  |           |
|---|--|-----------|
| Interest payable on long-term obligations is not due and payable in the current period and therefore is not reported in the governmental funds. |  | (558,864) |
|---|--|-----------|

|  |  |           |
|--|--|-----------|
| 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. |  | 9,484,936 |
|--|--|-----------|

|  |  |                  |
|--|--|------------------|
| Net Assets of Governmental Activities in the Statement of Net Assets |  | \$ 1,093,062,463 |
|--|--|------------------|



CHATHAM COUNTY, GEORGIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | General Fund         | Special Service<br>District | Sales Tax I          | Sales Tax II        |
|--|----------------------|-----------------------------|----------------------|---------------------|
| <b>REVENUES</b>  |                      |                             |                      |                     |
| Property taxes   | \$ 117,367,054       | \$ 15,361,502               | \$ -                 | \$ -                |
| Local option sales tax                                       | 10,269,046           | -                           | -                    | -                   |
| Other taxes  | 407,855              | 6,924,528                   | -                    | -                   |
| Penalties and interest                                       | 2,199,932            | 372,664                     | -                    | -                   |
| Licenses and permits   | 949,924              | -                           | -                    | -                   |
| Intergovernmental  | 2,729,623            | 843,543                     | 2,034                | -                   |
| Charges for services   | 10,194,742           | 55,661                      | -                    | -                   |
| Fees and fines   | 3,168,591            | 1,476,754                   | -                    | -                   |
| Investment income  | 215,588              | 21,674                      | 54,611               | 19,678              |
| Other revenue  | 393,723              | 3,666                       | 2,228                | 875                 |
| Total revenues   | <u>147,896,078</u>   | <u>25,059,992</u>           | <u>58,873</u>        | <u>20,553</u>       |
| <b>EXPENDITURES</b>  |                      |                             |                      |                     |
| Current:   |                      |                             |                      |                     |
| General government   | 33,183,557           | 2,289,984                   | -                    | -                   |
| Judicial   | 26,488,091           | 1,859,623                   | -                    | -                   |
| Public safety  | 51,267,387           | 13,359,682                  | -                    | -                   |
| Public works   | 1,377,110            | 5,655,838                   | -                    | -                   |
| Health and welfare   | 10,762,012           | -                           | -                    | -                   |
| Culture and recreation                                       | 10,783,734           | -                           | -                    | -                   |
| Housing and development                                      | 569,259              | 1,242,757                   | -                    | -                   |
| Debt service:  |                      |                             |                      |                     |
| Principal  | 3,934,131            | -                           | -                    | -                   |
| Interest and other charges                                   | 1,440,999            | -                           | -                    | -                   |
| Capital outlay   | -                    | -                           | 5,842,577            | 1,905,725           |
| Total expenditures   | <u>139,806,280</u>   | <u>24,407,884</u>           | <u>5,842,577</u>     | <u>1,905,725</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>8,089,798</u>     | <u>652,108</u>              | <u>(5,783,704)</u>   | <u>(1,885,172)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                             |                      |                     |
| Bond issuance  | -                    | -                           | -                    | -                   |
| Transfers in   | 486,181              | 611,627                     | -                    | -                   |
| Transfers out  | (7,974,555)          | (2,397,520)                 | -                    | -                   |
| Total other financing sources (uses)                         | <u>(7,488,374)</u>   | <u>(1,785,893)</u>          | <u>-</u>             | <u>-</u>            |
| Net change in fund balances                                  | 601,424              | (1,133,785)                 | (5,783,704)          | (1,885,172)         |
| Fund balances - beginning, restated                          | 29,861,059           | 7,813,259                   | 21,908,297           | 7,665,914           |
| Fund balances - ending                                       | <u>\$ 30,462,483</u> | <u>\$ 6,679,474</u>         | <u>\$ 16,124,593</u> | <u>\$ 5,780,742</u> |

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

| Sales Tax III | Sales Tax IV  | Sales Tax V   | Other<br>Governmental<br>Funds | Total          |
|---------------|---------------|---------------|--------------------------------|----------------|
| \$ -          | \$ -          | \$ -          | \$ -                           | \$ 132,728,556 |
| -             | -             | -             | -                              | 10,269,046     |
| -             | -             | 56,969,395    | 1,140,584                      | 65,442,362     |
| -             | -             | -             | -                              | 2,572,596      |
| -             | -             | -             | 472,631                        | 1,422,555      |
| -             | -             | -             | 7,442,904                      | 11,018,104     |
| 30            | -             | -             | 2,753,956                      | 13,004,389     |
| -             | -             | -             | 283,927                        | 4,929,272      |
| 497,660       | 838,022       | 539,155       | 65,204                         | 2,251,592      |
| 14,679        | 66,495        | -             | 663,798                        | 1,145,464      |
| 512,369       | 904,517       | 57,508,550    | 12,823,004                     | 244,783,936    |
| -             | -             | -             | 3,282,001                      | 38,755,542     |
| -             | -             | -             | 361,306                        | 28,709,020     |
| -             | -             | -             | 7,281,141                      | 71,908,210     |
| -             | -             | -             | 625,137                        | 7,658,085      |
| -             | -             | -             | -                              | 10,762,012     |
| -             | -             | -             | -                              | 10,783,734     |
| -             | -             | -             | 968,106                        | 2,780,122      |
| -             | -             | -             | 140,000                        | 4,074,131      |
| -             | -             | -             | 94,221                         | 1,535,220      |
| 8,869,652     | 10,015,221    | 8,878,355     | 12,250,254                     | 47,761,784     |
| 8,869,652     | 10,015,221    | 8,878,355     | 25,002,166                     | 224,727,860    |
| (8,357,283)   | (9,110,704)   | 48,630,195    | (12,179,162)                   | 20,056,076     |
| -             | -             | -             | 2,400,000                      | 2,400,000      |
| -             | -             | -             | 3,333,003                      | 4,430,811      |
| -             | -             | -             | (913,361)                      | (11,285,436)   |
| -             | -             | -             | 4,819,642                      | (4,454,625)    |
| (8,357,283)   | (9,110,704)   | 48,630,195    | (7,359,520)                    | 15,601,451     |
| 70,580,883    | 94,766,535    | 38,020,021    | 32,300,765                     | 302,916,733    |
| \$ 62,223,600 | \$ 85,655,831 | \$ 86,650,216 | \$ 24,941,245                  | \$ 318,518,184 |

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, 2010

|   |              |                      |
|---|--------------|----------------------|
| Net change in fund balances - total governmental funds:   |              | \$ 15,601,451        |
| 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 \$38,227,613 exceeded depreciation \$17,223,902 in the current period. |              |                      |
|   |              | 21,003,711           |
| The net effect of various miscellaneous transactions involving capital assets is to increase net assets. The County received \$3,442,050 in capital contributions, \$7,152,999 in enterprise fund asset transfers and recorded (\$161,621) related to disposals.  |              |                      |
|   |              | 10,433,428           |
| 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  | \$ 7,075,108 |                      |
| Pension asset   | 1,588,177    | 8,663,285            |
| 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.   |              |                      |
|   |              | 1,674,131            |
| 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:               |              |                      |
| Bond issuance costs   | \$ 48,937    |                      |
| Amortization of bond issuance costs   | (123,644)    |                      |
| Amortization of bond discounts/premiums   | 127,367      |                      |
| Interest expense - debt obligations   | 50,397       | 103,057              |
| 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  | \$ (56,364)  |                      |
| Claims and judgments  | 291,000      | 234,636              |
| 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  |              |                      |
|   |              | (2,080,766)          |
| 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.  |              |                      |
|   |              | 1,633,088            |
| Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.   |              |                      |
| Change in net assets of governmental activities   |              | <u>\$ 57,266,021</u> |

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

CHATHAM COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF FUND NET ASSETS  
 JUNE 30, 2010

|   | Business-type Activities - Enterprise Funds |                     |                              |               | Governmental<br>Activities |
|---|---|---------------------|------------------------------|---------------|----------------------------|
|   | Chatham Area<br>Transit<br>Authority        | Solid Waste<br>Fund | Other<br>Enterprise<br>Funds | Total         | Internal Service<br>Funds  |
| <b>ASSETS</b>                                       |   |                     |                              |               |                            |
| Current assets:                                     |   |                     |                              |               |                            |
| Cash and investments                                | \$ 610,935                                  | \$ 2,696,960        | \$ 3,783,955                 | \$ 7,091,850  | \$ 12,801,110              |
| Receivable, net                                     | 2,268,106                                   | 68,050              | 860,204                      | 3,196,360     | 342,920                    |
| Due from other funds                                | 723,764                                     | -                   | -                            | 723,764       | -                          |
| Inventories   | 277,505                                     | -                   | -                            | 277,505       | -                          |
| Prepaid Expenses                                    | -   | -                   | -                            | -             | -                          |
| Restricted cash                                     | -   | -                   | 233,717                      | 233,717       | -                          |
| Total current assets                                | 3,880,310                                   | 2,765,010           | 4,877,876                    | 11,523,196    | 13,144,030                 |
| Non-current assets:                                 |   |                     |                              |               |                            |
| Restricted cash                                     | -   | 6,500,195           | -                            | 6,500,195     | -                          |
| Capital assets,<br>net of accumulated depreciation  | 20,048,726                                  | 2,200,621           | 7,151,506                    | 29,400,853    | -                          |
| Total non-current assets                            | 20,048,726                                  | 8,700,816           | 7,151,506                    | 35,901,048    | -                          |
| Total assets  | 23,929,036                                  | 11,465,826          | 12,029,382                   | 47,424,244    | 13,144,030                 |
| <b>LIABILITIES</b>                                  |   |                     |                              |               |                            |
| Current Liabilities:                                |   |                     |                              |               |                            |
| Accounts payable                                    | 1,770,451                                   | 152,874             | 238,504                      | 2,161,829     | 102,796                    |
| Payable from restricted assets                      | -   | -                   | 233,717                      | 233,717       | -                          |
| Due to other funds                                  | -   | -                   | 199,158                      | 199,158       | -                          |
| Other accrued expenses                              | 771,662                                     | 8,597               | 21,072                       | 801,331       | -                          |
| Unearned revenue                                    | 62,299                                      | -                   | -                            | 62,299        | -                          |
| Current portion of long-term liabilities            | 50,431                                      | 198,971             | 16,072                       | 265,474       | -                          |
| Total current liabilities                           | 2,654,843                                   | 360,442             | 708,523                      | 3,723,808     | 102,796                    |
| Non-current liabilities:                            |   |                     |                              |               |                            |
| Due in more than one year                           | 12,680                                      | 3,081,491           | 130,039                      | 3,224,210     | 3,556,298                  |
| Net OPEB Obligation                                 | 118,011                                     | 97,962              | 143,273                      | 359,246       | -                          |
| Total non-current liabilities                       | 130,691                                     | 3,179,453           | 273,312                      | 3,583,456     | 3,556,298                  |
| Total liabilities                                   | 2,785,534                                   | 3,539,895           | 981,835                      | 7,307,264     | 3,659,094                  |
| <b>NET ASSETS</b>                                   |   |                     |                              |               |                            |
| Invested in capital assets,<br>net of related debt  | 19,634,700                                  | 2,200,621           | 7,151,506                    | 28,986,827    | -                          |
| Restricted for solid waste management<br>activities | -   | 3,357,430           | -                            | 3,357,430     | -                          |
| Unrestricted  | 1,508,802                                   | 2,367,880           | 3,896,041                    | 7,772,723     | 9,484,936                  |
| Total net assets                                    | \$ 21,143,502                               | \$ 7,925,931        | \$ 11,047,547                | \$ 40,116,980 | \$ 9,484,936               |

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

D-10

CHATHAM COUNTY, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010

|   | Business-type Activities - Enterprise Funds |                     |                              |               | Governmental<br>Activities |
|---|---|---------------------|------------------------------|---------------|----------------------------|
|   | Chatham Area<br>Transit Authority           | Solid Waste<br>Fund | Other<br>Enterprise<br>Funds | Total         | Internal Service<br>Funds  |
| <b>OPERATING REVENUES</b>                           |   |                     |                              |               |                            |
| Charges for services                                | \$ 3,607,722                                | \$ 1,554,397        | \$ 3,267,084                 | \$ 8,429,203  | \$ 19,821,746              |
| Miscellaneous                                       | 1,326,235                                   | 370                 | 5,376                        | 1,331,981     | -                          |
| Total operating revenues                            | 4,933,957                                   | 1,554,767           | 3,272,460                    | 9,761,184     | 19,821,746                 |
| <b>OPERATING EXPENSES</b>                           |   |                     |                              |               |                            |
| Personal services                                   | 9,340,922                                   | 1,124,803           | 1,831,397                    | 12,297,122    | -                          |
| Contractual services                                | 4,006,223                                   | 885,654             | 1,390,123                    | 6,282,000     | 20,612,577                 |
| Supplies  | 2,694,054                                   | 225,085             | 424,643                      | 3,343,782     | -                          |
| Interdepartment charges                             | -   | 344,912             | 162,594                      | 507,506       | -                          |
| Depreciation  | 1,917,679                                   | 301,318             | 475,173                      | 2,694,170     | -                          |
| Other costs   | 206,175                                     | -                   | 2,100                        | 208,275       | -                          |
| Total operating expenses                            | 18,165,053                                  | 2,881,772           | 4,286,030                    | 25,332,855    | 20,612,577                 |
| Operating income (loss)                             | (13,231,096)                                | (1,327,005)         | (1,013,570)                  | (15,571,671)  | (790,831)                  |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>            |   |                     |                              |               |                            |
| Intergovernmental                                   | 995,974                                     | -                   | -                            | 995,974       | -                          |
| Special district transit tax                        | 7,365,560                                   | -                   | -                            | 7,365,560     | -                          |
| Interest and investment revenue                     | 1,416                                       | 21,342              | 9,972                        | 32,730        | 23,919                     |
| Interest expense and other                          | (18,373)                                    | -                   | 92                           | (18,281)      | -                          |
| Gain (loss) on sale of capital assets               | -   | 5,945               | (30,815)                     | (24,870)      | -                          |
| Total non-operating revenue (expenses)              | 8,344,577                                   | 27,287              | (20,751)                     | 8,351,113     | 23,919                     |
| Income (loss) before contributions<br>and transfers | (4,886,519)                                 | (1,299,718)         | (1,034,321)                  | (7,220,558)   | (766,912)                  |
| Capital contributions                               | 6,613,708                                   | 19,929              | -                            | 6,633,637     | -                          |
| Transfers in  | 2,231,323                                   | 1,695,943           | 678,047                      | 4,605,313     | 2,400,000                  |
| Transfers out                                       | -   | -                   | (7,303,687)                  | (7,303,687)   | -                          |
| Change in net assets                                | 3,958,512                                   | 416,154             | (7,659,961)                  | (3,285,295)   | 1,633,088                  |
| Total net assets - beginning                        | 17,184,990                                  | 7,509,777           | 18,707,508                   | 43,402,275    | 7,851,848                  |
| Total net assets - ending                           | \$ 21,143,502                               | \$ 7,925,931        | \$ 11,047,547                | \$ 40,116,980 | \$ 9,484,936               |

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

D-11



CHATHAM COUNTY, GEORGIA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Business-type Activities - Enterprise Funds |                  |                        |                 | Governmental Activities |
|--|---|------------------|------------------------|-----------------|-------------------------|
|  | Chatham Area Transit Authority              | Solid Waste Fund | Other Enterprise Funds | Total           | Internal Service Funds  |
| Cash flows from operating activities:  |   |                  |                        |                 |                         |
| Passenger fares and other revenues   | \$ 5,123,150                                | \$ 1,536,068     | \$ -                   | \$ 6,659,218    | \$ (204,546)            |
| Cash received from customers   | -   | -                | 3,041,908              | 3,041,908       | -                       |
| Cash payments to employees for services  | (9,361,318)                                 | (1,087,915)      | (1,703,412)            | (12,152,645)    | -                       |
| Cash payments to suppliers for goods and services  | (6,338,034)                                 | (1,407,460)      | (1,979,597)            | (9,725,091)     | (20,438,977)            |
| Cash received from contributions   | -   | -                | -                      | -               | 19,814,542              |
| Net cash provided (used) by operating activities   | (10,576,202)                                | (959,307)        | (641,101)              | (12,176,610)    | (828,981)               |
| Cash flows from noncapital financing activities:   |   |                  |                        |                 |                         |
| Special district transit tax   | 7,094,476                                   | -                | -                      | 7,094,476       | -                       |
| Federal and state grants   | 1,496,907                                   | -                | -                      | 1,496,907       | -                       |
| Intergovernmental loan and borrowing under line of credit                                  | (7,000)                                     | -                | -                      | (7,000)         | -                       |
| Interest paid  | (15,017)                                    | -                | -                      | (15,017)        | -                       |
| Borrowings from (repayments to) other funds  | (517,329)                                   | -                | (153,677)              | (671,006)       | -                       |
| Transfers in   | 2,231,323                                   | 1,695,943        | 678,047                | 4,605,313       | 2,400,000               |
| Transfers out  | -   | -                | (150,688)              | (150,688)       | -                       |
| Net cash provided (used) by noncapital financing activities                                | 10,283,360                                  | 1,695,943        | 373,682                | 12,352,985      | 2,400,000               |
| Cash flows from capital and related financing activities:                                  |   |                  |                        |                 |                         |
| Capital contributed by other governments   | 6,613,708                                   | 19,929           | -                      | 6,633,637       | -                       |
| Payments from developers   | -   | -                | (2,719)                | (2,719)         | -                       |
| Proceeds from disposal of capital assets   | -   | 5,945            | 147,779                | 153,724         | -                       |
| Interest payments on debt  | (3,356)                                     | -                | -                      | (3,356)         | -                       |
| Principal payments on debt   | (47,777)                                    | (187,557)        | 40,919                 | (194,415)       | -                       |
| Acquisitions and construction of capital assets  | (6,864,382)                                 | (497,724)        | (411,126)              | (7,773,232)     | -                       |
| Net cash (used) by capital and related financing activities                                | (301,807)                                   | (659,407)        | (225,147)              | (1,186,361)     | -                       |
| Cash flows from investing activities:  |   |                  |                        |                 |                         |
| Interest earned on cash and investments  | 1,416                                       | 21,342           | 10,064                 | 32,822          | 23,919                  |
| Net cash provided (used) by investing activities   | 1,416                                       | 21,342           | 10,064                 | 32,822          | 23,919                  |
| Increase (decrease) in cash and cash equivalents   | (593,233)                                   | 98,571           | (482,502)              | (977,164)       | 1,594,938               |
| Cash and cash equivalents, beginning of year   | 1,204,168                                   | 9,098,584        | 4,500,174              | 14,802,926      | 11,206,172              |
| Cash and cash equivalents, end of year   | \$ 610,935                                  | \$ 9,197,155     | \$ 4,017,672           | \$ 13,825,762   | \$ 12,801,110           |
| Reconciliation of operating income to net cash provided by (used in) operating activities: |   |                  |                        |                 |                         |
| Operating income (loss)  | \$ (13,231,096)                             | \$ (1,327,005)   | \$ (1,013,570)         | \$ (15,571,671) | \$ (790,831)            |
| Adjustments to reconcile operating income to net cash provided by operating activities:    |   |                  |                        |                 |                         |
| Depreciation   | 1,917,679                                   | 301,318          | 475,173                | 2,694,170       | -                       |
| Change in assets and liabilities:  |   |                  |                        |                 |                         |
| (Increase) decrease in accounts receivables  | 189,193                                     | (18,699)         | (229,841)              | (59,347)        | (211,750)               |
| (Increase) decrease in inventory   | (16)  | -                | -                      | (16)            | -                       |
| (Increase) decrease in prepaid items   | 509,510                                     | -                | -                      | 509,510         | -                       |
| Increase (decrease) in accounts/claims payable   | 293,884                                     | 48,191           | 74,560                 | 416,635         | 173,600                 |
| Increase (decrease) in unearned revenue  | (281,438)                                   | -                | (711)                  | (282,149)       | -                       |
| Increase (decrease) in OPEB obligations  | 26,082                                      | 36,888           | 53,288                 | 116,258         | -                       |
| Total adjustments  | 2,654,894                                   | 367,698          | 372,469                | 3,395,061       | (38,150)                |
| Net cash provided (used) by operating activities   | \$ (10,576,202)                             | \$ (959,307)     | \$ (641,101)           | \$ (12,176,610) | \$ (828,981)            |
| Noncash investing, capital, and financing activities:                                      |   |                  |                        |                 |                         |
| Capital assets transferred to governmental activities                                      | \$ -  | \$ -             | \$ 7,152,999           | \$ 7,152,999    | \$ -                    |

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

D-12

CHATHAM COUNTY, GEORGIA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010

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|  | <u>Agency Funds</u>  | <u>Pension (and Other<br/>Employee Benefit)<br/>Trust Funds</u> |
|--|----------------------|---|
| <b>ASSETS</b>                          |                      |   |
| Cash                                   | \$ 25,466,794        | \$ 10,805,066   |
| Receivables:                           |                      |   |
| Interest and dividend                  | -                    | 655,812   |
| Sale of investments                    | -                    | 4,039,314   |
| Accounts                               | -                    | 83,202  |
| Investments, at fair value:            |                      |   |
| U.S. government and agency obligations | -                    | 17,682,441  |
| Mortgage backed securities             | -                    | 4,641,696   |
| Corporate bonds                        | -                    | 30,579,288  |
| Domestic stocks                        | -                    | 41,918,985  |
| Real estate investment trust           | -                    | 252,056   |
| International equity funds             | -                    | 12,652,989  |
| Exchange traded funds                  | -                    | 1,216,741   |
| Index funds                            | -                    | 10,111,642  |
| Other asset backed securities          | -                    | 89,211  |
| Total Investments                      | <u>-</u>             | <u>119,145,049</u>  |
| Total assets                           | <u>25,466,794</u>    | <u>134,728,443</u>  |
| <b>LIABILITIES</b>                     |                      |   |
| Accounts payable                       | -                    | 1,878,245   |
| Due to others                          | 25,466,794           | -   |
| Total liabilities                      | <u>\$ 25,466,794</u> | <u>1,878,245</u>  |
| <b>NET ASSETS</b>                      |                      |   |
| Held in trust for pension benefits     |                      | 120,137,041   |
| Held in trust for OPEB benefits        |                      | 12,713,157  |
| Total net assets                       |                      | <u>\$ 132,850,198</u>   |

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

D-13

CHATHAM COUNTY, GEORGIA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

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|  | <b>Pension (and Other<br/>Employee Benefit)<br/>Trust Funds</b> |
|--|---|
| <b>ADDITIONS</b>   |   |
| Contributions:   |   |
| Employer   | \$ 20,215,994   |
| Plan members   | 2,517,623   |
| Total contributions  | <u>22,733,617</u>   |
| Investment earnings:   |   |
| Net appreciation (depreciation) in fair value of investments | 10,589,141  |
| Interest   | 2,453,010   |
| Dividends  | 1,013,953   |
| Total  | <u>14,056,104</u>   |
| Less investment expense                                      | 464,611   |
| Net investment income  | <u>13,591,493</u>   |
| <br>Total additions  | <br><u>36,325,110</u>   |
| <b>DEDUCTIONS</b>  |   |
| Benefits - Pension   | 8,617,285   |
| Risk management  | 3,816,008   |
| Refunds of contributions                                     | 218,269   |
| Administrative expense                                       | 584,710   |
| Total deductions   | <u>13,236,272</u>   |
| Change in net assets   | 23,088,838  |
| Net assets - beginning                                       | 109,761,360   |
| Net assets - ending  | <u><u>\$ 132,850,198</u></u>                                    |



**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**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. Under the agreement, the County reimburses the State for the salaries and operating costs for twenty-seven employees. In addition, the County supplements 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

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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for inclusion as a component unit. Complete financial statements of the Chatham Area Transit 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, 2010, the County paid \$72,528 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

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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independently from those of the primary government.

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

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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than upon net income. The following is a description of the governmental funds of the County:

**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 fund (Special Service District) is used to account for special levy ad valorem taxes and other activities for the unincorporated area of the County. In preparation for GASB 54, the Street Paving Fund was dissolved and the assets transferred to the Special Service District Fund.

**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 2010, 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. Per Board action, the Henderson Fund was dissolved and the assets transferred to the General Fund.

**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, were 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



**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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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.

**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**

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**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. Non-exchange 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

The property tax calendar is as follows:

|  |                   |
|--|-------------------|
| Beginning of fiscal year for taxes   | January 1, 2010   |
| First installment real property tax bills rendered<br>(based on prior year digest) | April 1, 2010     |
| First installment real property tax payment due                                    | June 1, 2010      |
| Millage rate adopted by resolution   | July 9, 2010      |
| County tax digest approved by the State of Georgia for collection                  | August 2, 2010    |
| Second installment real and personal property tax bills rendered                   | October 9, 2010   |
| Second installment real property tax payment due                                   | December 10, 2010 |
| Tax sales 2001-2009 delinquent real property tax<br>and other assessments          | Various           |

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.

**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**

*Governmental Funds* – Juvenile Court funds held in escrow under the Georgia Co-Ops Program were restricted. Chatham Emergency Management Agency Fund restricted funds were generated from contributions by private industry for use in a separate local emergency planning commission. Other funds were restricted in the Debt Service Fund for unspent bond proceeds and the Land Disturbing Activities Ordinance Fund for tree planting and replacement programs.

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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*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 Solid Waste Management activities under the Georgia Solid Waste Management Act 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:

| Assets                       | Years |
|------------------------------|-------|
| Building                     | 10-50 |
| Building Improvements        | 10    |
| Public Domain Infrastructure | 30-50 |
| System Infrastructure        | 20-50 |
| Intangibles                  | 7-15  |
| Vehicles                     | 5     |
| Office Equipment             | 4-40  |
| Furniture and Fixtures       | 5-10  |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**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, 2010 is \$153,185.

**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**

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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**

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balances/Net Assets**

The Land Bank Fund has a fund deficit of \$59,345. The fund's main revenue source is real property sales. In the future, county property purchases negotiated by the Land Bank Fund will be charged a real estate commission to help eliminate the deficit. The Building Safety and Regulatory Services Fund experienced a deficit net assets balance of \$161,232. Due to the unstable economy and housing market, expenses have been cut to the minimum and additional staff laid off.

**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 five major capital project funds – Sales Tax I, Sales Tax II, Sales Tax III, Sales Tax IV, and Sales Tax V – 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 and investments intended for payment of other post-employment benefits are held separately and reported in the other Post-Employment Benefit Trust Fund.

*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, 2010 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, 2010 the investments of the Primary Government, OPEB and the CCERP were:

|                               |                          | Maturities in Years |                |               |               |                |
|-------------------------------|--------------------------|---------------------|----------------|---------------|---------------|----------------|
| Type of Investment            | Average<br>Credit Rating | Fair Value          | Less than 1    | 1-3           | 4-5           | Greater than 5 |
| <b>Primary Government:</b>    |                          |                     |                |               |               |                |
| Georgia Fund I                | Aaa                      | \$ 55,909,039       | \$ 55,909,039  | \$ -          | \$ -          | \$ -           |
| US Government/Agency Sec      | Aaa                      | 40,074,895          | 3,016,680      | 3,152,310     | 25,857,175    | 8,048,730      |
| <b>OPEB Trust Fund:</b>       |                          |                     |                |               |               |                |
| Index Funds                   | NR                       | 10,111,642          | 10,111,642     |               |               |                |
| <b>Pension Trust Fund:</b>    |                          |                     |                |               |               |                |
| US Government/Agency Sec      | Aaa                      | 17,682,441          | -              | 2,640,282     | 3,051,191     | 11,990,969     |
| Mortgage Backed Securities    | Aaa                      | 4,641,696           | -              | -             | -             | 4,641,696      |
| Corporate Bonds               |                          |                     |                |               |               |                |
| Various                       | A                        | 21,927,556          | 1,370,516      | 3,893,394     | 4,180,472     | 12,483,174     |
| Various                       | Aa                       | 2,873,795           | 161,870        | 704,668       | 455,786       | 1,551,471      |
| Various                       | Baa                      | 5,777,937           | 737,469        | 1,381,916     | 893,318       | 2,765,234      |
| Domestic Stock                | NR                       | 41,918,985          | 41,918,985     | -             | -             | -              |
| Real Estate Investment Trust  | NR                       | 252,056             | 252,056        | -             | -             | -              |
| LMTD Partnership Equity Units | NR                       | 89,211              | 89,211         |               |               |                |
| International Equity Funds    | NR                       | 12,652,989          | 12,652,989     | -             | -             | -              |
| Equity Mutual Funds           | NR                       | 1,216,741           | 1,216,741      | -             | -             | -              |
| Total Investments             |                          | \$ 215,128,983      | \$ 127,437,198 | \$ 11,772,570 | \$ 34,437,942 | \$ 41,481,274  |

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**

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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, 2010 was \$12,652,989. 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% or 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 Policy places maximum limits on investment of public funds as follows:

|   |      |
|---|------|
| Bankers' Acceptances maturing within 270 days<br>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<br>Securities   | 25%  |
| Collateralized instruments offered by approved<br>County depository bank(s)   | 100% |
| Interests or securities in no-load, open-end mutual funds as<br>provided for in OCGA 36-82-7 (bond proceeds only)   | 100% |
| Mortgage pass-throughs/REMICS/CMOs/other mortgage-backed<br>Securities (other than high-risk* derivatives) issued by a<br>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.

The County's Pension Board follows State law in its investment of assets of the OPEB Trust Fund. Current investments are divided between index funds concentrating in fixed income and domestic equities.



**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   | \$ 334,493,221        |
| Restricted cash        | 7,116,978             |
| Trust and agency funds | 155,416,909           |
| Total                  | <u>\$ 497,027,108</u> |

**Notes to financial statements:**

|              |                       |
|--------------|-----------------------|
| Cash on hand | \$ 50,177             |
| Deposits     | 281,847,948           |
| Investments  | 215,128,983           |
| Total        | <u>\$ 497,027,108</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-<br>governmental | Gross<br>Receivables | Allowance for<br>Uncollectibles | Net<br>Receivables   |
|--------------------------|----------------------|---------------------|------------------------|----------------------|---------------------------------|----------------------|
| General                  | \$ 17,665,104        | \$ 50,617           | \$ 1,961,938           | \$ 19,677,659        | \$ (156,000)                    | \$ 19,521,659        |
| Special Service District | 2,077,249            | 385,129             | 108,630                | 2,571,008            | (18,000)                        | 2,553,008            |
| Sales Tax I              | -                    | -                   | 3,437,758              | 3,437,758            | -                               | 3,437,758            |
| Sales Tax II             | -                    | -                   | 1,913,242              | 1,913,242            | -                               | 1,913,242            |
| Sales Tax III            | -                    | -                   | 243,540                | 243,540              | -                               | 243,540              |
| Sales Tax IV             | -                    | -                   | 340,754                | 340,754              | -                               | 340,754              |
| Sales Tax V              | -                    | -                   | 5,538,634              | 5,538,634            | -                               | 5,538,634            |
| Chatham Area Transit     | -                    | 330,717             | 1,937,389              | 2,268,106            | -                               | 2,268,106            |
| Solid Waste              | -                    | 63,630              | 4,420                  | 68,050               | -                               | 68,050               |
| Nonmajor Governmental    | 23,706               | 397,674             | 3,015,976              | 3,437,356            | (1,000)                         | 3,436,356            |
| Internal Service         | -                    | 267,920             | 75,000                 | 342,920              | -                               | 342,920              |
| Nonmajor Enterprise      | -                    | 1,054,811           | -                      | 1,054,811            | (194,607)                       | 860,204              |
| Fiduciary Fund           | -                    | 4,778,328           | -                      | 4,778,328            | -                               | 4,778,328            |
| Total                    | <u>\$ 19,766,059</u> | <u>\$ 7,328,826</u> | <u>\$ 18,577,281</u>   | <u>\$ 45,672,166</u> | <u>\$ (369,607)</u>             | <u>\$ 45,302,559</u> |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2010 was as follows:

|                                       | Beginning<br>Balance  | Increases            | Decreases            | Ending<br>Balance     |
|---------------------------------------|-----------------------|----------------------|----------------------|-----------------------|
| <b>Governmental Activities:</b>       |                       |                      |                      |                       |
| <i>Non-Depreciable Assets:</i>        |                       |                      |                      |                       |
| Land                                  | \$ 28,474,662         | \$ 10,656,726        | \$ -                 | \$ 39,131,388         |
| Right of Ways                         | 336,158,537           | 1,666,066            | -                    | 337,824,603           |
| Construction in Progress              | 42,906,844            | 23,191,939           | 18,396,281           | 47,702,502            |
| <i>Depreciable Assets:</i>            |                       |                      |                      |                       |
| Buildings and Improvements            | 154,347,920           | 11,566,651           | -                    | 165,914,571           |
| Machinery and Equipment               | 48,142,034            | 5,297,863            | 3,508,940            | 49,930,957            |
| Infrastructure                        | 399,791,651           | 14,834,715           | -                    | 414,626,366           |
| Intangible Assets                     | 3,386,900             | -                    | -                    | 3,386,900             |
| <b>Total</b>                          | <b>1,013,208,548</b>  | <b>67,213,960</b>    | <b>21,905,221</b>    | <b>1,058,517,287</b>  |
| <i>Accumulated Depreciation:</i>      |                       |                      |                      |                       |
| Buildings and Improvements            | (35,755,630)          | (4,264,528)          | -                    | (40,020,158)          |
| Machinery and Equipment               | (34,551,925)          | (3,732,029)          | (3,347,318)          | (34,936,636)          |
| Infrastructure                        | (185,023,836)         | (8,888,655)          | (4,984)              | (193,907,507)         |
| Intangible Assets                     | (3,048,210)           | (338,690)            | -                    | (3,386,900)           |
| <b>Total Accumulated Depreciation</b> | <b>(258,379,601)</b>  | <b>(17,223,902)</b>  | <b>(3,352,302)</b>   | <b>(272,251,201)</b>  |
| <b>Total Governmental Activities</b>  | <b>754,828,947</b>    | <b>49,990,058</b>    | <b>18,552,919</b>    | <b>786,266,086</b>    |
| <b>Business-Type Activities:</b>      |                       |                      |                      |                       |
| <i>Non-Depreciable Assets:</i>        |                       |                      |                      |                       |
| Land                                  | 9,721,727             | -                    | 6,583,871            | 3,137,856             |
| Construction in Progress              | 135,000               | 9,900                | -                    | 144,900               |
| <i>Depreciable Assets:</i>            |                       |                      |                      |                       |
| Buildings and Improvements            | 12,128,931            | 418,682              | 862,223              | 11,685,390            |
| Plant                                 | 11,684,334            | 228,801              | 52,825               | 11,860,310            |
| Machinery and Equipment               | 22,903,576            | 7,325,601            | 2,171,877            | 28,057,300            |
| <b>Total</b>                          | <b>56,573,568</b>     | <b>7,982,984</b>     | <b>9,670,796</b>     | <b>54,885,756</b>     |
| <i>Accumulated Depreciation:</i>      |                       |                      |                      |                       |
| Buildings and Improvements            | (5,983,476)           | (478,444)            | (293,096)            | (6,168,824)           |
| Plant                                 | (6,707,505)           | (320,463)            | (22,011)             | (7,005,957)           |
| Machinery and Equipment               | (12,580,119)          | (1,895,262)          | (2,165,259)          | (12,310,122)          |
| <b>Total Accumulated Depreciation</b> | <b>(25,271,100)</b>   | <b>(2,694,169)</b>   | <b>(2,480,366)</b>   | <b>(25,484,903)</b>   |
| <b>Total Business-Type Activities</b> | <b>31,302,468</b>     | <b>5,288,815</b>     | <b>7,190,430</b>     | <b>29,400,853</b>     |
| <b>Total Capital Assets</b>           | <b>\$ 786,131,415</b> | <b>\$ 55,278,873</b> | <b>\$ 25,743,349</b> | <b>\$ 815,666,939</b> |

Due to the implementation of GASB 51, intangible assets were added to the beginning balance in the amount of \$3,386,900 with accumulated depreciation of \$3,048,210. The net book value of these assets was \$338,690.

Depreciation expense was charged to governmental activities as follows:

|                                   |                      |
|-----------------------------------|----------------------|
| General government                | \$ 3,085,125         |
| Judiciary                         | 280,550              |
| Public safety                     | 2,663,999            |
| Public works                      | 9,105,231            |
| Culture and recreation            | 1,224,112            |
| Health and welfare                | 864,885              |
| <b>Total depreciation expense</b> | <b>\$ 17,223,902</b> |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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The County has active construction projects as of June 30, 2010. At year-end the government's major commitments are as follows:

|                       | Contract<br>Balance<br>June 30, 2010 |
|-----------------------|--------------------------------------|
| Sales Tax I           | \$ 2,857,007                         |
| Sales Tax II          | 963,975                              |
| Sales Tax III         | 4,739,633                            |
| Sales Tax IV          | 6,445,047                            |
| Sales Tax V           | 884,040                              |
| Nonmajor Governmental | 2,715,168                            |
| Total                 | <u>\$ 18,604,870</u>                 |

The Chatham Area Transit Authority had outstanding at June 30, 2010 contract commitments totaling approximately \$5,222,460 related to design and remodeling of the administrative offices and the purchase of nine hybrid buses. These capital asset projects are to be funded through matching federal grants.

**D. Interfund receivables, payables and transfers**

Interfund receivable and payable balances at June 30, 2010 are as follows:

| Receivable Fund                | Payable Fund          | Amount              |
|--------------------------------|-----------------------|---------------------|
| General                        | Nonmajor Governmental | \$ 2,462,251        |
|                                | Nonmajor Enterprise   | 199,158             |
| Chatham Area Transit Authority | General Fund          | 723,764             |
| Total                          |                       | <u>\$ 3,385,173</u> |

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>Amount</u>               |
|--------------------------|---------------------------|-----------------------------|
| <b>Major Funds</b>       |                           |                             |
| General                  | Special Service District  | \$ 362,493                  |
| General                  | Nonmajor Enterprise Fund  | 123,688                     |
| Special Service District | Nonmajor Governmental     | 584,627                     |
| Special Service District | Nonmajor Enterprise Funds | 27,000                      |
| Solid Waste              | General                   | 1,230,943                   |
| Solid Waste              | Special Service District  | 465,000                     |
| Chatham Area Transit     | General                   | 2,231,323                   |
| <b>Nonmajor Funds</b>    |                           |                             |
| Governmental             | General                   | 2,409,567                   |
| Governmental             | Special Service District  | 594,701                     |
| Governmental             | Nonmajor Governmental     | 328,735                     |
| Enterprise Fund          | Special Service District  | 678,047                     |
| Internal Service Fund    | General                   | 2,100,000                   |
| Internal Service Fund    | Special Service District  | 300,000                     |
| <b>Total</b>             |                           | <u><u>\$ 11,436,124</u></u> |

At the fund level, \$7,276,687 was recorded as a transfer out of the Henderson Fund. This transfer out represented the assets reassigned from the Henderson Fund to the general government during 2010 of which \$7,152,999 consists of capital assets which are not included above.

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 October 31, 2010, unless extended. 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 2.0%.

A schedule of changes in short-term debt follows:

| <u>Fund:</u>              | <u>Beginning<br/>Balance</u> | <u>Increases</u>           | <u>Decreases</u>           | <u>Ending<br/>Balance</u> |
|---------------------------|------------------------------|----------------------------|----------------------------|---------------------------|
| Chatham Area Transit      |                              |                            |                            |                           |
| Authority Enterprise Fund | \$ -                         | \$ 3,500,000               | \$ 3,500,000               | \$ -                      |
| <b>Total</b>              | <u><u>\$ -</u></u>           | <u><u>\$ 3,500,000</u></u> | <u><u>\$ 3,500,000</u></u> | <u><u>\$ -</u></u>        |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**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, 2010:

|                                | Governmental<br>Activities | Business-Type<br>Activities |
|--------------------------------|----------------------------|-----------------------------|
| Machinery and Equipment        | \$ 8,733,203               | \$ 365,161                  |
| Less: Accumulated depreciation | (7,257,051)                | (278,659)                   |
| Total                          | <u>\$ 1,476,152</u>        | <u>\$ 86,502</u>            |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

| Year Ending<br>June 30                  | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| 2011                                    | \$ 355,590                 | \$ 51,134                   |
| 2012                                    | 324,158                    | 12,784                      |
| 2013                                    | 54,953                     | -                           |
| 2014                                    | 4,579                      | -                           |
| Total minimum lease payments            | <u>739,280</u>             | <u>63,918</u>               |
| Less: amount representing interest      | (46,111)                   | (807)                       |
| Present value of minimum lease payments | <u>\$ 693,169</u>          | <u>\$ 63,111</u>            |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

**G. Long -term debt**

**Schedule of Contractual Obligations**

| <b>Purpose</b>   | <b>Issue Date</b> | <b>Average Interest Rates</b> | <b>Original Amount</b> | <b>Amount Outstanding</b> |
|--|-------------------|-------------------------------|------------------------|---------------------------|
| <b>Governmental Activities:</b>  |                   |                               |                        |                           |
| (1) Downtown Savannah Authority<br>(Chatham County Projects) Series 2005 | June 2005         | 3.00 - 4.25%                  | \$ 29,055,000          | \$ 15,265,000             |
| (2) Chatham County Hospital Authority<br>Revenue Bonds                   | April 1993        | 3.50 - 5.70%                  | 2,245,000              | 645,000                   |
| (3) Downtown Savannah Authority<br>Series 2005A                          | November 2005     | 3.00 - 5.00%                  | 6,075,000              | 5,940,000                 |
| (4) Mosquito Control Facility  | January 2003      | 6.08%                         | 4,596,057              | 4,083,873                 |
| (5) Downtown Savannah Authority<br>Series 2009                           | August 2009       | 3.81%                         | 2,400,000              | 2,400,000                 |
| Total  |                   |                               | <u>\$ 44,371,057</u>   | <u>\$ 28,333,873</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**

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**(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 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, 2010 was \$5,940,000.

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.

**(4) 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%.

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**(5) Downtown Savannah Authority Revenue Bonds (Chatham County – Union Mission Project), Series 2009:**

In August 2009 the County issued bonds through the Downtown Savannah Authority in the amount of \$2,400,000. The bonds bear interest at 3.81% per annum, and will be repaid annually, with final maturity on July 1, 2029. The bonds were sold to Wachovia Bank, N.A. through a private placement transaction, and no premium or discount was recorded at issuance. The bank has the option to “put” or sell the bonds to the Downtown Savannah Authority on July 1, 2014, July 1, 2019 and July 1, 2024. Proceeds from the bond sale were used to i) acquire land and improvements for a health and shelter care facility and ii) pay related bond issuance costs.

The County entered into an intergovernmental agreement 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 under the contract.

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

**Annual Debt Service Requirements to Maturity**

| Year Ending<br>June 30 | Governmental Activities |                      |
|------------------------|-------------------------|----------------------|
|                        | Principal               | Interest             |
| 2011                   | \$ 3,942,626            | \$ 1,303,527         |
| 2012                   | 1,448,104               | 1,109,148            |
| 2013                   | 1,513,926               | 1,047,713            |
| 2014                   | 1,570,111               | 982,810              |
| 2015                   | 1,456,683               | 915,254              |
| 2016-2020              | 8,307,307               | 3,573,924            |
| 2021-2025              | 6,225,457               | 1,885,976            |
| 2026-2030              | 3,097,968               | 566,700              |
| 2031-2033              | 771,691                 | 62,083               |
| Total                  | <u>\$ 28,333,873</u>    | <u>\$ 11,447,135</u> |



**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**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<br>Year | City of<br>Pooler |
|----------------|-------------------|
| 2011           | \$ 9,978          |
| 2012           | 9,978             |
| 2013           | 9,978             |
| 2014           | 9,978             |
| 2015           | 9,978             |
| 2016-2018      | 29,934            |
| Total          | <u>\$ 79,824</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 \$3,142,766 reported as the landfill closure and postclosure care liability at June 30, 2010 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, 2010 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, 2010:

|  | Beginning<br>Balance | Additions           | Reductions           | Ending<br>Balance    | Amounts<br>Due Within<br>One Year |
|--|----------------------|---------------------|----------------------|----------------------|-----------------------------------|
| Governmental Activities:               |                      |                     |                      |                      |                                   |
| Capital Leases                         | \$ 1,069,852         | \$ -                | \$ 376,683           | \$ 693,169           | \$ 325,372                        |
| Contractual Obligations                | 29,621,343           | 2,400,000           | 3,687,470            | 28,333,873           | 3,942,626                         |
| Pollution Control Facilities           | 89,802               | -                   | 9,978                | 79,824               | 9,978                             |
| Compensated Absences                   | 10,538,958           | 7,158,742           | 7,102,373            | 10,595,327           | 1,165,485                         |
| Claims & Judgements                    | 474,000              | 63,000              | 354,000              | 183,000              | 75,000                            |
| Deferred Amounts:                      |                      |                     |                      |                      |                                   |
| Issuance cost/Loss on Early Retirement | (444,458)            | (48,937)            | (123,644)            | (369,751)            | -                                 |
| Discounts                              | (43,937)             | -                   | (5,143)              | (38,794)             | -                                 |
| Premium                                | 413,366              | -                   | 132,515              | 280,851              | -                                 |
| Total Governmental Activities          | <u>\$ 41,718,926</u> | <u>\$ 9,572,805</u> | <u>\$ 11,534,232</u> | <u>\$ 39,757,499</u> | <u>\$ 5,518,461</u>               |
| Business-Type Activities:              |                      |                     |                      |                      |                                   |
| Capital Leases                         | \$ 110,888           | \$ -                | \$ 47,777            | \$ 63,111            | \$ 50,431                         |
| Closure and Postclosure Cost           | 3,326,590            | -                   | 183,824              | 3,142,766            | 183,824                           |
| Compensated Absences                   | 212,754              | 208,253             | 137,200              | 283,807              | 31,219                            |
| Total Business-Type Activities         | <u>\$ 3,650,232</u>  | <u>\$ 208,253</u>   | <u>\$ 368,801</u>    | <u>\$ 3,489,684</u>  | <u>\$ 265,474</u>                 |

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.

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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*Reserved for Restricted Fees - General Fund* - The reserve is composed of juvenile court supervision fees and 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 Solid Waste Management Activities - Enterprise Fund* - These amounts are legally restricted for certain uses as specified by State statutes and local ordinance.

*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**

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**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**

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Membership of the plan consisted of the following as of July 1, 2009, the date of the last actuarial evaluation:

|   |                     |
|---|---------------------|
| Disabled employees, retirees and<br>beneficiaries receiving benefits  | 471                 |
| Terminated plan members entitled to but not<br>yet receiving benefits | 63                  |
| Active plan members   | 1,471               |
| Total membership  | <u><u>2,005</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 2010, the County contributed \$11,584,707 (18.2% of covered payroll), and the contributions paid by employees totaled \$2,190,109. The total payroll for employees covered under the plan for the year ended June 30, 2010 was \$63.4 million.

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

The County's annual pension cost and net pension obligation for fiscal 2010 is shown below:

|   |                             |
|---|-----------------------------|
| Annual required contribution                      | \$ 9,980,049                |
| Interest on net pension obligation (asset)        | (34,262)                    |
| Adjustment to annual required contribution        | <u>50,742</u>               |
| Annual Pension Cost                               | 9,996,529                   |
| Contributions made                                | <u>(11,584,707)</u>         |
|   |                             |
| Increase (decrease) in net pension obligation     | (1,588,178)                 |
| Net pension obligation (asset), beginning of year | <u>(428,278)</u>            |
|   |                             |
| Net pension obligation (asset), end of year       | <u><u>\$(2,016,455)</u></u> |

The annual required contribution was determined as part of the July 1, 2009 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 8.0% investment rate of return (net of administrative expenses). Before the July 1, 2008 valuation, the investment rate of return was 8.5%. 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 (24 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**

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**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<br/>Cost (APC)</u> | <u>Percentage of<br/>APC Contributed</u> | <u>Net Pension<br/>Obligation (Asset)</u> |
|--------------------|--------------------------------------|--|---|
| 2008               | \$ 7,361,585                         | 102.7                                    | \$ (233,695)                              |
| 2009               | 8,005,350                            | 102.4                                    | (428,278)                                 |
| 2010               | 9,996,529                            | 116.1                                    | (2,016,455)                               |

**5. Funded Status and Funding Progress**

Schedule of Funding Progress  
(dollars in thousands)

| <u>Actuarial<br/>Valuation<br/>Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability</u> | <u>Total<br/>Unfunded<br/>Actuarial<br/>Liability</u> | <u>Funded<br/>Ratio</u> | <u>Annual<br/>Covered<br/>Payroll</u> | <u>Ratio of the Unfunded<br/>Actuarial Liability to<br/>Annual Covered<br/>Payroll</u> |
|---|--|--|---|-------------------------|---------------------------------------|--|
| July 1, 2009                            | \$133,288                                | \$190,218                                  | \$56,930  | 70.1%                   | \$63,436                              | 89.7%  |

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 chose 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**

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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**

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Age 55 with any service, or  
Age 50 & 15 years of service, or  
Any age with 25 years of service.

**General Employees**

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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. Calculations are based on benefits provided and in effect at the valuation date and the pattern of cost-sharing in place between the County and its plan members.

Membership of the plan consisted of the following as of July 1, 2009, 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 \$327,516. 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 2010 the County contributed \$8,631,286 or 13.6% of the covered payroll for employees of \$63,436,000 under the plan for the year ended June 30, 2010.

**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 three 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                  |
| June 30, 2010          | 10,802,227              | 80.6%   | 6,554,521                  |

The Net OPEB Obligation was developed as follows, based on an actuarial valuation date of July 1, 2009:

|   |                    |
|---|--------------------|
| Annual Required Contribution            | \$10,711,000       |
| Interest on Unfunded ARC                | 314,500            |
| Adjustment of ARC                       | ( 223,273)         |
| Annual OPEB Cost                        | 10,802,227         |
| Actual Contribution                     | ( 8,631,286)       |
| Increase in OPEB Obligation             | 2,170,941          |
| Net OPEB Obligation(asset), beg of year | 4,383,580          |
| Net OPEB Obligation at year end         | <u>\$6,554,521</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, 2009                    | \$12,713                         | \$108,094                          | (\$95,381)                                | 11.76%              | \$63,436                      | 150.36%  |

Three 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 calculated on a level percentage of payroll basis. 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



**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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medical trend rate. Calculations are based on 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 \$250,114 have been accrued as a liability in the OPEB Trust Fund. The fund's claims experience was:

| <u>Fiscal Year</u> | <u>Unpaid Claims Beginning of Year</u> | <u>Incurred Claims Including IBNRs</u> | <u>Actual Claim Payments</u> | <u>Unpaid Claims End of Year</u> |
|--------------------|--|--|------------------------------|----------------------------------|
| 2008               | \$ -                                   | \$4,009,518                            | \$3,726,449                  | \$283,069                        |
| 2009               | 283,069                                | 3,772,258                              | 3,798,941                    | 256,386                          |
| 2010               | 256,386                                | 3,816,007                              | 3,816,007                    | 250,114                          |

**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               | 14%   | \$ 41,053                  |
| June 30, 2009          | 49,148                  | 18%   | 81,457                     |
| June 30, 2010          | 45,957                  | 20%   | 118,011                    |

As of July 1, 2009, the actuarial accrued liability for benefits was \$775,849 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability of \$775,849.

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, 2010 are \$1,766,063.

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

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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social factors.

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 2010, 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 \$1,000,455 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, 2010 are \$5,026,662. 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 |
|-------------|---------------------------------|---------------------------------|-----------------------|---------------------------|
| 2008        | \$ 1,214,421                    | \$ 10,832,603                   | \$ 11,052,130         | \$ 994,894                |
| 2009        | 994,894                         | 12,543,083                      | 12,628,970            | 909,007                   |
| 2010        | 909,007                         | 12,249,490                      | 14,158,952            | 1,000,455                 |

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, 2010 totaled \$2,555,843.

| Fiscal Year | Unpaid Claims Beginning of Year | Incurred Claims Including IBNRs | Actual Claim Payments | Unpaid Claims End of Year |
|-------------|---------------------------------|---------------------------------|-----------------------|---------------------------|
| 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                 |
| 2010        | 2,330,974                       | 2,069,636                       | 1,844,767             | 2,555,843                 |

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**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, 2010, the Revenue Anticipation Certificates outstanding aggregated \$645,000.

**E. Retiree Health Savings Account**

During the fiscal year the County contributed \$870,110 for its employees to the VantageCare Retiree Health Savings Program (RHSA) managed by ICMA-RC. Full-time County employees who were eligible for County health insurance received 1.5% of their compensation into an individual RHSA account. As established, any future contributions to the RHSA are at the discretion of the County Board of Commissioners. Employees have two qualifying events that make them eligible to withdraw the funds tax-free for qualifying medical expenses. The two qualifying events are i) employees must have five years of service and have separated from service regardless of age or ii) employees can withdraw funds from the plan while still in service at age 55 with 5 years of service.

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

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**F. Restatements of Net Assets/Prior Period Adjustments**

Due to implementation of GASB 51, a restatement of beginning net assets of governmental activities was made to reflect a change in accounting principle. Intangible assets were added with a net book value of \$338,690.

At the fund level, the Detention Center Capital Projects Fund was combined with the Sales Tax V Fund due to the project being an approved SPLOST project. Previously, the Detention Center Capital Projects Fund was reported as part of the Capital Improvements Projects Fund. This resulted in a prior period adjustment. The net fund deficit amount as of July 1, 2009 was \$186,086.

**Restatement of Net Assets/Prior Period Adjustments**

|                                | <u>Sales Tax V Fund</u> | <u>Nonmajor Governmental -<br/>Capital Improvement<br/>Program Fund</u> | <u>Governmental<br/>Activities</u> |
|--------------------------------|-------------------------|---|------------------------------------|
| Beginning fund balance, 7-1-09 | \$ 38,206,107           | \$ 26,100,462   | \$ 1,035,457,752                   |
| Adjustment                     | <u>(186,086)</u>        | <u>186,086</u>  | <u>338,690</u>                     |
| Restated fund balance, 7-1-09  | <u>\$ 38,020,021</u>    | <u>\$ 26,286,548</u>  | <u>\$ 1,035,796,442</u>            |

**G. Subsequent Events**

Effective July 1, 2010, the Chatham Area Transit Authority entered into a five year agreement with Veolia Transportation Services, Inc. to manage, operate and maintain the Authority's transit system, utilizing equipment and facilities provided by the Authority and employing and furnishing its own personnel. Veolia's management fee under this agreement will be 5% of the annual operating budget submitted by Veolia and approved by the Authority's Board. The fee which is calculated annually will be payable in twelve equal installments. In addition to the annual fee, the agreement also provides for certain incentive fees if Veolia is able to generate operational efficiencies that will reduce costs and increase farebox revenue.

**CHATHAM COUNTY, GEORGIA**  
**Notes to the Basic Financial Statements**

**H. 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, 2010

|   | <u>Pension Trust Fund</u> | <u>OPEB Trust Fund</u> | <u>TOTAL</u>          |
|---|---------------------------|------------------------|-----------------------|
| <b>ASSETS</b>   |                           |                        |                       |
| Cash  | \$ 7,965,982              | \$ 2,839,084           | \$ 10,805,066         |
| Interest and dividend                                 | 655,812                   | -                      | 655,812               |
| Sale of investments                                   | 4,039,314                 | -                      | 4,039,314             |
| Accounts  | 64,869                    | 18,333                 | 83,202                |
| U.S. government and agency obligations                | 17,682,441                | -                      | 17,682,441            |
| Mortgage backed securities                            | 4,641,696                 | -                      | 4,641,696             |
| Corporate bonds                                       | 30,579,288                | -                      | 30,579,288            |
| Domestic stocks                                       | 41,918,985                | -                      | 41,918,985            |
| Real estate investment trust                          | 252,056                   | -                      | 252,056               |
| Index Funds   | -                         | 10,111,642             | 10,111,642            |
| Other Asset Backed Securities                         | 89,211                    | -                      | 89,211                |
| Exchange Traded Funds                                 | 1,216,741                 | -                      | 1,216,741             |
| International equity funds                            | 12,652,989                | -                      | 12,652,989            |
| Total Investments                                     | <u>109,033,407</u>        | <u>10,111,642</u>      | <u>119,145,049</u>    |
| Total assets  | <u>121,759,384</u>        | <u>12,969,059</u>      | <u>134,728,443</u>    |
| <b>LIABILITIES</b>                                    |                           |                        |                       |
| Accounts payable                                      | <u>1,622,343</u>          | <u>255,902</u>         | <u>1,878,245</u>      |
| Total liabilities                                     | <u>1,622,343</u>          | <u>255,902</u>         | <u>1,878,245</u>      |
| <b>NET ASSETS</b>                                     |                           |                        |                       |
| Held in trust for pension and other employee benefits | <u>\$ 120,137,041</u>     | <u>\$ 12,713,157</u>   | <u>\$ 132,850,198</u> |

**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, 2010

|  | <u>Pension Trust<br/>Fund</u> | <u>OPEB Trust<br/>Fund</u> | <u>TOTAL</u>         |
|--|-------------------------------|----------------------------|----------------------|
| <b>ADDITIONS</b>   |                               |                            |                      |
| Contributions:   |                               |                            |                      |
| Employer   | \$11,584,708                  | \$8,631,286                | \$20,215,994         |
| Plan members   | 2,190,107                     | 327,516                    | 2,517,623            |
| Total contributions  | 13,774,815                    | 8,958,802                  | 22,733,617           |
| Investment earnings:   |                               |                            |                      |
| Net appreciation (depreciation) in fair value of investments | 10,553,029                    | 36,112                     | 10,589,141           |
| Interest   | 2,446,610                     | 6,400                      | 2,453,010            |
| Dividends  | 1,013,953                     | -                          | 1,013,953            |
| Total  | 14,013,592                    | 42,512                     | 14,056,104           |
| Less investment expense                                      | 464,611                       | -                          | 464,611              |
| Net investment income  | 13,548,981                    | 42,512                     | 13,591,493           |
| Total additions  | 27,323,796                    | 9,001,314                  | 36,325,110           |
| <b>DEDUCTIONS</b>  |                               |                            |                      |
| Benefits   | 8,617,285                     | -                          | 8,617,285            |
| Risk management  | -                             | 3,816,008                  | 3,816,008            |
| Refunds of contributions                                     | 218,269                       | -                          | 218,269              |
| Administrative expense                                       | 169,870                       | 414,840                    | 584,710              |
| Total deductions   | 9,005,424                     | 4,230,848                  | 13,236,272           |
| Change in net assets   | 18,318,372                    | 4,770,466                  | 23,088,838           |
| Net assets - beginning                                       | 101,818,669                   | 7,942,691                  | 109,761,360          |
| Net assets - ending  | <u>\$120,137,041</u>          | <u>\$12,713,157</u>        | <u>\$132,850,198</u> |

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

CHATHAM COUNTY, GEORGIA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |                | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|----------------|-------------------|---|
|  | ORIGINAL         | FINAL          |                   |   |
| RESOURCES (Inflows):                       |                  |                |                   |   |
| Property taxes                             | \$ 120,969,832   | \$ 120,969,832 | \$ 117,367,054    | \$ (3,602,778)  |
| Local option sales tax                     | 10,900,000       | 10,900,000     | 10,269,046        | (630,954)   |
| Other taxes                                | 415,000          | 415,000        | 407,855           | (7,145)   |
| Penalties and interest on delinquent taxes | 1,185,320        | 1,185,320      | 2,199,932         | 1,014,612   |
| Licenses and permits                       | 961,320          | 961,320        | 949,924           | (11,396)  |
| Intergovernmental                          | 2,237,171        | 2,812,162      | 2,729,623         | (82,539)  |
| Charges for services                       | 9,994,549        | 10,044,549     | 10,194,742        | 150,193   |
| Fines and fees                             | 3,032,845        | 3,032,845      | 3,168,591         | 135,746   |
| Investment income                          | 365,000          | 365,000        | 215,588           | (149,412)   |
| Other revenue                              | 386,738          | 386,738        | 393,723           | 6,985   |
| Transfers from other funds                 | 330,800          | 480,800        | 486,181           | 5,381   |
| AMOUNTS AVAILABLE FOR APPROPRIATION        | 150,778,575      | 151,553,566    | 148,382,259       | (3,171,307)   |
| CHARGES TO APPROPRIATIONS (Outflows):      |                  |                |                   |   |
| GENERAL GOVERNMENT:                        |                  |                |                   |   |
| County Commissioners                       | 861,295          | 1,259,083      | 756,312           | 502,771   |
| Youth Commission                           | 30,000           | 30,000         | 30,000            | -   |
| County Clerk                               | 103,274          | 107,620        | 102,492           | 5,128   |
| County Manager                             | 676,472          | 691,409        | 680,738           | 10,671  |
| Elections                                  | 777,994          | 787,275        | 535,517           | 251,758   |
| Voter Registration                         | 730,450          | 734,683        | 594,588           | 140,095   |
| Finance                                    | 2,291,485        | 2,353,600      | 2,197,374         | 156,226   |
| Professional Services                      | 97,058           | 97,058         | 97,058            | -   |
| Purchasing                                 | 742,518          | 743,052        | 686,552           | 56,500  |
| County Attorney                            | 735,403          | 970,493        | 970,366           | 127   |
| Information Communication Systems          | 2,868,698        | 2,982,859      | 2,685,229         | 297,630   |
| Communications                             | 932,648          | 1,145,356      | 612,095           | 533,261   |
| Human Resources                            | 1,286,529        | 1,296,223      | 1,249,542         | 46,681  |
| Temporary Pool                             | 183,447          | 183,447        | 170,099           | 13,348  |
| Tax Commissioner                           | 4,816,259        | 4,833,956      | 4,663,156         | 170,800   |
| Tax Assessor                               | 4,879,215        | 4,883,483      | 4,525,564         | 357,919   |
| Board of Equalization                      | 172,020          | 172,020        | 91,824            | 80,196  |
| ADA Compliance                             | 164,603          | 216,344        | 154,923           | 61,421  |
| Internal Audit                             | 459,042          | 474,762        | 435,006           | 39,756  |
| Building Maintenance and Operations        | 2,196,725        | 2,234,233      | 2,187,501         | 46,732  |
| Fleet Operations                           | 883,975          | 889,846        | 820,635           | 69,211  |
| Utilities                                  | 849,000          | 1,029,000      | 819,704           | 209,296   |
| Public Information                         | 125,991          | 125,991        | 97,475            | 28,516  |
| Administrative Services                    | 896,413          | 897,340        | 839,544           | 57,796  |

(Continued)



CHATHAM COUNTY, GEORGIA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|   | BUDGETED AMOUNTS |            |                   | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---|------------------|------------|-------------------|---|
|   | ORIGINAL         | FINAL      | ACTUAL<br>AMOUNTS |   |
| GENERAL GOVERNMENT (Continued):                 |                  |            |                   |   |
| Building Safety and Regulatory Services         | \$ 122,151       | \$ 122,151 | \$ 112,488        | \$ 9,663  |
| Pensioners' Health Insurance                    | 4,605,000        | 4,605,000  | 4,605,000         | -   |
| Special Appropriations                          | 99,000           | 221,499    | 93,455            | 128,044   |
| Vacant positions                                | (745,000)        | (745,000)  | -                 | (745,000)   |
| Other   | 939,530          | 2,819,183  | 2,369,320         | 449,863   |
| Contingencies                                   | 2,208,169        | 319,576    | -                 | 319,576   |
| TOTAL GENERAL GOVERNMENT                        | 34,989,364       | 36,481,542 | 33,183,557        | 3,297,985   |
| JUDICIARY:                                      |                  |            |                   |   |
| Court Administrator                             | 3,391,788        | 3,431,070  | 3,353,152         | 77,918  |
| Court Expenditures                              | 847,577          | 858,173    | 830,653           | 27,520  |
| Alternative Dispute Resolution                  | 153,550          | 153,550    | 141,250           | 12,300  |
| Superior Court Clerk                            | 2,707,821        | 2,736,634  | 2,502,103         | 234,531   |
| District Attorney                               | 5,728,190        | 5,887,111  | 5,569,763         | 317,348   |
| Victim Witness Program                          | 661,324          | 661,637    | 659,593           | 2,044   |
| State Court Judge                               | 1,328,559        | 1,329,336  | 1,245,082         | 84,254  |
| State Court Clerk                               | 1,283,630        | 1,293,670  | 1,220,956         | 72,714  |
| DUI Court                                       | 215,353          | 215,353    | 213,935           | 1,418   |
| Magistrate Court                                | 1,373,481        | 1,375,709  | 1,307,167         | 68,542  |
| Probate Court                                   | 863,266          | 868,925    | 766,297           | 102,628   |
| Probate Court Filing Fees                       | 150,000          | 200,000    | 186,082           | 13,918  |
| Juvenile Court                                  | 4,596,194        | 4,624,239  | 4,556,959         | 67,280  |
| Grand Jury                                      | 22,660           | 22,660     | 8,930             | 13,730  |
| Law Library                                     | 111,255          | 111,255    | 100,079           | 11,176  |
| Public Defenders Office                         | 2,353,879        | 2,584,032  | 2,533,786         | 50,246  |
| Panel Attorneys                                 | 1,558,984        | 1,563,348  | 896,133           | 667,215   |
| Juvenile Court Restricted Expenditures          | 73,100           | 396,127    | 25,733            | 370,394   |
| Drug Treatment Restricted Expenditures          | 66,500           | 242,327    | 67,309            | 175,018   |
| 5 % Victim Witness Fees Restricted Expenditures | 257,100          | 749,596    | 303,129           | 446,467   |
| TOTAL JUDICIARY                                 | 27,744,211       | 29,304,752 | 26,488,091        | 2,816,661   |

(Continued)

CHATHAM COUNTY, GEORGIA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                     | BUDGETED AMOUNTS  |                   | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|-------------------------------------|-------------------|-------------------|-------------------|---|
|                                     | ORIGINAL          | FINAL             |                   |   |
| <b>PUBLIC SAFETY:</b>               |                   |                   |                   |   |
| Counter Narcotics Team              | \$ 4,335,587      | \$ 4,574,534      | \$ 4,383,124      | \$ 191,410  |
| Marine Police Patrol                | 739,769           | 746,269           | 631,679           | 114,590   |
| Sheriff's Office                    | 10,140,140        | 10,476,933        | 9,597,261         | 879,672   |
| Detention Center                    | 34,235,480        | 34,684,090        | 34,493,940        | 190,150   |
| Emergency Medical Service           | 992,758           | 992,765           | 987,791           | 4,974   |
| County Coroner                      | 354,176           | 354,176           | 305,645           | 48,531  |
| Animal Control                      | 801,822           | 836,822           | 795,137           | 41,685  |
| Hazardous Materials                 | 45,000            | 74,000            | 72,810            | 1,190   |
| <b>TOTAL PUBLIC SAFETY</b>          | <b>51,644,732</b> | <b>52,739,589</b> | <b>51,267,387</b> | <b>1,472,202</b>  |
| <b>PUBLIC WORKS:</b>                |                   |                   |                   |   |
| Public Works                        | 748,000           | 748,078           | 747,999           | 79  |
| Bridge Operations and Maintenance   | 717,962           | 719,609           | 629,111           | 90,498  |
| <b>TOTAL PUBLIC WORKS</b>           | <b>1,465,962</b>  | <b>1,467,687</b>  | <b>1,377,110</b>  | <b>90,577</b>   |
| <b>HEALTH AND WELFARE:</b>          |                   |                   |                   |   |
| Indigent Health Center              | 4,973,624         | 4,921,301         | 4,774,788         | 146,513   |
| Health Department                   | 1,315,750         | 1,315,750         | 1,315,750         | -   |
| Other Health Services               | 85,000            | 85,000            | 80,000            | 5,000   |
| Mosquito Control                    | 3,607,153         | 3,474,894         | 3,260,076         | 214,818   |
| Family and Children Services        | 717,107           | 769,430           | 769,430           | -   |
| Greenbriar Children's Home          | 331,968           | 331,968           | 331,968           | -   |
| Union Mission                       | -                 | 200,000           | 200,000           | -   |
| Summer Bonanza                      | 30,000            | 30,000            | 30,000            | -   |
| <b>TOTAL HEALTH AND WELFARE</b>     | <b>11,060,602</b> | <b>11,128,343</b> | <b>10,762,012</b> | <b>366,331</b>  |
| <b>CULTURE AND RECREATION:</b>      |                   |                   |                   |   |
| Frank G Murray Community Center     | 118,379           | 119,055           | 117,258           | 1,797   |
| Recreation Department               | 3,365,526         | 3,384,222         | 3,033,409         | 350,813   |
| Aquatic Center Pool                 | 1,155,778         | 1,174,867         | 1,013,985         | 160,882   |
| Weightlifting Center                | 273,900           | 275,840           | 254,442           | 21,398  |
| Tybee Pier and Pavilion             | 27,040            | 27,040            | 22,013            | 5,027   |
| Georgia Forestry                    | 44,617            | 44,617            | 43,412            | 1,205   |
| Library                             | 6,299,215         | 6,299,215         | 6,299,215         | -   |
| <b>TOTAL CULTURE AND RECREATION</b> | <b>11,284,455</b> | <b>11,324,856</b> | <b>10,783,734</b> | <b>541,122</b>  |

(Continued)

CHATHAM COUNTY, GEORGIA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |             | ACTUAL      | VARIANCE WITH |
|--|------------------|-------------|-------------|---------------|
|  | ORIGINAL         | FINAL       | AMOUNTS     | FINAL BUDGET  |
|  |                  |             |             | POSITIVE      |
|  |                  |             |             | (NEGATIVE)    |
| HOUSING AND DEVELOPMENT:   |                  |             |             |               |
| Creative Coast   | \$ -             | \$ 27,500   | \$ 27,500   | \$ -          |
| Co-Operative Extension Service                                     | 179,754          | 180,210     | 154,139     | 26,071        |
| Coastal Soil and Water   | 600              | 600         | 500         | 100           |
| Construction Apprentice Program                                    | 197,782          | 197,782     | 197,477     | 305           |
| Community Outreach   | 259,500          | 259,500     | 21,002      | 238,498       |
| RDC Regional Transit   | -                | 30,000      | 29,638      | 362           |
| Bamboo Farm  | 163,533          | 163,556     | 139,003     | 24,553        |
| TOTAL HOUSING AND DEVELOPMENT                                      | 801,169          | 859,148     | 569,259     | 289,889       |
| DEBT SERVICE:  |                  |             |             |               |
| Principal  | 4,124,360        | 4,024,360   | 3,934,131   | 90,229        |
| Interest and other charges   | 1,434,110        | 1,434,110   | 1,440,999   | (6,889)       |
| TOTAL DEBT SERVICE   | 5,558,470        | 5,458,470   | 5,375,130   | 83,340        |
| TRANSFERS TO OTHER FUNDS   | 6,229,610        | 8,012,610   | 7,974,555   | 38,055        |
| TOTAL CHARGES TO APPROPRIATIONS                                    | 150,778,575      | 156,776,997 | 147,780,835 | 8,996,162     |
| EXCESS (DEFICIENCY) OF RESOURCES OVER<br>CHARGES TO APPROPRIATIONS | -                | (5,223,431) | 601,424     | 5,824,855     |
| FUND BALANCE ALLOCATION  | -                | 5,223,431   | -           | (5,223,431)   |
| EXCESS (DEFICIENCY) OF RESOURCES OVER<br>CHARGES TO APPROPRIATIONS | \$ -             | \$ -        | \$ 601,424  | \$ 601,424    |

(Concluded)

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |               | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|---------------|-------------------|---|
|  | ORIGINAL         | FINAL         |                   |   |
| RESOURCES (Inflows):                       |                  |               |                   |   |
| Property taxes                             | \$ 15,848,917    | \$ 15,848,917 | \$ 15,361,502     | \$ (487,415)  |
| Other taxes                                | 6,945,000        | 6,945,000     | 6,924,528         | (20,472)  |
| Penalties and interest on delinquent taxes | 17,000           | 17,000        | 372,664           | 355,664   |
| Intergovernmental                          | 747,200          | 1,104,761     | 843,543           | (261,218)   |
| Charges for services                       | 131,900          | 131,900       | 55,661            | (76,239)  |
| Fines and fees                             | 1,533,800        | 1,583,800     | 1,476,754         | (107,046)   |
| Investment income                          | 200,000          | 200,000       | 21,674            | (178,326)   |
| Other revenue                              | 5,000            | 5,000         | 3,666             | (1,334)   |
| Transfers from other funds                 | 702,000          | 717,000       | 611,627           | (105,373)   |
| AMOUNTS AVAILABLE FOR APPROPRIATION        | 26,130,817       | 26,553,378    | 25,671,619        | (881,759)   |
| CHARGES TO APPROPRIATIONS (Outflows):      |                  |               |                   |   |
| GENERAL GOVERNMENT:                        |                  |               |                   |   |
| Finance                                    | 78,405           | 78,405        | 76,207            | 2,198   |
| Professional services                      | 21,359           | 21,359        | 21,359            | -   |
| Human Resources                            | 34,498           | 36,427        | 34,828            | 1,599   |
| County Engineer                            | 1,175,915        | 1,305,270     | 1,134,665         | 170,605   |
| Indirect cost charges                      | -                | 178,531       | 178,531           | -   |
| Building Safety and Regulatory Services    | 428,465          | 428,730       | 405,427           | 23,303  |
| Reimbursable expenses                      | 707,200          | 720,870       | 438,967           | 281,903   |
| Other general government                   | 68,890           | 68,890        | -                 | 68,890  |
| Contingencies                              | 148,723          | 48,430        | -                 | 48,430  |
| TOTAL GENERAL GOVERNMENT                   | 2,663,455        | 2,886,912     | 2,289,984         | 596,928   |
| JUDICIARY:                                 |                  |               |                   |   |
| Recorders Court                            | 2,060,873        | 1,882,342     | 1,859,623         | 22,719  |
| TOTAL JUDICIARY                            | 2,060,873        | 1,882,342     | 1,859,623         | 22,719  |
| PUBLIC SAFETY:                             |                  |               |                   |   |
| Police                                     | 13,946,521       | 13,946,521    | 13,216,682        | 729,839   |
| Sheriff/Peace Officers' Retirement         | 62,120           | 62,120        | 48,606            | 13,514  |
| Crimestoppers                              | 94,394           | 94,394        | 94,394            | -   |
| TOTAL PUBLIC SAFETY                        | 14,103,035       | 14,103,035    | 13,359,682        | 743,353   |

(Continued)

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – SPECIAL SERVICE DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |             | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|-------------|-------------------|---|
|  | ORIGINAL         | FINAL       |                   |   |
| PUBLIC WORKS:  |                  |             |                   |   |
| County Engineer - Traffic Lights                                   | \$ 217,900       | \$ 217,900  | \$ 198,651        | \$ 19,249   |
| Public Works   | 5,440,214        | 5,514,911   | 5,442,165         | 72,746  |
| Fell Street Pump Maintenance                                       | 20,000           | 30,025      | 15,022            | 15,003  |
| TOTAL PUBLIC WORKS   | 5,678,114        | 5,762,836   | 5,655,838         | 106,998   |
| HOUSING AND DEVELOPMENT:   |                  |             |                   |   |
| Metropolitan Planning Commission                                   | 970,229          | 970,229     | 970,229           | -   |
| SAGIS  | 200,000          | 200,000     | 200,000           | -   |
| Coastal Area Regional Development Center                           | 72,600           | 72,600      | 72,528            | 72  |
| TOTAL HOUSING AND DEVELOPMENT                                      | 1,242,829        | 1,242,829   | 1,242,757         | 72  |
| TRANSFERS TO OTHER FUNDS   | 1,958,510        | 2,534,071   | 2,397,520         | 136,551   |
| TOTAL CHARGES TO APPROPRIATIONS                                    | 27,706,816       | 28,412,025  | 26,805,404        | 1,606,621   |
| EXCESS (DEFICIENCY) OF RESOURCES OVER<br>CHARGES TO APPROPRIATIONS | (1,575,999)      | (1,858,647) | (1,133,785)       | 724,862   |
| FUND BALANCE ALLOCATION  | 1,575,999        | 1,858,647   | -                 | (1,858,647)   |
| EXCESS (DEFICIENCY) OF RESOURCES OVER<br>CHARGES TO APPROPRIATIONS | \$ -             | \$ -        | \$ (1,133,785)    | \$ (1,133,785)  |

(Concluded)

**CHATHAM COUNTY, GEORGIA**  
**Notes to Required Supplementary Information**

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**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 30<sup>th</sup>.
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, 2010, the following supplemental and decrease in appropriations were approved:

| <u>Fund Type</u> | <u>Original<br/>Appropriations</u> | <u>Supplemental<br/>Appropriations</u> | <u>Supplemental<br/>Decreases</u> | <u>Final<br/>Appropriations</u> |
|------------------|------------------------------------|--|-----------------------------------|---------------------------------|
| General          | \$ 150,778,575                     | \$ 6,005,981                           | \$ 7,560                          | \$ 156,776,996                  |
| Special Revenue  | 37,128,113                         | 10,544,258                             | 318,287                           | 47,354,084                      |
| Debt Service     | 214,018                            | 2,503,651                              | -                                 | 2,717,669                       |

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

**B. Excess of Expenditures Over Appropriation in Individual Funds**

|             |                   |                          |
|-------------|-------------------|--------------------------|
| <u>Fund</u> | <u>Department</u> | <u>Negative Variance</u> |
|-------------|-------------------|--------------------------|

NONE

**Chatham County, Georgia**  
**Required Supplementary Information – Pension Schedules**  
**June 30, 2010**

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                  | July 1, 2009                                  |
| 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                 | 8.0%, 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)  
1999 - 2009

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>- Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Annual<br>Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of<br>Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|-------------------------------------|--|
| 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   |
| 07/01/2009                     | 133,288                                | 190,218   | 56,930                             | 70.1                     | 63,436                              | 89.7   |

\* 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  
2001-2010

| Year<br>Ended | Annual<br>Contribution | Percentage of<br>Annual Pension Cost<br>Contributed | Year<br>Ended | Annual<br>Contribution | Percentage of<br>Annual Pension Cost<br>Contributed |
|---------------|------------------------|---|---------------|------------------------|---|
| 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%  |
| 6/30/2005     | 3,690,313              | 83.4%   | 6/30/2010     | 11,584,707             | 116.1%  |

**Chatham County, Georgia**  
**Required Supplementary Information – OPEB Schedules**  
**June 30, 2010**

**Chatham County OPEB Trust Plan**  
**Schedule of Valuation Details**  
**June 30, 2010**

|                                  |  |
|----------------------------------|--|
| Valuation Date:                  | July 1, 2009   |
| Actuarial Cost Method:           | Projected Unit Credit  |
| Amortization Method:             | Level Percentage of Payroll  |
| 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 Funding Progress**  
**June 30, 2010**  
(dollars in thousands)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Actuarial<br>Accrued<br>Liability | Total<br>Unfunded<br>Actuarial<br>Liability | Funded<br>Ratio | Annual<br>Covered<br>Payroll | Ratio of the<br>Actuarial Liability to<br>Annual Covered<br>Payroll |
|--------------------------------|---------------------------------|-----------------------------------|---|-----------------|------------------------------|---|
| 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%  |
| July 1, 2009                   | 12,713                          | 108,094                           | 95,381                                      | 11.76%          | 63,436                       | 150.36%   |

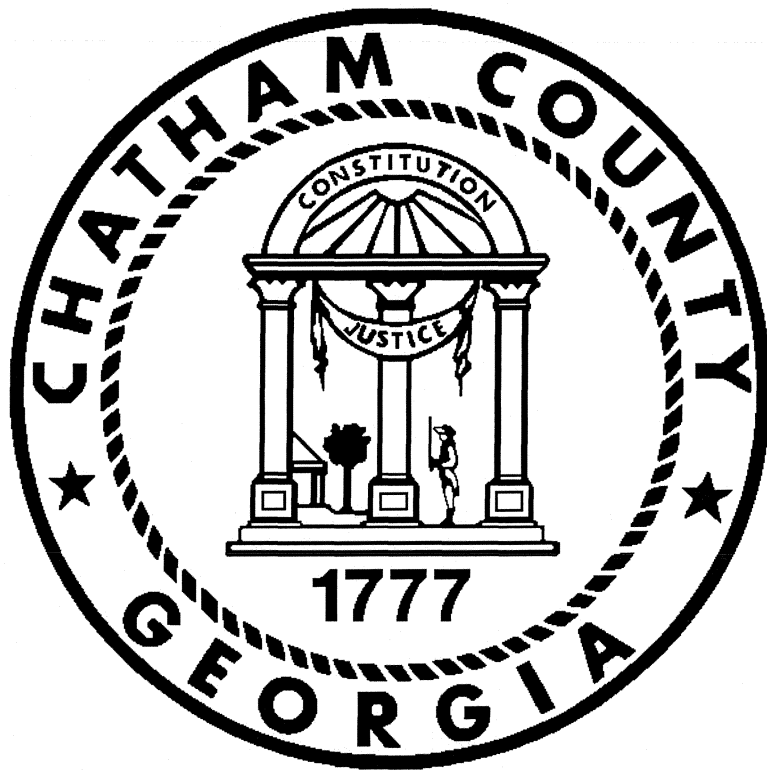
**Chatham County OPEB Trust Plan**  
**Schedule of Employer Contributions**  
**2008-2010**

| <u>Year Ended</u> | <u>Annual<br/>Contribution</u> | <u>Percentage of Annual<br/>OPEB Cost Contributed</u> |
|-------------------|--------------------------------|---|
| June 30, 2008     | \$ 7,946,124                   | 81.6%   |
| June 30, 2009     | 7,650,296                      | 74.7%   |
| June 30, 2010     | 8,631,286                      | 80.6%   |



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

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**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.

**Multiple Grant Fund** – To account for grants of the County.

**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, 2010

**Special Revenue Funds**

|                                      | Chatham<br>Emergency<br>Management | Street<br>Lighting | Street Paving | Confiscated<br>Revenue<br>Fund | Emergency<br>Telephone<br>System | Land Bank       |
|--------------------------------------|------------------------------------|--------------------|---------------|--------------------------------|----------------------------------|-----------------|
| <b>ASSETS</b>                        |                                    |                    |               |                                |                                  |                 |
| Cash and investments                 | \$ 393,243                         | \$ 39,931          | \$ -          | \$ 543,146                     | \$ 1,080,614                     | \$ -            |
| Receivable, net                      | 41,026                             | 22,706             | -             | -                              | 289,010                          | -               |
| Restricted cash                      | 27,469                             | -                  | -             | -                              | -                                | -               |
| Total assets                         | <u>\$ 461,738</u>                  | <u>\$ 62,637</u>   | <u>\$ -</u>   | <u>\$ 543,146</u>              | <u>\$ 1,369,624</u>              | <u>\$ -</u>     |
| <b>LIABILITIES AND FUND BALANCES</b> |                                    |                    |               |                                |                                  |                 |
| Liabilities:                         |                                    |                    |               |                                |                                  |                 |
| Accounts payable                     | \$ 13,644                          | \$ 36,064          | \$ -          | \$ 27,700                      | \$ 729,687                       | \$ -            |
| Due to other funds                   | -                                  | -                  | -             | -                              | -                                | 58,938          |
| Other payables                       | -                                  | -                  | -             | -                              | -                                | 407             |
| Deferred revenue                     | -                                  | 17,888             | -             | -                              | -                                | -               |
| Total liabilities                    | <u>13,644</u>                      | <u>53,952</u>      | <u>-</u>      | <u>27,700</u>                  | <u>729,687</u>                   | <u>59,345</u>   |
| Fund balances:                       |                                    |                    |               |                                |                                  |                 |
| Reserved for:                        |                                    |                    |               |                                |                                  |                 |
| Public safety                        | 25,148                             | -                  | -             | 515,446                        | 639,937                          | -               |
| Debt service                         | -                                  | -                  | -             | -                              | -                                | -               |
| Unreserved reported in:              |                                    |                    |               |                                |                                  |                 |
| Special revenue funds                | 422,946                            | 8,685              | -             | -                              | -                                | (59,345)        |
| Capital project funds                | -                                  | -                  | -             | -                              | -                                | -               |
| Total fund balances                  | <u>448,094</u>                     | <u>8,685</u>       | <u>-</u>      | <u>515,446</u>                 | <u>639,937</u>                   | <u>(59,345)</u> |
| Total liabilities and fund balances  | <u>\$ 461,738</u>                  | <u>\$ 62,637</u>   | <u>\$ -</u>   | <u>\$ 543,146</u>              | <u>\$ 1,369,624</u>              | <u>\$ -</u>     |

**Capital Projects**

| Land<br>Disturbing<br>Activities<br>Ordinance | Multiple<br>Grant Fund | Child Support<br>Enforcement | Hotel/Motel<br>Tax Fund | Capital<br>Improvement<br>Program | Capital<br>Improvement<br>Bond Fund | 2005 Series<br>Capital<br>Improvement<br>Bond Fund | Debt<br>Service   | Total Other<br>Governmental<br>Funds |
|---|------------------------|------------------------------|-------------------------|-----------------------------------|-------------------------------------|--|-------------------|--------------------------------------|
| \$ 240,254                                    | \$ -                   | \$ -                         | \$ -                    | \$ 22,372,629                     | \$ 201,304                          | \$ 1,438,978                                       | \$ 106,255        | \$ 26,416,354                        |
| -   | 2,118,612              | 733,657                      | 108,515                 | -                                 | -                                   | 122,831  | -                 | 3,436,357                            |
| 5,345   | -                      | -                            | -                       | -                                 | -                                   | -  | 1,654             | 34,468                               |
| <u>\$ 245,599</u>                             | <u>2,118,612</u>       | <u>\$ 733,657</u>            | <u>\$ 108,515</u>       | <u>\$ 22,372,629</u>              | <u>\$ 201,304</u>                   | <u>\$ 1,561,809</u>                                | <u>\$ 107,909</u> | <u>\$ 29,887,179</u>                 |
|   |                        |                              |                         |                                   |                                     |  |                   |                                      |
| \$ -  | 450,000                | \$ 38,634                    | \$ 54,257               | \$ 923,326                        | \$ 29,055                           | \$ 144,559   | \$ -              | \$ 2,446,926                         |
| -   | 1,654,032              | 695,023                      | 54,258                  | -                                 | -                                   | -  | -                 | 2,462,251                            |
| 3,555   | 87                     | -                            | -                       | 327                               | -                                   | -  | -                 | 4,376                                |
| -   | 14,493                 | -                            | -                       | -                                 | -                                   | -  | -                 | 32,381                               |
| <u>3,555</u>                                  | <u>2,118,612</u>       | <u>733,657</u>               | <u>108,515</u>          | <u>923,653</u>                    | <u>29,055</u>                       | <u>144,559</u>                                     | <u>-</u>          | <u>4,945,934</u>                     |
|   |                        |                              |                         |                                   |                                     |  |                   |                                      |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | -                 | 1,180,531                            |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | 107,909           | 107,909                              |
|   |                        |                              |                         |                                   |                                     |  |                   |                                      |
| 242,044                                       | -                      | -                            | -                       | -                                 | -                                   | -  | -                 | 614,330                              |
| -   | -                      | -                            | -                       | 21,448,976                        | 172,249                             | 1,417,250  | -                 | 23,038,475                           |
| <u>242,044</u>                                | <u>-</u>               | <u>-</u>                     | <u>-</u>                | <u>21,448,976</u>                 | <u>172,249</u>                      | <u>1,417,250</u>                                   | <u>107,909</u>    | <u>24,941,245</u>                    |
| <u>\$ 245,599</u>                             | <u>\$ 2,118,612</u>    | <u>\$ 733,657</u>            | <u>\$ 108,515</u>       | <u>\$ 22,372,629</u>              | <u>\$ 201,304</u>                   | <u>\$ 1,561,809</u>                                | <u>\$ 107,909</u> | <u>\$ 29,887,179</u>                 |

CHATHAM COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

**Special Revenue Funds**

|  | Chatham<br>Emergency<br>Management | Street<br>Lighting | Street Paving    | Confiscated<br>Revenue<br>Fund | Emergency<br>Telephone<br>System | Land Bank          |
|--|------------------------------------|--------------------|------------------|--------------------------------|----------------------------------|--------------------|
| <b>REVENUES</b>  |                                    |                    |                  |                                |                                  |                    |
| Other taxes  | \$ -                               | \$ -               | \$ -             | \$ -                           | \$ -                             | \$ -               |
| Licenses and permits   | -                                  | -                  | -                | -                              | -                                | -                  |
| Intergovernmental  | 133,697                            | -                  | -                | -                              | -                                | -                  |
| Charges for services   | -                                  | 466,025            | -                | -                              | 2,287,931                        | -                  |
| Fees and fines   | -                                  | -                  | -                | 283,927                        | -                                | -                  |
| Investment earnings  | 351                                | 115                | 384              | 1,151                          | 1,934                            | -                  |
| Other revenue  | 42,324                             | -                  | -                | 10,280                         | -                                | 1,000              |
| Total revenues   | <u>176,372</u>                     | <u>466,140</u>     | <u>384</u>       | <u>295,358</u>                 | <u>2,289,865</u>                 | <u>1,000</u>       |
| <b>EXPENDITURES</b>  |                                    |                    |                  |                                |                                  |                    |
| Current:   |                                    |                    |                  |                                |                                  |                    |
| General government   | -                                  | -                  | -                | -                              | -                                | -                  |
| Judiciary  | -                                  | -                  | -                | -                              | -                                | -                  |
| Public safety  | 970,321                            | -                  | -                | 198,973                        | 2,379,691                        | -                  |
| Public works   | -                                  | 459,487            | 161,671          | -                              | -                                | -                  |
| Housing and development                                      | -                                  | -                  | -                | -                              | -                                | 11,888             |
| Debt service:  |                                    |                    |                  |                                |                                  |                    |
| Principal  | -                                  | -                  | -                | -                              | -                                | -                  |
| Interest and other charges                                   | -                                  | -                  | -                | -                              | -                                | -                  |
| Capital outlay   | -                                  | -                  | -                | -                              | -                                | -                  |
| Total expenditures   | <u>970,321</u>                     | <u>459,487</u>     | <u>161,671</u>   | <u>198,973</u>                 | <u>2,379,691</u>                 | <u>11,888</u>      |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(793,949)</u>                   | <u>6,653</u>       | <u>(161,287)</u> | <u>96,385</u>                  | <u>(89,826)</u>                  | <u>(10,888)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                    |                    |                  |                                |                                  |                    |
| Bond issuance  | -                                  | -                  | -                | -                              | -                                | -                  |
| Transfers in   | 961,309                            | -                  | -                | -                              | 91,758                           | -                  |
| Transfers out  | -                                  | -                  | (14,335)         | -                              | -                                | -                  |
| Total other financing sources and uses                       | <u>961,309</u>                     | <u>-</u>           | <u>(14,335)</u>  | <u>-</u>                       | <u>91,758</u>                    | <u>-</u>           |
| Net change in fund balances                                  | <u>167,360</u>                     | <u>6,653</u>       | <u>(175,622)</u> | <u>96,385</u>                  | <u>1,932</u>                     | <u>(10,888)</u>    |
| Fund balances - beginning                                    | <u>280,734</u>                     | <u>2,032</u>       | <u>175,622</u>   | <u>419,061</u>                 | <u>638,005</u>                   | <u>(48,457)</u>    |
| Fund balances - ending                                       | <u>\$ 448,094</u>                  | <u>\$ 8,685</u>    | <u>\$ -</u>      | <u>\$ 515,446</u>              | <u>\$ 639,937</u>                | <u>\$ (59,345)</u> |

**Capital Projects**

| Land<br>Disturbing<br>Activities<br>Ordinance | Multiple Grant<br>Fund | Child Support<br>Enforcement | Hotel/Motel<br>Tax Fund | Capital<br>Improvement<br>Program | Capital<br>Improvement<br>Bond Fund | 2005 Series<br>Capital<br>Improvement<br>Bond Fund | Debt<br>Service | Total Other<br>Governmental<br>Funds |
|---|------------------------|------------------------------|-------------------------|-----------------------------------|-------------------------------------|--|-----------------|--------------------------------------|
| \$ -  | \$ -                   | \$ -                         | \$ 1,140,584            | \$ -                              | \$ -                                | \$ -   | \$ -            | \$ 1,140,584                         |
| 472,631                                       | -                      | -                            | -                       | -                                 | -                                   | -  | -               | 472,631                              |
| -   | 4,527,991              | 2,781,216                    | -                       | -                                 | -                                   | -  | -               | 7,442,904                            |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | -               | 2,753,956                            |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | -               | 283,927                              |
| 320   | -                      | -                            | -                       | 52,072                            | (601)                               | 9,393  | 85              | 65,204                               |
| -   | -                      | 1,095                        | -                       | 115,608                           | -                                   | 279,472  | 214,019         | 663,798                              |
| 472,951                                       | 4,527,991              | 2,782,311                    | 1,140,584               | 167,680                           | (601)                               | 288,865  | 214,104         | 12,823,004                           |
| -   | 3,282,001              | -                            | -                       | -                                 | -                                   | -  | -               | 3,282,001                            |
| -   | 361,306                | -                            | -                       | -                                 | -                                   | -  | -               | 361,306                              |
| -   | 880,705                | 2,851,451                    | -                       | -                                 | -                                   | -  | -               | 7,281,141                            |
| -   | 3,979                  | -                            | -                       | -                                 | -                                   | -  | -               | 625,137                              |
| 385,926                                       | -                      | -                            | 570,292                 | -                                 | -                                   | -  | -               | 968,106                              |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | 140,000         | 140,000                              |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | 94,221          | 94,221                               |
| -   | -                      | -                            | -                       | 6,616,048                         | 206,553                             | 3,080,762  | 2,346,891       | 12,250,254                           |
| 385,926                                       | 4,527,991              | 2,851,451                    | 570,292                 | 6,616,048                         | 206,553                             | 3,080,762  | 2,581,112       | 25,002,166                           |
| 87,025  | -                      | (69,140)                     | 570,292                 | (6,448,368)                       | (207,154)                           | (2,791,897)  | (2,367,008)     | (12,179,162)                         |
| -   | -                      | -                            | -                       | -                                 | -                                   | -  | 2,400,000       | 2,400,000                            |
| -   | -                      | 69,140                       | -                       | 1,910,796                         | -                                   | 300,000  | -               | 3,333,003                            |
| -   | -                      | -                            | (570,292)               | (300,000)                         | -                                   | -  | (28,734)        | (913,361)                            |
| -   | -                      | 69,140                       | (570,292)               | 1,610,796                         | -                                   | 300,000  | 2,371,266       | 4,819,642                            |
| 87,025  | -                      | -                            | -                       | (4,837,572)                       | (207,154)                           | (2,491,897)  | 4,258           | (7,359,520)                          |
| 155,019                                       | -                      | -                            | -                       | 26,286,548                        | 379,403                             | 3,909,147  | 103,651         | 32,300,765                           |
| \$ 242,044                                    | \$ -                   | \$ -                         | \$ -                    | \$ 21,448,976                     | \$ 172,249                          | \$ 1,417,250                                       | \$ 107,909      | \$ 24,941,245                        |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – CHATHAM EMERGENCY MANAGEMENT AGENCY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |             | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|-------------|-------------------|---|
|  | ORIGINAL         | FINAL       |                   |   |
| REVENUES:  |                  |             |                   |   |
| Revenue from other governmental units                | \$ -             | \$ -        | \$ 133,697        | \$ 133,697  |
| Investment income                                    | -                | -           | 351               | 351   |
| Other  | -                | -           | 42,324            | 42,324  |
| Total revenues                                       | -                | -           | 176,372           | 176,372   |
| EXPENDITURES:  |                  |             |                   |   |
| Current:   |                  |             |                   |   |
| Public safety - CEMA                                 | 961,309          | 1,242,043   | 970,321           | 271,722   |
| Total expenditures                                   | 961,309          | 1,242,043   | 970,321           | 271,722   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (961,309)        | (1,242,043) | (793,949)         | 448,094   |
| OTHER FINANCING SOURCES (USES):                      |                  |             |                   |   |
| Transfers in   | 961,309          | 961,309     | 961,309           | -   |
| Total other financing sources                        | 961,309          | 961,309     | 961,309           | -   |
| NET CHANGE IN FUND BALANCE                           | -                | (280,734)   | 167,360           | 448,094   |
| FUND BALANCE, BEGINNING OF YEAR                      | -                | 280,734     | 280,734           | -   |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -        | \$ 448,094        | \$ 448,094  |



CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – STREET LIGHTING  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                 | BUDGETED AMOUNTS |            | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---------------------------------|------------------|------------|-------------------|---|
|                                 | ORIGINAL         | FINAL      |                   |   |
| REVENUES:                       |                  |            |                   |   |
| Charges for services            | \$ 627,420       | \$ 627,420 | \$ 466,025        | \$ (161,395)  |
| Investment income               | -                | -          | 115               | 115   |
| Total revenues                  | 627,420          | 627,420    | 466,140           | (161,280)   |
| EXPENDITURES:                   |                  |            |                   |   |
| Current:                        |                  |            |                   |   |
| Public works                    | 627,420          | 629,452    | 459,487           | 169,965   |
| Total expenditures              | 627,420          | 629,452    | 459,487           | 169,965   |
| NET CHANGE IN FUND BALANCE      | -                | (2,032)    | 6,653             | 8,685   |
| FUND BALANCE, BEGINNING OF YEAR | -                | 2,032      | 2,032             | -   |
| FUND BALANCE, END OF YEAR       | \$ -             | \$ -       | \$ 8,685          | \$ 8,685  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – STREET PAVING  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |           | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|-----------|-------------------|---|
|  | ORIGINAL         | FINAL     |                   |   |
| REVENUES:  |                  |           |                   |   |
| Investment income                                    | \$ 4,000         | \$ 4,000  | \$ 384            | \$ (3,616)  |
| Total revenues                                       | 4,000            | 4,000     | 384               | (3,616)   |
| EXPENDITURES:  |                  |           |                   |   |
| Current:   |                  |           |                   |   |
| Public works   | 179,435          | 164,622   | 161,671           | 2,951   |
| Total expenditures                                   | 179,435          | 164,622   | 161,671           | 2,951   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (175,435)        | (160,622) | (161,287)         | (665)   |
| OTHER FINANCING SOURCES (USES):                      |                  |           |                   |   |
| Transfers out  | -                | (15,000)  | (14,335)          | 665   |
| Total other financing sources                        | -                | (15,000)  | (14,335)          | 665   |
| NET CHANGE IN FUND BALANCE                           | (175,435)        | (175,622) | (175,622)         | -   |
| FUND BALANCE, BEGINNING OF YEAR                      | 175,435          | 175,622   | 175,622           | -   |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -      | \$ -              | \$ -  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – CONFISCATED REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                 | BUDGETED AMOUNTS |           | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---------------------------------|------------------|-----------|-------------------|---|
|                                 | ORIGINAL         | FINAL     |                   |   |
| REVENUES:                       |                  |           |                   |   |
| Fines and fees                  | \$ -             | \$ -      | \$ 283,927        | \$ 283,927  |
| Investment income               | -                | -         | 1,151             | 1,151   |
| Other                           | -                | -         | 10,280            | 10,280  |
| Total revenues                  | -                | -         | 295,358           | 295,358   |
| EXPENDITURES:                   |                  |           |                   |   |
| Current:                        |                  |           |                   |   |
| Public safety                   | 50,000           | 419,061   | 198,973           | 220,088   |
| Total expenditures              | 50,000           | 419,061   | 198,973           | 220,088   |
| NET CHANGE IN FUND BALANCE      | (50,000)         | (419,061) | 96,385            | 515,446   |
| FUND BALANCE, BEGINNING OF YEAR | 50,000           | 419,061   | 419,061           | -   |
| FUND BALANCE, END OF YEAR       | \$ -             | \$ -      | \$ 515,446        | \$ 515,446  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – EMERGENCY TELEPHONE SYSTEM  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |              | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|--------------|-------------------|---|
|  | ORIGINAL         | FINAL        |                   |   |
| REVENUES:  |                  |              |                   |   |
| Charges for services                                 | \$ 2,238,584     | \$ 2,238,584 | \$ 2,287,931      | \$ 49,347   |
| Investment income                                    | -                | -            | 1,934             | 1,934   |
| Total revenues                                       | 2,238,584        | 2,238,584    | 2,289,865         | 51,281  |
| EXPENDITURES:  |                  |              |                   |   |
| Current:   |                  |              |                   |   |
| Public safety  | 2,499,056        | 3,109,561    | 2,379,691         | 729,870   |
| Total expenditures                                   | 2,499,056        | 3,109,561    | 2,379,691         | 729,870   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (260,472)        | (870,977)    | (89,826)          | 781,151   |
| OTHER FINANCING SOURCES (USES):                      |                  |              |                   |   |
| Transfers in   | 260,472          | 232,972      | 91,758            | (141,214)   |
| Total other financing sources                        | 260,472          | 232,972      | 91,758            | (141,214)   |
| NET CHANGE IN FUND BALANCE                           | -                | (638,005)    | 1,932             | 639,937   |
| FUND BALANCE, BEGINNING OF YEAR                      | -                | 638,005      | 638,005           | -   |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -         | \$ 639,937        | \$ 639,937  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – LAND BANK  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                 | BUDGETED AMOUNTS |        | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---------------------------------|------------------|--------|-------------------|---|
|                                 | ORIGINAL         | FINAL  |                   |   |
| REVENUES:                       |                  |        |                   |   |
| Investment income               | \$ -             | \$ -   | \$ -              | \$ -  |
| Other                           | 353,812          | 65,000 | 1,000             | (64,000)  |
| Total revenues                  | 353,812          | 65,000 | 1,000             | (64,000)  |
| EXPENDITURES:                   |                  |        |                   |   |
| Current:                        |                  |        |                   |   |
| Housing and development         | 353,812          | 65,000 | 11,888            | 53,112  |
| Total expenditures              | 353,812          | 65,000 | 11,888            | 53,112  |
| NET CHANGE IN FUND BALANCE      | -                | -      | (10,888)          | (10,888)  |
| FUND BALANCE, BEGINNING OF YEAR | -                | -      | (48,457)          | (48,457)  |
| FUND BALANCE, END OF YEAR       | \$ -             | \$ -   | \$ (59,345)       | \$ (59,345)   |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – LAND DISTURBING ACTIVITIES ORDINANCE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                 | BUDGETED AMOUNTS |            | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---------------------------------|------------------|------------|-------------------|---|
|                                 | ORIGINAL         | FINAL      |                   |   |
| REVENUES:                       |                  |            |                   |   |
| Licenses and permits            | \$ 388,672       | \$ 388,672 | \$ 472,631        | \$ 83,959   |
| Investment income               | 5,000            | 5,000      | 320               | (4,680)   |
| Total revenues                  | 393,672          | 393,672    | 472,951           | 79,279  |
| EXPENDITURES:                   |                  |            |                   |   |
| Current:                        |                  |            |                   |   |
| Housing and development         | 403,538          | 548,691    | 385,926           | 162,765   |
| Total expenditures              | 403,538          | 548,691    | 385,926           | 162,765   |
| NET CHANGE IN FUND BALANCE      | (9,866)          | (155,019)  | 87,025            | 242,044   |
| FUND BALANCE, BEGINNING OF YEAR | 9,866            | 155,019    | 155,019           | -   |
| FUND BALANCE, END OF YEAR       | \$ -             | \$ -       | \$ 242,044        | \$ 242,044  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – MULTIPLE GRANT FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |              | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|--------------|-------------------|---|
|  | ORIGINAL         | FINAL        |                   |   |
| REVENUES:  |                  |              |                   |   |
| Revenue from other governmental units                | \$ 112,800       | \$ 8,514,699 | \$ 4,527,991      | \$ (3,986,708)  |
| Total revenues                                       | 112,800          | 8,514,699    | 4,527,991         | (3,986,708)   |
| EXPENDITURES:  |                  |              |                   |   |
| Current:   |                  |              |                   |   |
| General government                                   | -                | 4,764,568    | 3,282,001         | 1,482,567   |
| Judiciary  | -                | 991,444      | 361,306           | 630,138   |
| Public safety  | 112,800          | 1,099,065    | 880,705           | 218,360   |
| Public works   | -                | 1,659,622    | 3,979             | 1,655,643   |
| Total expenditures                                   | 112,800          | 8,514,699    | 4,527,991         | 3,986,708   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | -                | -            | -                 | -   |
| NET CHANGE IN FUND BALANCE                           | -                | -            | -                 | -   |
| FUND BALANCE, BEGINNING OF YEAR                      | -                | -            | -                 | -   |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -         | \$ -              | \$ -  |

CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – CHILD SUPPORT ENFORCEMENT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|  | BUDGETED AMOUNTS |              | ACTUAL       | VARIANCE WITH                          |
|--|------------------|--------------|--------------|--|
|  | ORIGINAL         | FINAL        | AMOUNTS      | FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
| REVENUES:  |                  |              |              |  |
| Revenue from other governmental units                | \$ 2,813,930     | \$ 2,813,930 | \$ 2,781,216 | \$ (32,714)                            |
| Other  | -                | -            | 1,095        | 1,095                                  |
| Total revenues                                       | 2,813,930        | 2,813,930    | 2,782,311    | (31,619)                               |
| EXPENDITURES:  |                  |              |              |  |
| Current:   |                  |              |              |  |
| Public safety  | 2,883,930        | 2,883,930    | 2,851,451    | 32,479                                 |
| Total expenditures                                   | 2,883,930        | 2,883,930    | 2,851,451    | 32,479                                 |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (70,000)         | (70,000)     | (69,140)     | 860                                    |
| OTHER FINANCING SOURCES (USES):                      |                  |              |              |  |
| Transfers in   | 70,000           | 70,000       | 69,140       | (860)                                  |
| Total other financing sources (uses)                 | 70,000           | 70,000       | 69,140       | (860)                                  |
| NET CHANGE IN FUND BALANCE                           | -                | -            | -            | -                                      |
| FUND BALANCE, BEGINNING OF YEAR                      | -                | -            | -            | -                                      |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -         | \$ -         | \$ -                                   |



CHATHAM COUNTY, GEORGIA  
SPECIAL REVENUE FUND – HOTEL/MOTEL TAX FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010

|                                      | <u>BUDGETED AMOUNTS</u> |              | <u>ACTUAL</u>  | <u>VARIANCE WITH</u> |
|--------------------------------------|-------------------------|--------------|----------------|----------------------|
|                                      | <u>ORIGINAL</u>         | <u>FINAL</u> | <u>AMOUNTS</u> | <u>FINAL BUDGET</u>  |
|                                      |                         |              |                | <u>POSITIVE</u>      |
|                                      |                         |              |                | <u>(NEGATIVE)</u>    |
| REVENUES:                            |                         |              |                |                      |
| Taxes:                               |                         |              |                |                      |
| Hotel/motel taxes                    | \$ 1,350,000            | \$ 1,350,000 | \$ 1,140,584   | \$ (209,416)         |
| Total revenues                       | 1,350,000               | 1,350,000    | 1,140,584      | (209,416)            |
| EXPENDITURES:                        |                         |              |                |                      |
| Current:                             |                         |              |                |                      |
| Housing and development              | 675,000                 | 675,000      | 570,292        | 104,708              |
| Total expenditures                   | 675,000                 | 675,000      | 570,292        | 104,708              |
| EXCESS OF REVENUES OVER EXPENDITURES | 675,000                 | 675,000      | 570,292        | (104,708)            |
| OTHER FINANCING SOURCES (USES):      |                         |              |                |                      |
| Transfers out                        | (675,000)               | (675,000)    | (570,292)      | 104,708              |
| Total other financing sources (uses) | (675,000)               | (675,000)    | (570,292)      | 104,708              |
| 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, 2010

|  | BUDGETED AMOUNTS |             | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|-------------|-------------------|---|
|  | ORIGINAL         | FINAL       |                   |   |
| REVENUES:  |                  |             |                   |   |
| Investment income                                    | \$ -             | \$ -        | \$ 85             | \$ 85   |
| Other  | 214,018          | 214,018     | 214,019           | 1   |
| Total revenues                                       | 214,018          | 214,018     | 214,104           | 86  |
| EXPENDITURES:  |                  |             |                   |   |
| Debt Service:  |                  |             |                   |   |
| Bond principal retirement                            | 140,000          | 140,000     | 140,000           | -   |
| Interest and fiscal charges                          | 49,018           | 210,019     | 94,221            | 115,798   |
| Capital Outlay                                       | -                | 2,342,650   | 2,346,891         | (4,241)   |
| Total expenditures                                   | 189,018          | 2,692,669   | 2,581,112         | 111,557   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 25,000           | (2,478,651) | (2,367,008)       | 111,643   |
| OTHER FINANCING SOURCES (USES)                       |                  |             |                   |   |
| Bonds issued   | -                | 2,400,000   | 2,400,000         | -   |
| Transfers out  | (25,000)         | (25,000)    | (28,734)          | (3,734)   |
| Total other financing sources (uses)                 | (25,000)         | 2,375,000   | 2,371,266         | (3,734)   |
| NET CHANGE IN FUND BALANCE                           | -                | (103,651)   | 4,258             | 107,909   |
| FUND BALANCE, BEGINNING OF YEAR                      | -                | 103,651     | 103,651           | -   |
| FUND BALANCE, END OF YEAR                            | \$ -             | \$ -        | \$ 107,909        | \$ 107,909  |

## **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, 2010

|  | Water and<br>Sewer Fund | Parking<br>Garage Fund | Henderson<br>Golf Club<br>Fund | Building<br>Safety and<br>Regulatory<br>Services | Total         |
|--|-------------------------|------------------------|--------------------------------|--|---------------|
| <b>ASSETS</b>                                    |                         |                        |                                |  |               |
| Current assets:                                  |                         |                        |                                |  |               |
| Cash and investments                             | \$ 2,326,915            | \$ 1,457,040           | \$ -                           | \$ -   | \$ 3,783,955  |
| Receivable, net                                  | 860,096                 | 108                    | -                              | -  | 860,204       |
| Restricted cash                                  | 233,717                 | -                      | -                              | -  | 233,717       |
| Total current assets                             | 3,420,728               | 1,457,148              | -                              | -  | 4,877,876     |
| Capital assets:                                  |                         |                        |                                |  |               |
| Capital assets (net of accumulated depreciation) | 5,226,986               | 1,685,907              | -                              | 238,613  | 7,151,506     |
| Total assets                                     | 8,647,714               | 3,143,055              | -                              | 238,613  | 12,029,382    |
| <b>LIABILITIES</b>                               |                         |                        |                                |  |               |
| Current liabilities:                             |                         |                        |                                |  |               |
| Accounts payable                                 | 236,068                 | 2,436                  | -                              | -  | 238,504       |
| Payable from restricted assets                   | 233,717                 | -                      | -                              | -  | 233,717       |
| Due to other funds                               | -                       | -                      | -                              | 199,158  | 199,158       |
| Other accrued expenses                           | 3,256                   | 8,710                  | -                              | 9,106  | 21,072        |
| Current portion of long-term liabilities         | 5,146                   | 1,694                  | -                              | 9,232  | 16,072        |
| Total current liabilities                        | 478,187                 | 12,840                 | -                              | 217,496  | 708,523       |
| Non-current liabilities:                         |                         |                        |                                |  |               |
| Due in more than one year                        | 41,637                  | 13,704                 | -                              | 74,698   | 130,039       |
| Net OPEB Obligation                              | 26,716                  | 8,906                  | -                              | 107,651  | 143,273       |
| Total non-current liabilities                    | 68,353                  | 22,610                 | -                              | 182,349  | 273,312       |
| Total liabilities                                | 546,540                 | 35,450                 | -                              | 399,845  | 981,835       |
| <b>NET ASSETS</b>                                |                         |                        |                                |  |               |
| Invested in capital assets, net of related debt  | 5,226,986               | 1,685,907              | -                              | 238,613  | 7,151,506     |
| Unrestricted                                     | 2,874,188               | 1,421,698              | -                              | (399,845)  | 3,896,041     |
| Total net assets                                 | \$ 8,101,174            | \$ 3,107,605           | \$ -                           | \$ (161,232)                                     | \$ 11,047,547 |

CHATHAM COUNTY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Water and<br>Sewer Fund | Parking<br>Garage Fund | Henderson<br>Golf Club<br>Fund | Building<br>Safety and<br>Regulatory<br>Services | Total                |
|---|-------------------------|------------------------|--------------------------------|--|----------------------|
| <b>OPERATING REVENUES</b>                 |                         |                        |                                |  |                      |
| Charges for services                      | \$ 2,342,055            | \$ 307,050             | \$ 50,293                      | \$ 567,686                                       | \$ 3,267,084         |
| Miscellaneous                             | 1,054                   | -                      | 4,322                          | -  | 5,376                |
| Total operating revenues                  | <u>2,343,109</u>        | <u>307,050</u>         | <u>54,615</u>                  | <u>567,686</u>                                   | <u>3,272,460</u>     |
| <b>OPERATING EXPENSES</b>                 |                         |                        |                                |  |                      |
| Personal services                         | 437,368                 | 122,209                | -                              | 1,271,820  | 1,831,397            |
| Contractual services                      | 1,344,861               | 9,186                  | -                              | 36,076   | 1,390,123            |
| Other supplies and expenses               | 365,766                 | 29,714                 | -                              | 29,163   | 424,643              |
| Interdepartmental charges                 | 144,967                 | 50,676                 | -                              | (33,049)   | 162,594              |
| Depreciation                              | 355,590                 | 76,149                 | 19,321                         | 24,113   | 475,173              |
| Other costs                               | -                       | -                      | 2,100                          | -  | 2,100                |
| Total operating expenses                  | <u>2,648,552</u>        | <u>287,934</u>         | <u>21,421</u>                  | <u>1,328,123</u>                                 | <u>4,286,030</u>     |
| Operating income (loss)                   | <u>(305,443)</u>        | <u>19,116</u>          | <u>33,194</u>                  | <u>(760,437)</u>                                 | <u>(1,013,570)</u>   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>  |                         |                        |                                |  |                      |
| Interest and investment revenue           | 6,420                   | 3,007                  | 545                            | -  | 9,972                |
| Interest expense                          | -                       | -                      | -                              | 92   | 92                   |
| Gain (loss) on sale of assets             | (30,815)                | -                      | -                              | -  | (30,815)             |
| Total non-operating revenue<br>(expenses) | <u>(24,395)</u>         | <u>3,007</u>           | <u>545</u>                     | <u>92</u>  | <u>(20,751)</u>      |
| Income (loss) before transfers            | <u>(329,838)</u>        | <u>22,123</u>          | <u>33,739</u>                  | <u>(760,345)</u>                                 | <u>(1,034,321)</u>   |
| Transfers in                              | -                       | -                      | -                              | 678,047  | 678,047              |
| Transfers out                             | -                       | -                      | (7,276,687)                    | (27,000)   | (7,303,687)          |
| Change in net assets                      | <u>(329,838)</u>        | <u>22,123</u>          | <u>(7,242,948)</u>             | <u>(109,298)</u>                                 | <u>(7,659,961)</u>   |
| Total net assets - beginning              | <u>8,431,012</u>        | <u>3,085,482</u>       | <u>7,242,948</u>               | <u>(51,934)</u>                                  | <u>18,707,508</u>    |
| Total net assets - ending                 | <u>\$ 8,101,174</u>     | <u>\$ 3,107,605</u>    | <u>\$ -</u>                    | <u>\$ (161,232)</u>                              | <u>\$ 11,047,547</u> |

CHATHAM COUNTY, GEORGIA  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Water and<br>Sewer Fund | Parking<br>Garage Fund | Henderson<br>Golf Club<br>Fund | Building<br>Safety and<br>Regulatory<br>Services | Total               |
|---|-------------------------|------------------------|--------------------------------|--|---------------------|
| Cash flows from operating activities:   |                         |                        |                                |  |                     |
| Cash received from customers  | \$ 2,108,709            | \$ 306,898             | \$ 58,615                      | \$ 567,686                                       | \$ 3,041,908        |
| Cash payments to employees for services   | (427,308)               | (118,856)              | -                              | (1,157,248)                                      | (1,703,412)         |
| Cash payments to suppliers for goods and services   | (1,844,974)             | (72,277)               | (2,100)                        | (60,246)   | (1,979,597)         |
| Net cash provided (used) by operating activities  | (163,573)               | 115,765                | 56,515                         | (649,808)  | (641,101)           |
| Cash flows from noncapital financing activities:  |                         |                        |                                |  |                     |
| Borrowings from (repayments to) other funds   | -                       | -                      | (152,346)                      | (1,331)  | (153,677)           |
| Transfers in  | -                       | -                      | -                              | 678,047  | 678,047             |
| Transfers out   | -                       | -                      | (123,688)                      | (27,000)   | (150,688)           |
| Net cash provided (used) by noncapital financing activities                                   | -                       | -                      | (276,034)                      | 649,716  | 373,682             |
| Cash flows from capital and related financing activities:                                     |                         |                        |                                |  |                     |
| Proceeds from developers  | (2,719)                 | -                      | -                              | -  | (2,719)             |
| Proceeds from sale capital assets   | 147,779                 | -                      | -                              | -  | 147,779             |
| Principal payments on debt  | 40,919                  | -                      | -                              | -  | 40,919              |
| Acquisitions and construction of capital assets   | (409,863)               | -                      | (1,263)                        | -  | (411,126)           |
| Net cash (used) by capital and related financing activities                                   | (223,884)               | -                      | (1,263)                        | -  | (225,147)           |
| Cash flows from investing activities:   |                         |                        |                                |  |                     |
| Interest earned on cash and investments   | 6,420                   | 3,007                  | 545                            | 92   | 10,064              |
| Net cash provided (used) by investing activities  | 6,420                   | 3,007                  | 545                            | 92   | 10,064              |
| Net increase (decrease) in cash and cash equivalents  | (381,037)               | 118,772                | (220,237)                      | -  | (482,502)           |
| Cash and cash equivalents, beginning of year  | 2,941,669               | 1,338,268              | 220,237                        | -  | 4,500,174           |
| Cash and cash equivalents, end of year  | <u>\$ 2,560,632</u>     | <u>\$ 1,457,040</u>    | <u>\$ -</u>                    | <u>\$ -</u>                                      | <u>\$ 4,017,672</u> |
| Reconciliation of operating income to net cash<br>provided by (used in) operating activities: |                         |                        |                                |  |                     |
| Operating income (loss)   | \$ (305,443)            | \$ 19,116              | \$ 33,194                      | \$ (760,437)                                     | \$ (1,013,570)      |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities:    |                         |                        |                                |  |                     |
| Depreciation  | 355,590                 | 76,149                 | 19,321                         | 24,113   | 475,173             |
| Change in assets and liabilities:   |                         |                        |                                |  |                     |
| (Increase) decrease in accounts receivables   | (234,400)               | 559                    | 4,000                          | -  | (229,841)           |
| Increase (decrease) in accounts payable<br>and other accrued liabilities                      | 10,620                  | 17,298                 | -                              | 46,642   | 74,560              |
| Increase (decrease) in unearned revenue   | -                       | (711)                  | -                              | -  | (711)               |
| Increase (decrease) in net OPEB obligations   | 10,060                  | 3,354                  | -                              | 39,874   | 53,288              |
| Total adjustments   | 141,870                 | 96,649                 | 23,321                         | 110,629  | 372,469             |
| Net cash provided (used) by operating activities  | <u>\$ (163,573)</u>     | <u>\$ 115,765</u>      | <u>\$ 56,515</u>               | <u>\$ (649,808)</u>                              | <u>\$ (641,101)</u> |
| Noncash investing, capital, and financing activities:   |                         |                        |                                |  |                     |
| Capital assets transferred to governmental activities   | \$ -                    | \$ -                   | \$ 7,152,999                   | \$ -   | \$ 7,152,999        |

CHATHAM COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

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|                         | Health<br>Insurance | Risk<br>Management<br>Fund | Catastrophic<br>Claims | Total               |
|-------------------------|---------------------|----------------------------|------------------------|---------------------|
| <b>ASSETS</b>           |                     |                            |                        |                     |
| Current assets:         |                     |                            |                        |                     |
| Cash and investments    | \$ 5,691,401        | \$ 5,343,646               | \$ 1,766,063           | \$ 12,801,110       |
| Receivable, net         | 335,716             | 7,204                      | -                      | 342,920             |
| Total assets            | <u>6,027,117</u>    | <u>5,350,850</u>           | <u>1,766,063</u>       | <u>13,144,030</u>   |
| <b>LIABILITIES</b>      |                     |                            |                        |                     |
| Current Liabilities:    |                     |                            |                        |                     |
| Accounts payable        | -                   | 102,796                    | -                      | 102,796             |
| Noncurrent Liabilities: |                     |                            |                        |                     |
| Claims payable          | 1,000,455           | 2,555,843                  | -                      | 3,556,298           |
| Total liabilities       | <u>1,000,455</u>    | <u>2,658,639</u>           | <u>-</u>               | <u>3,659,094</u>    |
| <b>NET ASSETS</b>       |                     |                            |                        |                     |
| Unrestricted            | 5,026,662           | 2,692,211                  | 1,766,063              | 9,484,936           |
| Total net assets        | <u>\$ 5,026,662</u> | <u>\$ 2,692,211</u>        | <u>\$ 1,766,063</u>    | <u>\$ 9,484,936</u> |

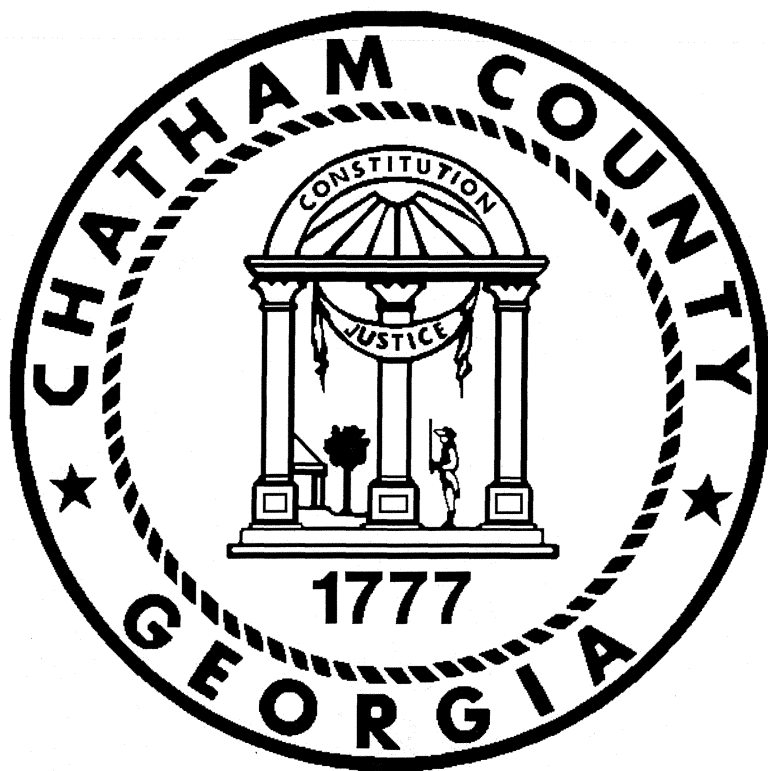
CHATHAM COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Health<br>Insurance | Risk<br>Management<br>Fund | Catastrophic<br>Claims | Total        |
|---|---------------------|----------------------------|------------------------|--------------|
| <b>OPERATING REVENUES</b>                 |                     |                            |                        |              |
| Employee contributions                    | \$ 2,516,699        | \$ -                       | \$ -                   | \$ 2,516,699 |
| Employer contributions                    | 13,150,395          | -                          | -                      | 13,150,395   |
| Other                                     | 3,284,254           | 870,398                    | -                      | 4,154,652    |
| Total operating revenues                  | 18,951,348          | 870,398                    | -                      | 19,821,746   |
| <b>OPERATING EXPENSES</b>                 |                     |                            |                        |              |
| Risk management                           | 15,425,459          | 3,086,277                  | -                      | 18,511,736   |
| Administrative fees                       | 2,036,324           | 64,517                     | -                      | 2,100,841    |
| Total operating expenses                  | 17,461,783          | 3,150,794                  | -                      | 20,612,577   |
| Operating income (loss)                   | 1,489,565           | (2,280,396)                | -                      | (790,831)    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>  |                     |                            |                        |              |
| Interest and investment revenue (expense) | 8,191               | 11,930                     | 3,798                  | 23,919       |
| Total non-operating revenue (expenses)    | 8,191               | 11,930                     | 3,798                  | 23,919       |
| Income (loss) before transfers            | 1,497,756           | (2,268,466)                | 3,798                  | (766,912)    |
| Transfers in                              | -                   | 2,400,000                  | -                      | 2,400,000    |
| Change in net assets                      | 1,497,756           | 131,534                    | 3,798                  | 1,633,088    |
| Total net assets - beginning              | 3,528,906           | 2,560,677                  | 1,762,265              | 7,851,848    |
| Total net assets - ending                 | \$ 5,026,662        | \$ 2,692,211               | \$ 1,766,063           | \$ 9,484,936 |



CHATHAM COUNTY, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Health<br>Insurance | Risk<br>Management<br>Fund | Catastrophic<br>Claims | Total                |
|---|---------------------|----------------------------|------------------------|----------------------|
| Cash flows from operating activities:   |                     |                            |                        |                      |
| Employee and employer contributions   | \$ 15,667,094       | \$ -                       | \$ -                   | \$ 15,667,094        |
| Other   | 3,284,254           | 863,194                    | -                      | 4,147,448            |
| Risk management fees  | (204,546)           | -                          | -                      | (204,546)            |
| Payment of claims, fees and expenses  | (17,432,387)        | (3,006,590)                | -                      | (20,438,977)         |
| Net cash provided (used) by operating activities  | <u>1,314,415</u>    | <u>(2,143,396)</u>         | <u>-</u>               | <u>(828,981)</u>     |
| Cash flows from noncapital financing activities:  |                     |                            |                        |                      |
| Transfers in  | -                   | 2,400,000                  | -                      | 2,400,000            |
| Net cash provided (used) by noncapital financing activities                                   | <u>-</u>            | <u>2,400,000</u>           | <u>-</u>               | <u>2,400,000</u>     |
| Cash flows from investing activities:   |                     |                            |                        |                      |
| Interest earned on cash and investments   | 8,191               | 11,930                     | 3,798                  | 23,919               |
| Net cash provided (used) by investing activities  | <u>8,191</u>        | <u>11,930</u>              | <u>3,798</u>           | <u>23,919</u>        |
| Net increase (decrease) in cash and cash equivalents  | 1,322,606           | 268,534                    | 3,798                  | 1,594,938            |
| Cash and cash equivalents, beginning of year  | 4,368,795           | 5,075,112                  | 1,762,265              | 11,206,172           |
| Cash and cash equivalents, end of year  | <u>\$ 5,691,401</u> | <u>\$ 5,343,646</u>        | <u>\$ 1,766,063</u>    | <u>\$ 12,801,110</u> |
| Reconciliation of operating income to net cash<br>provided by (used in) operating activities: |                     |                            |                        |                      |
| Operating income (loss)   | <u>\$ 1,489,565</u> | <u>\$ (2,280,396)</u>      | <u>\$ -</u>            | <u>\$ (790,831)</u>  |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities:    |                     |                            |                        |                      |
| Change in assets and liabilities:   |                     |                            |                        |                      |
| (Increase) decrease in other receivables  | (204,546)           | (7,204)                    | -                      | (211,750)            |
| Increase (decrease) in accounts / claims payable  | 29,396              | 144,204                    | -                      | 173,600              |
| Total adjustments   | <u>(175,150)</u>    | <u>137,000</u>             | <u>-</u>               | <u>(38,150)</u>      |
| Net cash provided (used) by operating activities  | <u>\$ 1,314,415</u> | <u>\$ (2,143,396)</u>      | <u>\$ -</u>            | <u>\$ (828,981)</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, 2010

|  | Pension Trust<br>Fund | OPEB Trust<br>Fund   | Total                 |
|--|-----------------------|----------------------|-----------------------|
| <b>ASSETS</b>  |                       |                      |                       |
| Cash   | \$ 7,965,982          | \$ 2,839,084         | \$ 10,805,066         |
| Receivables:   |                       |                      |                       |
| Interest and dividend                                    | 655,812               | -                    | 655,812               |
| Sale of investments                                      | 4,039,314             | -                    | 4,039,314             |
| Accounts   | 64,869                | 18,333               | 83,202                |
| Investments:   |                       |                      |                       |
| U.S. government and agency obligations                   | 17,682,441            | -                    | 17,682,441            |
| Mortgage backed securities                               | 4,641,696             | -                    | 4,641,696             |
| Corporate bonds  | 30,579,288            | -                    | 30,579,288            |
| Domestic stocks  | 41,918,985            | -                    | 41,918,985            |
| Real estate investment trust                             | 252,056               | -                    | 252,056               |
| International equity funds                               | 12,652,989            | -                    | 12,652,989            |
| Exchange traded funds                                    | 1,216,741             | -                    | 1,216,741             |
| Index Funds  | -                     | 10,111,642           | 10,111,642            |
| Other asset backed securities                            | 89,211                | -                    | 89,211                |
| Total Investments  | <u>109,033,407</u>    | <u>10,111,642</u>    | <u>119,145,049</u>    |
| Total assets   | <u>121,759,384</u>    | <u>12,969,059</u>    | <u>134,728,443</u>    |
| <b>LIABILITIES</b>                                       |                       |                      |                       |
| Accounts payable   | <u>1,622,343</u>      | <u>255,902</u>       | <u>1,878,245</u>      |
| Total liabilities  | <u>1,622,343</u>      | <u>255,902</u>       | <u>1,878,245</u>      |
| <b>NET ASSETS</b>  |                       |                      |                       |
| Held in trust for pension and<br>other employee benefits | <u>\$ 120,137,041</u> | <u>\$ 12,713,157</u> | <u>\$ 132,850,198</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, 2010

|  | Pension Trust<br>Fund | OPEB Trust<br>Fund   | Total                 |
|--|-----------------------|----------------------|-----------------------|
| <b>ADDITIONS</b>   |                       |                      |                       |
| Contributions:   |                       |                      |                       |
| Employer   | \$ 11,584,708         | \$ 8,631,286         | \$ 20,215,994         |
| Plan members   | 2,190,107             | 327,516              | 2,517,623             |
| Total contributions  | <u>13,774,815</u>     | <u>8,958,802</u>     | <u>22,733,617</u>     |
| Investment earnings:   |                       |                      |                       |
| Net appreciation (depreciation) in fair value of investments | 10,553,029            | 36,112               | 10,589,141            |
| Interest   | 2,446,610             | 6,400                | 2,453,010             |
| Dividends  | 1,013,953             | -                    | 1,013,953             |
| Total net investment earnings                                | <u>14,013,592</u>     | <u>42,512</u>        | <u>14,056,104</u>     |
| Less investment expense                                      | 464,611               | -                    | 464,611               |
| Net investment income  | <u>13,548,981</u>     | <u>42,512</u>        | <u>13,591,493</u>     |
| Total additions  | <u>27,323,796</u>     | <u>9,001,314</u>     | <u>36,325,110</u>     |
| <b>DEDUCTIONS</b>  |                       |                      |                       |
| Benefits   | 8,617,285             |                      | 8,617,285             |
| Risk management  |                       | 3,816,008            | 3,816,008             |
| Refunds of contributions                                     | 218,269               | -                    | 218,269               |
| Administrative expense                                       | 169,870               | 414,840              | 584,710               |
| Total deductions   | <u>9,005,424</u>      | <u>4,230,848</u>     | <u>13,236,272</u>     |
| Change in net assets   | 18,318,372            | 4,770,466            | 23,088,838            |
| Net assets - beginning                                       | 101,818,669           | 7,942,691            | 109,761,360           |
| Net assets - ending  | <u>\$ 120,137,041</u> | <u>\$ 12,713,157</u> | <u>\$ 132,850,198</u> |

CHATHAM COUNTY, GEORGIA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2010

|                                   | Balance<br>July 1, 2009 | Additions             | Deductions            | Balance<br>June 30, 2010 |
|-----------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| <b>TAX COMMISSIONER</b>           |                         |                       |                       |                          |
| Assets:                           |                         |                       |                       |                          |
| Cash and investments              | \$ 15,562,685           | \$ 183,120,727        | \$ 179,886,207        | \$ 18,797,205            |
| Total Assets                      | <u>\$ 15,562,685</u>    | <u>\$ 183,120,727</u> | <u>\$ 179,886,207</u> | <u>\$ 18,797,205</u>     |
| Liabilities:                      |                         |                       |                       |                          |
| Due to others                     | \$ 15,562,685           | \$ 183,120,727        | \$ 179,886,207        | \$ 18,797,205            |
| Total Liabilities                 | <u>\$ 15,562,685</u>    | <u>\$ 183,120,727</u> | <u>\$ 179,886,207</u> | <u>\$ 18,797,205</u>     |
| <b>CLERK OF SUPERIOR COURT</b>    |                         |                       |                       |                          |
| Assets:                           |                         |                       |                       |                          |
| Cash and investments              | \$ 472,603              | \$ 3,390,988          | \$ 3,411,538          | \$ 452,053               |
| Total Assets                      | <u>\$ 472,603</u>       | <u>\$ 3,390,988</u>   | <u>\$ 3,411,538</u>   | <u>\$ 452,053</u>        |
| Liabilities:                      |                         |                       |                       |                          |
| Due to others                     | \$ 472,603              | \$ 3,390,988          | \$ 3,411,538          | \$ 452,053               |
| Total Liabilities                 | <u>\$ 472,603</u>       | <u>\$ 3,390,988</u>   | <u>\$ 3,411,538</u>   | <u>\$ 452,053</u>        |
| <b>REGISTRY OF SUPERIOR COURT</b> |                         |                       |                       |                          |
| Assets:                           |                         |                       |                       |                          |
| Cash and investments              | \$ 8,932,962            | \$ 8,745,749          | \$ 14,287,131         | \$ 3,391,580             |
| Total Assets                      | <u>\$ 8,932,962</u>     | <u>\$ 8,745,749</u>   | <u>\$ 14,287,131</u>  | <u>\$ 3,391,580</u>      |
| Liabilities:                      |                         |                       |                       |                          |
| Due to others                     | \$ 8,932,962            | \$ 8,745,749          | \$ 14,287,131         | \$ 3,391,580             |
| Total Liabilities                 | <u>\$ 8,932,962</u>     | <u>\$ 8,745,749</u>   | <u>\$ 14,287,131</u>  | <u>\$ 3,391,580</u>      |
| <b>CLERK'S OFFICE STATE COURT</b> |                         |                       |                       |                          |
| Assets:                           |                         |                       |                       |                          |
| Cash and investments              | \$ 221,533              | \$ 1,603,660          | \$ 1,651,792          | \$ 173,401               |
| Total Assets                      | <u>\$ 221,533</u>       | <u>\$ 1,603,660</u>   | <u>\$ 1,651,792</u>   | <u>\$ 173,401</u>        |
| Liabilities:                      |                         |                       |                       |                          |
| Due to others                     | \$ 221,533              | \$ 1,603,660          | \$ 1,651,792          | \$ 173,401               |
| Total Liabilities                 | <u>\$ 221,533</u>       | <u>\$ 1,603,660</u>   | <u>\$ 1,651,792</u>   | <u>\$ 173,401</u>        |

CHATHAM COUNTY, GEORGIA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Balance<br>July 1, 2009 | Additions           | Deductions          | Balance<br>June 30, 2010 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| <b>SHERIFF'S OFFICE STATE AND SUPERIOR COURTS</b> |                         |                     |                     |                          |
| Assets:   |                         |                     |                     |                          |
| Cash and investments                              | \$ 2,317,498            | \$ 1,380,572        | \$ 1,215,767        | \$ 2,482,303             |
| Total Assets                                      | <u>\$ 2,317,498</u>     | <u>\$ 1,380,572</u> | <u>\$ 1,215,767</u> | <u>\$ 2,482,303</u>      |
| Liabilities:                                      |                         |                     |                     |                          |
| Due to others                                     | \$ 2,317,498            | \$ 1,380,572        | \$ 1,215,767        | \$ 2,482,303             |
| Total Liabilities                                 | <u>\$ 2,317,498</u>     | <u>\$ 1,380,572</u> | <u>\$ 1,215,767</u> | <u>\$ 2,482,303</u>      |
| <b>CLERK'S OFFICE MAGISTRATE COURT</b>            |                         |                     |                     |                          |
| Assets:   |                         |                     |                     |                          |
| Cash and investments                              | \$ 98,025               | \$ 1,866,963        | \$ 1,853,940        | \$ 111,048               |
| Total Assets                                      | <u>\$ 98,025</u>        | <u>\$ 1,866,963</u> | <u>\$ 1,853,940</u> | <u>\$ 111,048</u>        |
| Liabilities:                                      |                         |                     |                     |                          |
| Due to others                                     | \$ 98,025               | \$ 1,866,963        | \$ 1,853,940        | \$ 111,048               |
| Total Liabilities                                 | <u>\$ 98,025</u>        | <u>\$ 1,866,963</u> | <u>\$ 1,853,940</u> | <u>\$ 111,048</u>        |
| <b>PROBATE COURT</b>                              |                         |                     |                     |                          |
| Assets:   |                         |                     |                     |                          |
| Cash and investments                              | \$ 61,523               | \$ 93,025           | \$ 153,712          | \$ 836                   |
| Total Assets                                      | <u>\$ 61,523</u>        | <u>\$ 93,025</u>    | <u>\$ 153,712</u>   | <u>\$ 836</u>            |
| Liabilities:                                      |                         |                     |                     |                          |
| Due to others                                     | \$ 61,523               | \$ 93,025           | \$ 153,712          | \$ 836                   |
| Total Liabilities                                 | <u>\$ 61,523</u>        | <u>\$ 93,025</u>    | <u>\$ 153,712</u>   | <u>\$ 836</u>            |
| <b>JUVENILE COURT</b>                             |                         |                     |                     |                          |
| Assets:   |                         |                     |                     |                          |
| Cash and investments                              | \$ 31,137               | \$ 90,850           | \$ 86,213           | \$ 35,774                |
| Total Assets                                      | <u>\$ 31,137</u>        | <u>\$ 90,850</u>    | <u>\$ 86,213</u>    | <u>\$ 35,774</u>         |
| Liabilities:                                      |                         |                     |                     |                          |
| Due to others                                     | \$ 31,137               | \$ 90,850           | \$ 86,213           | \$ 35,774                |
| Total Liabilities                                 | <u>\$ 31,137</u>        | <u>\$ 90,850</u>    | <u>\$ 86,213</u>    | <u>\$ 35,774</u>         |

CHATHAM COUNTY, GEORGIA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2010

|                          | <u>Balance</u><br><u>July 1, 2009</u> | <u>Additions</u>      | <u>Deductions</u>     | <u>Balance</u><br><u>June 30, 2010</u> |
|--------------------------|---------------------------------------|-----------------------|-----------------------|--|
| <b>FLEX BENEFIT PLAN</b> |                                       |                       |                       |  |
| Assets:                  |                                       |                       |                       |  |
| Cash and investments     | \$ 9,841                              | \$ 811,201            | \$ 798,448            | \$ 22,594                              |
| Total Assets             | <u>\$ 9,841</u>                       | <u>\$ 811,201</u>     | <u>\$ 798,448</u>     | <u>\$ 22,594</u>                       |
| Liabilities:             |                                       |                       |                       |  |
| Due to others            | \$ 9,841                              | \$ 811,201            | \$ 798,448            | \$ 22,594                              |
| Total Liabilities        | <u>\$ 9,841</u>                       | <u>\$ 811,201</u>     | <u>\$ 798,448</u>     | <u>\$ 22,594</u>                       |
| <br><b>TOTAL</b>         |                                       |                       |                       |  |
| Assets:                  |                                       |                       |                       |  |
| Cash and investments     | \$ 27,707,807                         | \$ 201,103,735        | \$ 203,344,748        | \$ 25,466,794                          |
| Total Assets             | <u>\$ 27,707,807</u>                  | <u>\$ 201,103,735</u> | <u>\$ 203,344,748</u> | <u>\$ 25,466,794</u>                   |
| Liabilities:             |                                       |                       |                       |  |
| Due to others            | \$ 27,707,807                         | \$ 201,103,735        | \$ 203,344,748        | \$ 25,466,794                          |
| Total Liabilities        | <u>\$ 27,707,807</u>                  | <u>\$ 201,103,735</u> | <u>\$ 203,344,748</u> | <u>\$ 25,466,794</u>                   |



## **COMMENT RELATIVE TO STATISTICAL SECTION**

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These reflect social and economic data, financial trends, and the fiscal capacity of the government. The tables are un-audited due to the nature of the information contained therein.



## STATISTICAL SECTION

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

| Contents  | Page |
|---|------|
| Financial Trends  | G-3  |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>  |      |
| Revenue Capacity  | G-12 |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>  |      |
| Debt Capacity   | G-21 |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>                    |      |
| Demographic and Economic Information  | G-25 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>   |      |
| Operating Information   | G-27 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> |      |

**Chatham County, Georgia**  
**Net Assets by Component**  
**(accrual basis of accounting)**  
**Last Nine Fiscal Years**

|   | Fiscal Year           |                       |                       |                             |                             |                             |                         |                         |                         |
|---|-----------------------|-----------------------|-----------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
|   | 2002                  | 2003                  | 2004                  | 2005                        | 2006                        | 2007                        | 2008                    | 2009                    | 2010                    |
| <b>Governmental activities</b>                  |                       |                       |                       |                             |                             |                             |                         |                         |                         |
| Invested in capital assets, net of related debt | \$ 106,561,598        | \$ 117,363,408        | \$ 125,672,124        | \$ 680,133,250 <sup>1</sup> | \$ 678,740,933 <sup>2</sup> | \$ 696,028,733 <sup>2</sup> | \$ 713,145,139          | \$ 729,614,543          | \$ 758,599,615          |
| Restricted                                      | 123,889,739           | 132,923,076           | 138,919,670           | 150,477,644                 | 169,451,499                 | 189,088,649                 | 207,390,200             | 240,733,031             | 265,588,109             |
| Unrestricted                                    | (1,198,395)           | 3,372,561             | 21,164,204            | 28,104,633                  | 42,827,583                  | 50,055,974                  | 59,152,523              | 65,110,178              | 68,874,739              |
| Total governmental activities net assets        | <u>\$ 229,252,942</u> | <u>\$ 253,659,045</u> | <u>\$ 285,755,998</u> | <u>\$ 858,715,527</u>       | <u>\$ 891,020,015</u>       | <u>\$ 935,173,356</u>       | <u>\$ 979,687,862</u>   | <u>\$ 1,035,457,752</u> | <u>\$ 1,093,062,463</u> |
| <b>Business-type activities</b>                 |                       |                       |                       |                             |                             |                             |                         |                         |                         |
| Invested in capital assets, net of related debt | \$ 13,619,102         | \$ 20,597,344         | \$ 26,080,588         | \$ 24,881,272               | \$ 28,911,730               | \$ 28,956,177               | \$ 27,537,903           | \$ 31,191,580           | \$ 28,986,827           |
| Restricted                                      | 2,745,651             | 3,261,440             | 3,197,699             | 3,726,855                   | 3,807,712                   | 3,234,176                   | 3,452,123               | 3,566,728               | 3,357,430               |
| Unrestricted                                    | 10,589,556            | 6,736,743             | 8,920,966             | 9,064,831                   | 5,838,624                   | 7,318,244                   | 7,100,798               | 8,643,967               | 7,772,723               |
| Total business-type activities net assets       | <u>\$ 26,954,309</u>  | <u>\$ 30,595,527</u>  | <u>\$ 38,199,253</u>  | <u>\$ 37,672,958</u>        | <u>\$ 38,558,066</u>        | <u>\$ 39,508,597</u>        | <u>\$ 38,090,824</u>    | <u>\$ 43,402,275</u>    | <u>\$ 40,116,980</u>    |
| <b>Primary government</b>                       |                       |                       |                       |                             |                             |                             |                         |                         |                         |
| Invested in capital assets, net of related debt | \$ 120,180,700        | \$ 137,960,752        | \$ 151,752,712        | \$ 705,014,522 <sup>1</sup> | \$ 707,652,663 <sup>2</sup> | \$ 724,984,910 <sup>2</sup> | \$ 740,683,042          | \$ 760,806,123          | \$ 787,586,442          |
| Restricted                                      | 126,635,390           | 136,184,516           | 142,117,369           | 154,204,499                 | 173,259,211                 | 192,322,825                 | 210,842,323             | 244,299,759             | 268,945,539             |
| Unrestricted                                    | 9,391,161             | 10,109,304            | 30,085,170            | 37,169,464                  | 48,666,207                  | 57,374,218                  | 66,253,321              | 73,754,145              | 76,647,462              |
| Total primary government net assets             | <u>\$ 256,207,251</u> | <u>\$ 284,254,572</u> | <u>\$ 323,955,251</u> | <u>\$ 896,388,485</u>       | <u>\$ 929,578,081</u>       | <u>\$ 974,681,953</u>       | <u>\$ 1,017,778,686</u> | <u>\$ 1,078,860,027</u> | <u>\$ 1,133,179,443</u> |

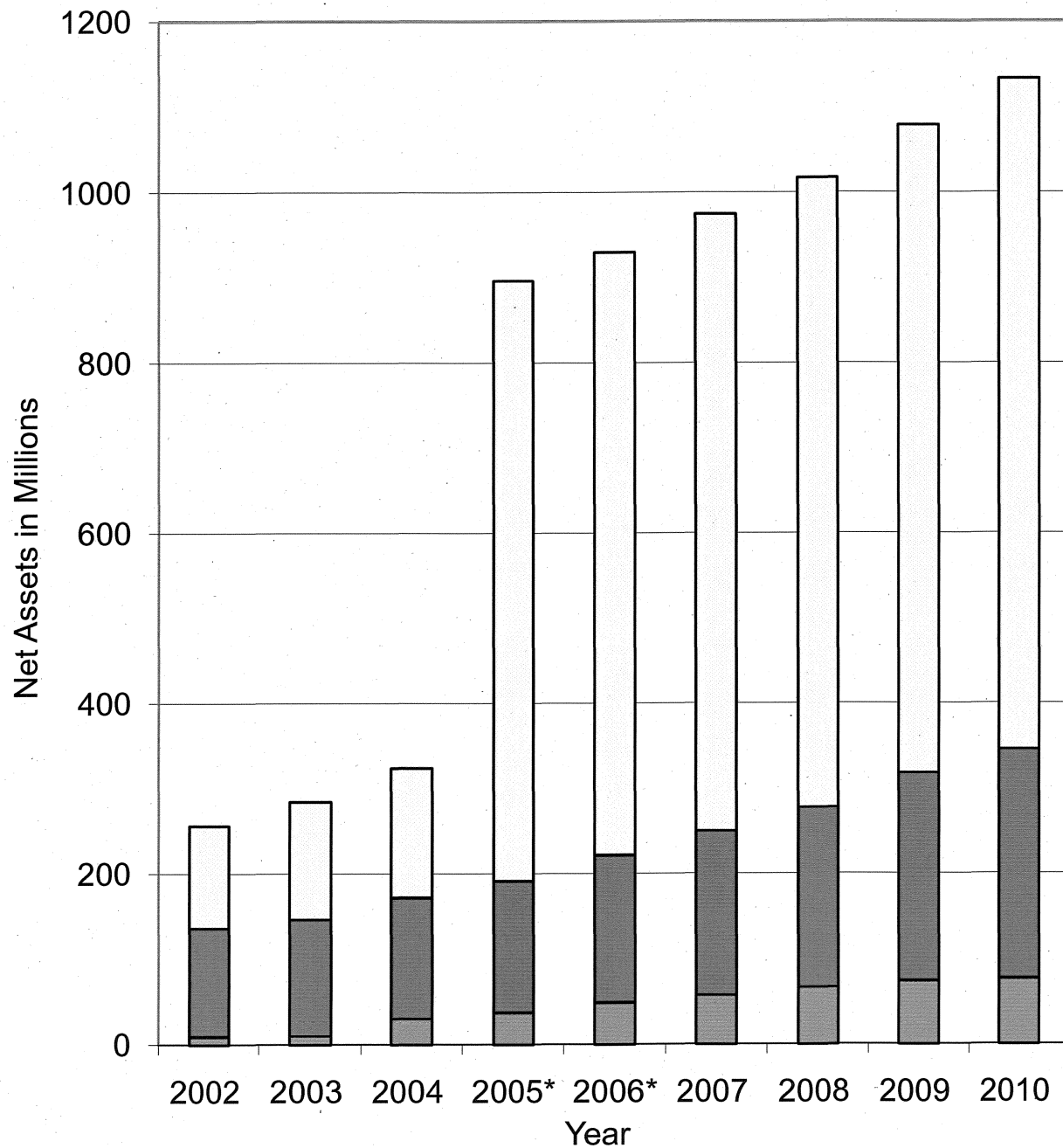
<sup>1</sup> Increase in capital assets due to implementation of GASB 34 Infrastructure requirement in 2006 retro to 2005.

<sup>2</sup> Increase in capital assets due to implementation of GASB 34 Infrastructure requirement in 2006.

Note: 10 years information not available. GASB 34 implementation year was 2002

# Chatham County, Georgia

Total Government Net Assets  
Last Nine Fiscal Years



- Invested in Capital Assets, Net of Related Debt
- Restricted Net Assets
- Unrestricted Net Assets

\*GASB 34 infrastructure reporting occurred in 2006, retroactive to 2005.

**Chatham County, Georgia**  
**Change in Net Assets**  
**Last Nine Fiscal Years**

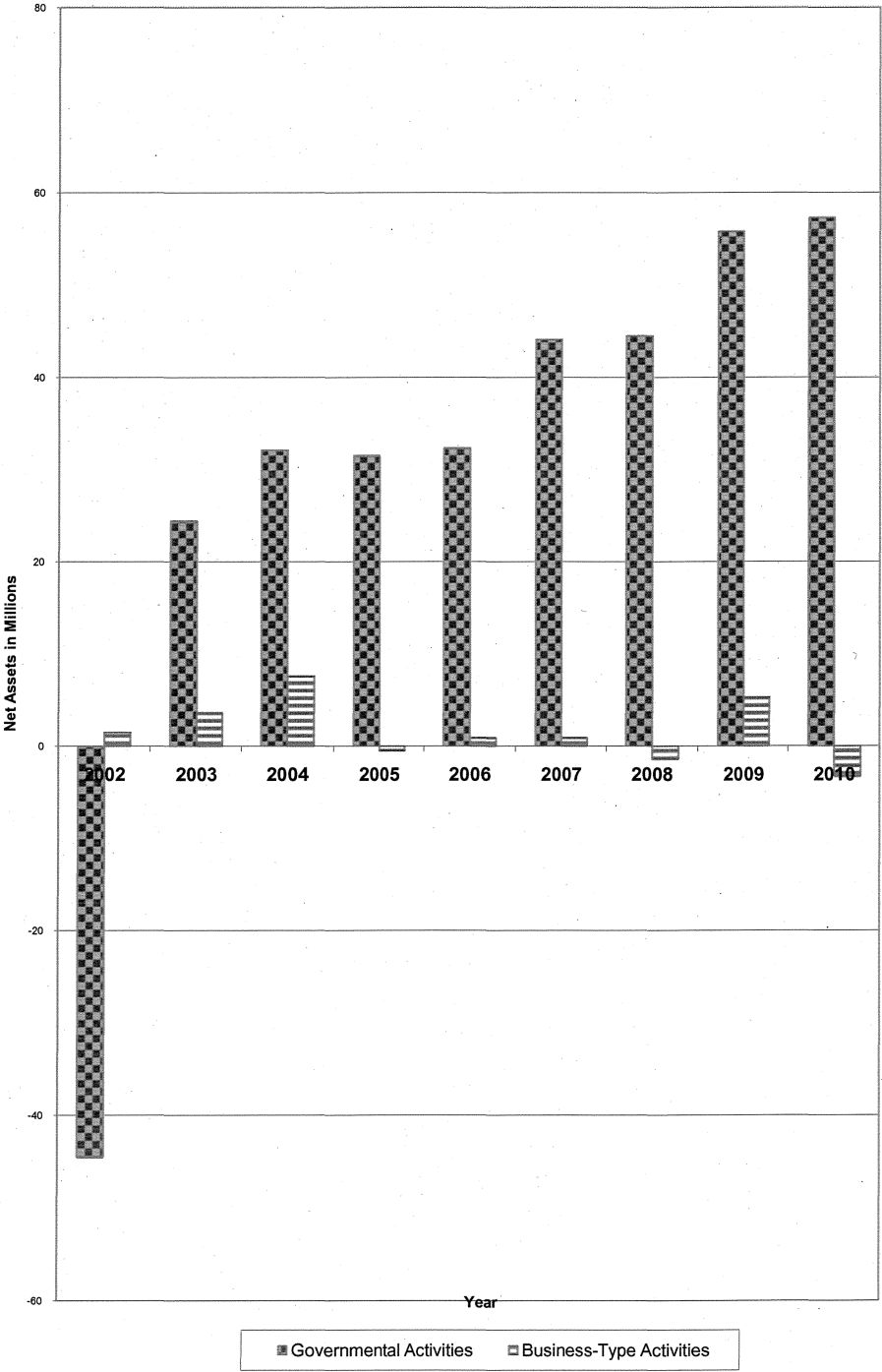
|   | Fiscal Year      |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2002             | 2003             | 2004             | 2005             |
| <b>Expenses</b>   |                  |                  |                  |                  |
| Governmental activities:                                |                  |                  |                  |                  |
| General government                                      | \$ 24,241,377    | \$ 21,717,462    | \$ 22,981,430    | \$ 24,443,974    |
| Judiciary   | 18,714,343       | 16,826,962       | 18,406,097       | 20,283,800       |
| Public safety   | 43,446,492       | 45,866,679       | 47,664,676       | 49,643,795       |
| Public works  | 39,238,618       | 33,451,315       | 27,935,642       | 25,338,583       |
| Health & Welfare  | 9,685,308        | 9,991,188        | 9,567,838        | 10,035,031       |
| Culture and Recreation                                  | 10,891,326       | 9,163,624        | 9,416,115        | 21,808,482       |
| Housing and development                                 | 1,037,142        | 1,199,049        | 1,412,605        | 1,758,770        |
| Interest on long-term debt                              | 3,325,735        | 3,044,736        | 2,891,924        | 2,915,656        |
| Total governmental activities expenses                  | 150,580,341      | 141,261,015      | 140,276,327      | 156,228,091      |
| Business-type activities:                               |                  |                  |                  |                  |
| Environmental Services-Solid Waste                      | 2,127,838        | 2,128,014        | 1,986,172        | 2,090,871        |
| Transportation Services-Bus                             | 11,341,419       | 13,006,053       | 13,737,575       | 14,601,618       |
| Recreation Services-Golf                                | 1,221,338        | 1,127,090        | 1,151,150        | 946,652          |
| Other Services-Water & Sewer                            | 1,444,691        | 1,422,000        | 1,495,201        | 1,691,215        |
| Other Services-Parking                                  | 190,343          | 213,543          | 220,047          | 215,646          |
| Other Services-Building Safety&Reg Serv                 | -                | -                | -                | 1,176,247        |
| Total business-type activities expenses                 | 16,325,629       | 17,896,700       | 18,590,145       | 20,722,249       |
| Total primary government expenses                       | \$ 166,905,970   | \$ 159,157,715   | \$ 158,866,472   | \$ 176,950,340   |
| <b>Program Revenues</b>                                 |                  |                  |                  |                  |
| Governmental activities:                                |                  |                  |                  |                  |
| Charges for services:                                   |                  |                  |                  |                  |
| General Government                                      | \$ 2,920,144     | \$ 4,075,520     | \$ 3,308,622     | \$ 4,214,628     |
| Judiciary   | 6,159,214        | 6,404,289        | 6,807,645        | 6,725,542        |
| Public Safety   | 3,107,430        | 4,082,159        | 4,760,820        | 4,006,887        |
| All Other Services                                      | 973,128          | 1,290,375        | 1,287,857        | 1,412,357        |
| Operating grants and contributions                      | 6,089,107        | 5,510,024        | 5,514,146        | 5,317,329        |
| Capital grants and contributions                        | 4,518,793        | 1,955,575        | 1,403,663        | 1,062,332        |
| Total governmental activities program revenues          | 23,767,816       | 23,317,942       | 23,082,753       | 22,739,075       |
| Business-type activities:                               |                  |                  |                  |                  |
| Charges for services:                                   |                  |                  |                  |                  |
| Transportation - Bus System                             | 3,147,530        | 2,775,299        | 3,443,935        | 3,702,773        |
| Water & Sewer   | 1,579,698        | 1,620,619        | 1,656,729        | 1,685,041        |
| All Other Services                                      | 1,498,334        | 1,417,532        | 1,577,808        | 2,493,538        |
| Operating grants and contributions                      | 3,212,034        | 6,618,979        | 5,838,090        | 4,498,703        |
| Capital grants and contributions                        | -                | -                | -                | -                |
| Total business-type activities program revenues         | 9,437,596        | 12,432,429       | 12,516,562       | 12,380,055       |
| Total primary government program revenues               | \$ 33,205,412    | \$ 35,750,371    | \$ 35,599,315    | \$ 35,119,130    |
| Net (expense)/revenue                                   |                  |                  |                  |                  |
| Governmental activities                                 | \$ (126,812,525) | \$ (117,943,073) | \$ (117,193,574) | \$ (133,489,016) |
| Business-type activities                                | (6,888,033)      | (5,464,271)      | (6,073,583)      | (8,342,194)      |
| Total primary government net (expense)                  | \$ (133,700,558) | \$ (123,407,344) | \$ (123,267,157) | \$ (141,831,210) |
| <b>General Revenues and Other Changes in Net Assets</b> |                  |                  |                  |                  |
| Governmental activities:                                |                  |                  |                  |                  |
| Taxes   |                  |                  |                  |                  |
| Property taxes  | \$ 80,245,189    | \$ 83,128,587    | \$ 86,238,752    | \$ 90,592,873    |
| Sales taxes   | 8,568,769        | 8,909,793        | 8,750,846        | 9,249,775        |
| Special purpose local option sales taxes                | 44,071,115       | 45,192,025       | 51,669,376       | 52,400,168       |
| Other taxes   | 5,056,933        | 6,476,720        | 7,520,307        | 8,203,505        |
| Contributions not restricted for specific prog          | -                | -                | -                | -                |
| Unrestricted investment earnings                        | 5,041,284        | 3,312,015        | 1,688,363        | 5,107,224        |
| Miscellaneous   | 3,881,239        | 4,249,485        | 2,054,532        | 2,331,875        |
| Special Items-Loss on Sale of Assets                    | (56,486,564)     | -                | -                | -                |
| Transfers   | (8,088,516)      | (8,919,449)      | (8,631,649)      | (2,894,520)      |
| Total governmental activities                           | 82,289,449       | 142,349,176      | 149,290,527      | 164,990,900      |
| Business-type activities:                               |                  |                  |                  |                  |
| Taxes   | -                | -                | 4,829,542        | 5,113,079        |
| Contributions not restricted for specific prog          | -                | -                | -                | 300,943          |
| Unrestricted investment earnings                        | 241,680          | 125,611          | 103,419          | 274,369          |
| Miscellaneous   | 4,275            | 60,429           | 112,699          | (767,012)        |
| Transfers   | 8,088,516        | 8,919,449        | 8,631,649        | 2,894,520        |
| Total business-type activities                          | 8,334,471        | 9,105,489        | 13,677,309       | 7,815,899        |
| Total primary government                                | \$ 90,623,920    | \$ 151,454,665   | \$ 162,967,836   | \$ 172,806,799   |
| <b>Change in Net Assets</b>                             |                  |                  |                  |                  |
| Governmental activities                                 | \$ (44,523,076)  | \$ 24,406,103    | \$ 32,096,953    | \$ 31,501,884    |
| Business-type activities                                | 1,446,438        | 3,641,218        | 7,603,726        | (526,295)        |
| Total primary government                                | \$ (43,076,638)  | \$ 28,047,321    | \$ 39,700,679    | \$ 30,975,589    |

Note: 10 years information not available. GASB 34 implementation year was 2002

| Fiscal Year      |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|
| 2006             | 2007             | 2008             | 2009             | 2010             |
| \$ 26,628,117    | \$ 31,378,123    | \$ 36,273,315    | \$ 41,390,534    | \$ 40,142,519    |
| 22,706,196       | 24,177,726       | 27,166,934       | 28,081,609       | 29,869,363       |
| 58,527,308       | 63,510,567       | 69,967,038       | 70,319,328       | 78,673,805       |
| 47,283,087       | 59,577,210       | 45,916,050       | 31,865,047       | 22,221,382       |
| 12,715,744       | 9,510,033        | 11,009,709       | 11,235,644       | 11,652,725       |
| 13,069,470       | 14,430,717       | 10,893,167       | 14,557,184       | 12,118,894       |
| 2,888,091        | 3,893,952        | 3,966,632        | 3,486,707        | 2,778,599        |
| 2,391,033        | 1,853,056        | 1,744,059        | 1,586,223        | 1,432,163        |
| 186,209,046      | 208,331,384      | 206,936,904      | 202,522,276      | 198,889,450      |
| 3,013,304        | 2,386,961        | 2,716,415        | 2,753,251        | 2,881,772        |
| 15,820,334       | 16,800,605       | 17,542,383       | 18,399,887       | 18,183,426       |
| 859,989          | 944,428          | 845,951          | 19,321           | 21,421           |
| 1,829,210        | 1,734,867        | 2,332,897        | 2,449,676        | 2,679,367        |
| 220,922          | 282,492          | 280,300          | 282,531          | 287,934          |
| 1,460,642        | 1,372,667        | 1,659,874        | 1,762,668        | 1,328,181        |
| 23,204,401       | 23,522,020       | 25,377,820       | 25,667,334       | 25,382,101       |
| \$ 209,413,447   | \$ 231,853,404   | \$ 232,314,724   | \$ 228,189,610   | \$ 224,271,551   |
| \$ 6,149,689     | \$ 7,144,308     | \$ 6,894,489     | \$ 7,038,775     | \$ 6,833,044     |
| 6,449,303        | 6,876,140        | 6,107,013        | 5,889,247        | 5,816,833        |
| 4,424,964        | 4,520,152        | 4,675,567        | 5,449,195        | 5,273,114        |
| 1,486,074        | 1,219,505        | 2,113,296        | 1,891,073        | 1,933,033        |
| 4,930,727        | 4,655,009        | 4,718,898        | 4,948,290        | 5,877,512        |
| 1,233,710        | 11,483,299       | 1,165,703        | 14,745,626       | 11,242,146       |
| 24,674,467       | 35,898,413       | 25,674,966       | 39,962,206       | 36,975,682       |
| 4,134,209        | 4,272,812        | 4,581,017        | 3,361,718        | 3,607,722        |
| 1,658,568        | 1,922,083        | 1,848,202        | 1,894,733        | 2,342,055        |
| 3,314,076        | 2,651,658        | 2,834,551        | 1,952,802        | 2,479,426        |
| 1,410,159        | 3,135,668        | 1,288,094        | 3,879,731        | 995,974          |
| 4,015,642        | 1,396,623        | 1,130,809        | 5,260,943        | 6,633,637        |
| 14,532,654       | 13,378,844       | 11,682,673       | 16,349,927       | 16,058,814       |
| \$ 39,207,121    | \$ 49,277,257    | \$ 37,357,639    | \$ 56,312,133    | \$ 53,034,496    |
| \$ (161,534,579) | \$ (172,432,971) | \$ (181,261,938) | \$ (162,560,070) | \$ (161,913,768) |
| (8,671,747)      | (10,143,176)     | (13,695,147)     | (9,317,407)      | (9,323,287)      |
| \$ (170,206,326) | \$ (182,576,147) | \$ (194,957,085) | \$ (171,877,477) | \$ (171,237,055) |
| \$ 104,165,430   | \$ 117,172,970   | \$ 128,541,648   | \$ 136,671,942   | \$ 135,014,252   |
| 10,757,985       | 11,131,700       | 11,320,293       | 10,099,667       | 10,140,321       |
| 60,501,173       | 63,129,402       | 63,927,742       | 56,649,500       | 56,969,395       |
| 7,551,652        | 8,837,226        | 8,678,131        | 8,724,781        | 8,472,967        |
| 3,931,963        | 3,996,029        | 4,000,200        | 4,138,932        | -                |
| 7,520,599        | 11,683,260       | 10,373,448       | 4,480,682        | 2,220,501        |
| 2,691,205        | 4,601,500        | 3,412,435        | 2,876,528        | 3,663,979        |
| (3,280,940)      | (3,965,774)      | (4,477,453)      | (5,312,072)      | 2,698,374        |
| 193,839,067      | 216,586,313      | 225,776,444      | 218,329,960      | 219,179,789      |
| 5,608,939        | 6,410,747        | 7,239,064        | 7,602,999        | 7,365,560        |
| 648,245          | 712,810          | 560,859          | 203,759          | 32,822           |
| 18,731           | 4,375            | -                | 1,510,028        | 1,337,984        |
| 3,280,940        | 3,965,774        | 4,477,453        | 5,312,072        | (2,698,374)      |
| 9,556,855        | 11,093,706       | 12,277,376       | 14,628,858       | 6,037,992        |
| \$ 203,395,922   | \$ 227,680,019   | \$ 238,053,820   | \$ 232,958,818   | \$ 225,217,781   |
| \$ 32,304,488    | \$ 44,153,342    | \$ 44,514,506    | \$ 55,769,890    | \$ 57,266,021    |
| 885,108          | 950,530          | (1,417,771)      | 5,311,451        | (3,285,295)      |
| \$ 33,189,596    | \$ 45,103,872    | \$ 43,096,735    | \$ 61,081,341    | \$ 53,980,726    |

# Chatham County, Georgia

Change in Net Assets  
Last Nine Fiscal Years







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

|                                    | Fiscal Year           |                       |                       |                       |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | 2001                  | 2002                  | 2003                  | 2004                  | 2005                  |
| General Fund                       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 2,288,618          | \$ 2,440,507          | \$ 1,962,010          | \$ 1,992,564          | \$ 3,760,341          |
| Unreserved                         | (3,968,001)           | 2,214,452             | 2,742,413             | 8,134,025             | 10,183,297            |
| Total General Fund                 | <u>\$ (1,679,383)</u> | <u>\$ 4,654,959</u>   | <u>\$ 4,704,423</u>   | <u>\$ 10,126,589</u>  | <u>\$ 13,943,638</u>  |
| Special Service District           |                       |                       |                       |                       |                       |
| Reserved                           | \$ 786,824            | \$ 761,126            | \$ 111,559            | \$ 1,138,333          | \$ 679,750            |
| Unreserved                         | 1,225,777             | 3,581,105             | 6,163,612             | 8,791,426             | 11,157,347            |
| Total Special Service District     | <u>\$ 2,012,601</u>   | <u>\$ 4,342,231</u>   | <u>\$ 6,275,171</u>   | <u>\$ 9,929,759</u>   | <u>\$ 11,837,097</u>  |
| All other governmental funds       |                       |                       |                       |                       |                       |
| Reserved                           | \$ 4,415,619          | \$ 4,639,183          | \$ 1,009,876          | \$ 1,226,310          | \$ 1,055,617          |
| Unreserved, reported in            |                       |                       |                       |                       |                       |
| Special Revenue funds              | 895,802               | 973,328               | 894,761               | 959,944               | 1,153,918             |
| Capital Projects funds             | 108,306,893           | 111,273,867           | 125,680,255           | 138,497,038           | 141,194,181           |
| Total all other governmental funds | <u>\$ 113,618,314</u> | <u>\$ 116,886,378</u> | <u>\$ 127,584,892</u> | <u>\$ 140,683,292</u> | <u>\$ 143,403,716</u> |

| Fiscal Year           |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2006                  | 2007                  | 2008                  | 2009                  | 2010                  |
| \$ 2,202,127          | \$ 2,814,403          | \$ 3,211,614          | \$ 3,569,949          | \$ 3,697,001          |
| 14,500,833            | 20,173,244            | 20,643,756            | 26,291,110            | 26,765,482            |
| <u>\$ 16,702,960</u>  | <u>\$ 22,987,647</u>  | <u>\$ 23,855,370</u>  | <u>\$ 29,861,059</u>  | <u>\$ 30,462,483</u>  |
|                       |                       |                       |                       |                       |
| \$ 215,801            | \$ 534,767            | \$ 635,702            | \$ 676,611            | \$ 586,877            |
| 8,588,678             | 10,044,579            | 10,094,085            | 7,136,648             | 6,092,597             |
| <u>\$ 8,804,479</u>   | <u>\$ 10,579,346</u>  | <u>\$ 10,729,787</u>  | <u>\$ 7,813,259</u>   | <u>\$ 6,679,474</u>   |
|                       |                       |                       |                       |                       |
| \$ 1,193,937          | \$ 1,130,387          | \$ 1,087,973          | \$ 1,185,865          | \$ 1,288,440          |
| 590,083               | 573,016               | 918,602               | 539,802               | 614,330               |
| 190,836,999           | 205,491,350           | 225,340,221           | 263,516,748           | 279,473,457           |
| <u>\$ 192,621,019</u> | <u>\$ 207,194,753</u> | <u>\$ 227,346,796</u> | <u>\$ 265,242,415</u> | <u>\$ 281,376,227</u> |

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

|   | Fiscal Year   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2001          | 2002          | 2003          | 2004          | 2005          |
| <b>Revenues</b>   |               |               |               |               |               |
| Property tax  | \$ 76,148,722 | \$ 69,064,044 | \$ 73,237,473 | \$ 82,750,870 | \$ 86,980,432 |
| Local option sales tax                                      | 8,346,449     | 8,568,769     | 8,306,131     | 8,750,846     | 9,249,775     |
| Other taxes   | 46,321,182    | 57,696,817    | 60,578,538    | 57,087,983    | 60,603,673    |
| Penalties and Interest                                      | 1,954,951     | 2,108,384     | 1,248,836     | 1,808,209     | 1,510,494     |
| Licenses and permits  | 1,790,208     | 1,198,285     | 1,081,253     | 1,829,092     | 1,136,300     |
| Homeowners tax relief grant                                 | -             | -             | -             | 3,488,275     | 3,612,441     |
| Revenue from other gov't units                              | 11,805,432    | 9,718,028     | 7,028,810     | 5,750,084     | 6,435,251     |
| Charges for services  | 9,925,853     | 9,601,148     | 12,547,031    | 10,229,259    | 11,342,194    |
| Fines and fees  | 5,334,926     | 5,165,863     | 5,403,653     | 5,588,261     | 5,711,945     |
| Investment Income   | -             | 4,687,673     | 3,175,409     | 1,642,692     | 4,980,101     |
| Other revenue   | 9,784,304     | 4,769,567     | 4,293,955     | 1,571,843     | 1,173,356     |
| Total revenues  | 171,412,027   | 172,578,578   | 176,901,089   | 180,497,414   | 192,735,962   |
| <b>Expenditures</b>   |               |               |               |               |               |
| General government  | 20,600,407    | 19,822,695    | 20,082,941    | 21,181,708    | 24,016,367    |
| Judiciary   | 17,033,806    | 18,300,436    | 16,565,051    | 17,537,217    | 19,787,110    |
| Public safety   | 40,262,831    | 42,456,799    | 46,540,134    | 45,734,051    | 49,157,991    |
| Public works  | 4,239,640     | 38,405,970    | 33,836,879    | 5,112,330     | 5,776,600     |
| Health and Welfare  | 7,386,005     | 9,446,215     | 9,854,872     | 9,108,951     | 9,789,185     |
| Culture and recreation                                      | 7,781,509     | 10,444,552    | 8,958,031     | 7,492,517     | 8,270,291     |
| Housing and development                                     | 548,395       | 1,279,262     | 1,376,179     | 1,450,885     | 1,875,603     |
| Capital Outlay  | 56,095,712    | 23,974,368    | 12,416,556    | 36,456,440    | 48,003,058    |
| Debt Service  |               |               |               |               |               |
| Principal   | 5,788,599     | 8,380,671     | 4,896,402     | 14,751,374    | 3,932,425     |
| Interest  | 3,800,747     | 3,352,543     | 3,036,617     | 3,089,763     | 3,299,340     |
| Total expenditures  | 163,537,651   | 175,863,511   | 157,563,662   | 161,915,236   | 173,907,970   |
| Excess of revenues<br>over (under) expenditures             | 7,874,376     | (3,284,933)   | 19,337,427    | 18,582,178    | 18,827,992    |
| <b>Other financing sources (uses)</b>                       |               |               |               |               |               |
| Transfers in  | 1,483,255     | 5,489,282     | 4,352,426     | 4,250,937     | 2,395,058     |
| Transfers out   | (9,729,800)   | (10,250,753)  | (13,205,106)  | (13,085,936)  | (5,289,578)   |
| Settlement Proceeds   | -             | 2,292,526     | -             | -             | -             |
| Sale of Capital Assets                                      | -             | 17,700,000    | -             | -             | -             |
| Capital Leases  | 1,852,450     | -             | -             | -             | -             |
| Debt Issuance Proceeds                                      | -             | -             | 4,596,057     | 2,050,000     | -             |
| Premium on Debt issuance                                    | -             | -             | -             | -             | 717,431       |
| Debt Issuance Refunding Proceeds                            | -             | -             | -             | -             | 29,055,000    |
| Payment to Refunded Bond Escrow Agent                       | -             | -             | -             | -             | (17,404,290)  |
| Total other financing sources (uses)                        | (6,394,095)   | 15,231,055    | (4,256,623)   | (6,784,999)   | 9,473,621     |
| Net change in fund balances                                 | \$ 1,480,281  | \$ 11,946,122 | \$ 15,080,804 | \$ 11,797,179 | \$ 28,301,613 |
| Debt services as a percentage of<br>noncapital expenditures | 5.9%          | 7.7%          | 5.5%          | 11.8%         | 4.6%          |

| Fiscal Year    |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| 2006           | 2007           | 2008           | 2009           | 2010           |
| \$ 104,352,737 | \$ 116,150,102 | \$ 125,521,319 | \$ 133,397,243 | \$ 132,728,556 |
| 10,582,405     | 11,340,317     | 11,264,839     | 10,711,764     | 10,269,046     |
| 67,567,352     | 73,143,916     | 72,377,755     | 70,169,978     | 65,442,362     |
| 1,540,502      | 1,357,969      | 1,372,762      | 2,001,759      | 2,572,596      |
| 1,222,548      | 1,179,107      | 1,605,962      | 1,361,049      | 1,422,555      |
| 3,931,963      | 3,996,029      | 4,000,200      | 4,138,932      | -              |
| 8,013,138      | 7,909,650      | 7,220,809      | 19,898,333     | 11,018,104     |
| 11,486,708     | 11,869,879     | 12,690,690     | 13,439,295     | 13,004,389     |
| 5,404,765      | 5,779,874      | 5,090,674      | 5,051,395      | 4,929,272      |
| 6,805,336      | 11,412,977     | 11,284,540     | 4,500,136      | 2,251,592      |
| 1,753,418      | 2,670,657      | 2,475,578      | 989,803        | 1,145,464      |
| 222,660,872    | 246,810,477    | 254,905,128    | 265,659,687    | 244,783,936    |
| 25,758,655     | 28,550,112     | 33,329,080     | 37,072,462     | 38,755,542     |
| 21,751,337     | 23,304,201     | 26,137,105     | 28,035,246     | 28,709,020     |
| 55,809,616     | 60,604,208     | 66,708,288     | 70,327,890     | 71,908,210     |
| 5,975,556      | 6,461,241      | 7,013,356      | 7,503,887      | 7,658,085      |
| 9,304,219      | 9,414,523      | 10,185,649     | 10,417,256     | 10,762,012     |
| 9,155,539      | 9,323,037      | 10,158,944     | 11,255,735     | 10,783,734     |
| 2,845,698      | 3,179,079      | 3,955,423      | 3,492,920      | 2,780,122      |
| 54,077,355     | 71,710,508     | 62,734,320     | 41,958,305     | 47,761,784     |
| 4,139,581      | 3,841,360      | 3,989,548      | 4,986,053      | 4,074,131      |
| 1,560,742      | 1,908,476      | 1,815,755      | 1,680,278      | 1,535,220      |
| 190,378,298    | 218,296,745    | 226,027,468    | 216,730,032    | 224,727,860    |
| 32,282,574     | 28,513,732     | 28,877,660     | 48,929,655     | 20,056,076     |
| 16,122,395     | 11,470,537     | 11,581,007     | 11,408,332     | 4,430,811      |
| (22,307,997)   | (18,630,923)   | (19,526,460)   | (19,555,914)   | (11,285,436)   |
| -              | -              | -              | -              | -              |
| -              | -              | -              | 202,707        | -              |
| 265,000        | 1,279,942      | 238,000        | -              | -              |
| -              | -              | -              | -              | 2,400,000      |
| 221,126        | -              | -              | -              | -              |
| 6,075,000      | -              | -              | -              | -              |
| (6,291,317)    | -              | -              | -              | -              |
| (5,915,793)    | (5,880,444)    | (7,707,453)    | (7,944,875)    | (4,454,625)    |
| \$ 26,366,781  | \$ 22,633,288  | \$ 21,170,207  | \$ 40,984,780  | \$ 15,601,451  |
| 3.2%           | 3.1%           | 3.0%           | 3.5%           | 3.0%           |

**Chatham County, Georgia**  
**Governmental Activities Tax Revenues By Source**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>General Sales Tax</u> | <u>Special Purpose<br/>Local Option<br/>Sales Tax</u> | <u>Other Taxes</u> | <u>Total</u>   |
|--------------------|---------------------|--------------------------|---|--------------------|----------------|
| 2002               | \$80,245,189        | \$ 8,568,769             | \$ 44,071,115   | \$ 5,056,933       | \$ 137,942,006 |
| 2003               | 83,128,587          | 8,909,793                | 45,192,025  | 6,476,720          | 143,707,125    |
| 2004               | 86,238,752          | 8,750,846                | 51,669,376  | 7,520,307          | 154,179,281    |
| 2005               | 90,412,938          | 9,249,775                | 52,626,584  | 8,203,505          | 160,492,802    |
| 2006               | 104,165,430         | 10,757,985               | 60,501,173  | 7,551,652          | 182,976,240    |
| 2007               | 117,172,970         | 11,131,700               | 63,129,402  | 8,837,226          | 200,271,298    |
| 2008               | 128,541,648         | 11,320,293               | 63,927,742  | 8,678,131          | 212,467,814    |
| 2009               | 136,671,942         | 10,099,667               | 56,649,500  | 8,724,781          | 212,145,890    |
| 2010               | 135,014,252         | 10,140,321               | 56,969,395  | 8,472,967          | 210,596,935    |

Note: 10 years information not available. GASB 34 implementation year was 2002



**Chatham County, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Consolidated & Unincorporated Data**  
**Last Ten Fiscal Years**

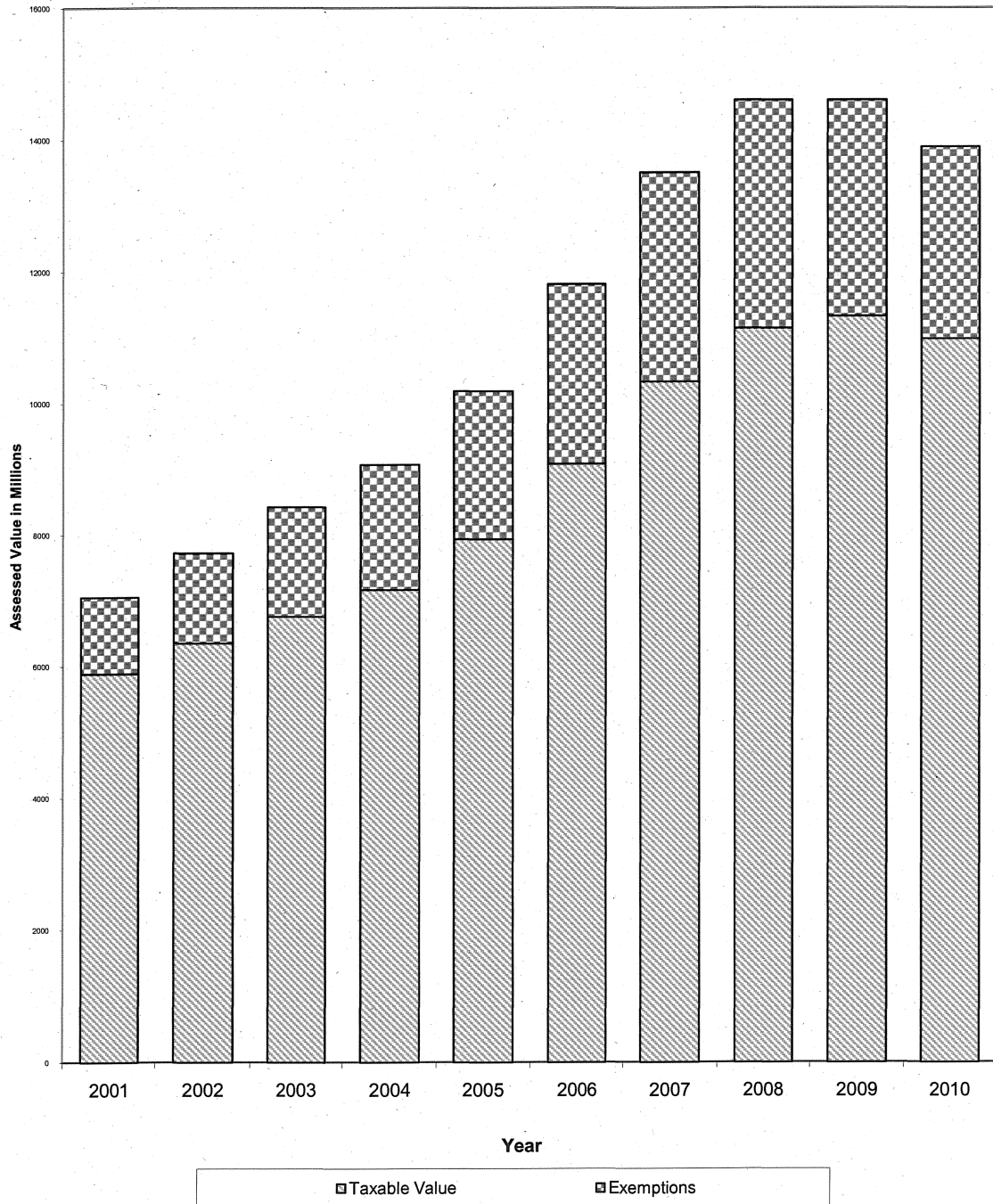
| Fiscal<br>Year<br>Ended<br>June 30                            | Real Property           |                        | Personal Property |             | Less:<br>Tax Exempt<br>Real Property |
|---|-------------------------|------------------------|-------------------|-------------|--------------------------------------|
|   | Residential<br>Property | Commercial<br>Property | Motor<br>Vehicles | Other       |                                      |
| Consolidated County (General Fund) Digest:                    |                         |                        |                   |             |                                      |
| 2001  | 3,419,699,557           | 2,849,270,241          | 531,461,750       | 253,172,769 | 1,163,471,399                        |
| 2002  | 3,888,107,649           | 3,021,850,623          | 533,813,650       | 279,615,985 | 1,369,072,186                        |
| 2003  | 4,390,125,896           | 3,221,350,052          | 529,470,980       | 287,844,738 | 1,668,328,563                        |
| 2004  | 4,858,175,369           | 3,389,401,328          | 531,347,580       | 290,825,379 | 1,905,144,394                        |
| 2005  | 5,535,248,378           | 3,814,983,174          | 536,571,680       | 302,868,863 | 2,253,017,477                        |
| 2006  | 6,686,669,784           | 4,272,421,397          | 541,145,780       | 316,897,015 | 2,737,009,482                        |
| 2007  | 7,815,086,276           | 4,788,280,472          | 584,847,980       | 321,696,198 | 3,179,281,578                        |
| 2008  | 8,511,821,885           | 5,161,677,053          | 617,291,700       | 314,856,764 | 3,465,188,057                        |
| 2009  | 8,175,750,944           | 5,471,813,298          | 642,274,660       | 315,321,367 | 3,282,404,810                        |
| 2010  | 7,632,936,591           | 5,367,205,198          | 576,195,090       | 318,841,813 | 2,914,272,177                        |
| Chatham Area Transit Authority Digest:                        |                         |                        |                   |             |                                      |
| 2001  | 2,943,137,203           | 2,565,762,707          | 450,420,370       | 236,782,093 | 1,031,579,993                        |
| 2002  | 3,288,586,714           | 2,676,345,147          | 458,978,760       | 255,411,767 | 1,198,510,515                        |
| 2003  | 3,654,788,391           | 2,812,717,899          | 452,232,490       | 259,863,320 | 1,456,034,502                        |
| 2004  | 4,034,208,968           | 2,942,832,106          | 451,932,020       | 260,913,755 | 1,661,427,506                        |
| 2005  | 4,562,524,985           | 3,299,526,552          | 456,324,860       | 264,365,322 | 1,964,626,663                        |
| 2006  | 5,436,024,456           | 3,667,029,321          | 448,517,100       | 269,749,480 | 2,361,278,193                        |
| 2007  | 6,284,370,985           | 4,064,277,921          | 488,333,370       | 263,616,477 | 2,733,221,126                        |
| 2008  | 6,785,890,131           | 4,337,828,800          | 503,797,180       | 248,087,788 | 2,969,751,770                        |
| 2009  | 6,536,815,427           | 4,563,237,889          | 519,266,560       | 246,824,916 | 2,821,339,441                        |
| 2010  | 6,092,871,013           | 4,456,464,236          | 460,257,660       | 247,013,573 | 2,493,245,574                        |
| Unincorporated County (Special Service District Fund) Digest: |                         |                        |                   |             |                                      |
| 2001  | 1,722,754,337           | 1,203,441,307          | 215,080,930       | 122,955,467 | 575,626,859                          |
| 2002  | 1,981,144,447           | 1,243,916,405          | 217,434,660       | 132,317,742 | 700,490,940                          |
| 2003  | 2,217,724,445           | 1,324,698,662          | 221,870,670       | 138,153,413 | 904,326,424                          |
| 2004  | 2,462,965,273           | 1,282,510,228          | 222,536,960       | 144,487,042 | 1,005,671,108                        |
| 2005  | 2,782,640,914           | 1,396,385,820          | 219,520,270       | 143,328,950 | 1,188,259,278                        |
| 2006  | 3,281,502,516           | 1,513,513,942          | 216,108,460       | 152,992,991 | 1,451,260,336                        |
| 2007  | 3,734,376,567           | 1,709,310,895          | 237,971,560       | 161,439,494 | 1,682,145,961                        |
| 2008  | 3,994,481,502           | 1,832,441,859          | 247,125,300       | 138,181,968 | 1,831,887,780                        |
| 2009  | 3,866,273,381           | 2,027,630,456          | 256,600,920       | 139,832,893 | 1,825,788,413                        |
| 2010  | 3,605,303,804           | 2,055,161,200          | 229,710,340       | 141,244,951 | 1,672,268,855                        |

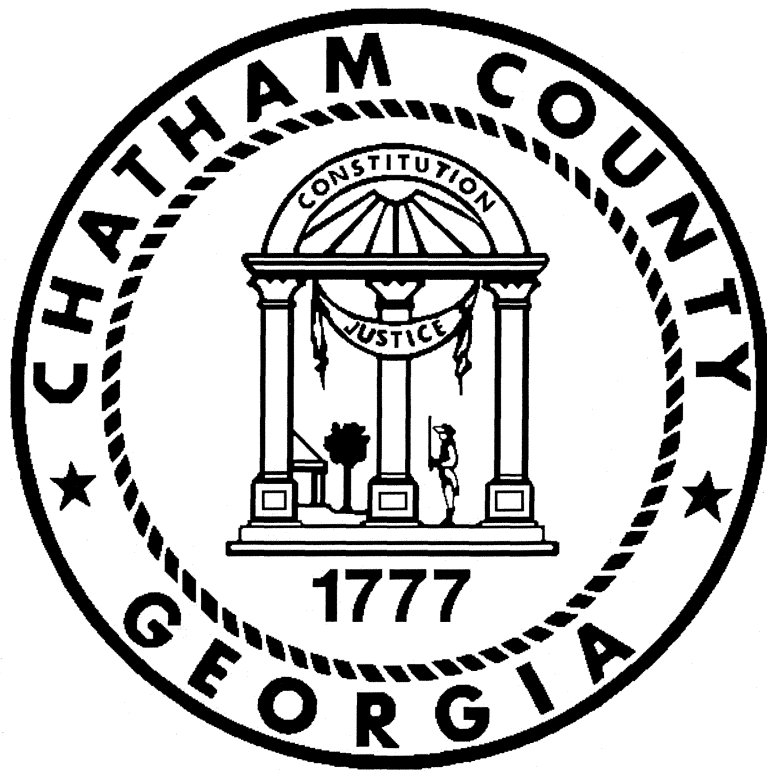
Source: Tax Digests for Chatham County



| <u>Total Taxable<br/>Assessed<br/>Value</u> | <u>Total<br/>Direct<br/>Tax Rate</u> | <u>Estimated<br/>Actual<br/>Taxable Value</u> | <u>Assessed<br/>Value as a<br/>Percentage of<br/>Actual Value</u> |
|---|--------------------------------------|---|---|
| 5,890,132,918                               | 10.367                               | 14,725,332,295                                | 40%   |
| 6,354,315,721                               | 10.367                               | 15,885,789,303                                | 40%   |
| 6,760,463,103                               | 10.367                               | 16,901,157,758                                | 40%   |
| 7,164,605,262                               | 10.367                               | 17,911,513,155                                | 40%   |
| 7,936,654,618                               | 11.037                               | 19,841,636,545                                | 40%   |
| 9,080,124,494                               | 10.837                               | 22,700,311,235                                | 40%   |
| 10,330,629,348                              | 10.537                               | 25,826,573,370                                | 40%   |
| 11,140,459,345                              | 10.537                               | 27,851,148,363                                | 40%   |
| 11,322,755,459                              | 10.537                               | 28,306,888,648                                | 40%   |
| 10,980,906,515                              | 10.537                               | 27,452,266,288                                | 40%   |
|   |                                      |   |   |
| 5,164,522,380                               | 0.853                                | 12,911,305,950                                | 40%   |
| 5,480,811,873                               | 0.82                                 | 13,702,029,683                                | 40%   |
| 5,723,567,598                               | 0.82                                 | 14,308,918,995                                | 40%   |
| 6,028,459,343                               | 0.82                                 | 15,071,148,358                                | 40%   |
| 6,618,115,056                               | 0.82                                 | 16,545,287,640                                | 40%   |
| 7,460,042,164                               | 0.82                                 | 18,650,105,410                                | 40%   |
| 8,367,377,627                               | 0.82                                 | 20,918,444,068                                | 40%   |
| 8,905,852,129                               | 0.82                                 | 22,264,955,323                                | 40%   |
| 9,044,805,351                               | 0.82                                 | 22,612,013,378                                | 40%   |
| 8,763,360,908                               | 0.82                                 | 21,908,424,770                                | 40%   |
|   |                                      |   |   |
| 2,688,605,182                               | 3.475                                | 6,721,512,955                                 | 40%   |
| 2,874,322,314                               | 3.475                                | 7,185,805,785                                 | 40%   |
| 2,998,120,766                               | 3.475                                | 7,495,301,915                                 | 40%   |
| 3,106,828,395                               | 3.475                                | 7,767,070,988                                 | 40%   |
| 3,353,616,676                               | 3.475                                | 8,384,041,690                                 | 40%   |
| 3,712,857,573                               | 3.475                                | 9,282,143,933                                 | 40%   |
| 4,160,952,555                               | 3.475                                | 10,402,381,388                                | 40%   |
| 4,380,342,849                               | 3.475                                | 10,950,857,123                                | 40%   |
| 4,464,549,237                               | 3.475                                | 11,161,373,093                                | 40%   |
| 4,359,151,440                               | 3.475                                | 10,897,878,600                                | 40%   |

**Chatham County, Georgia**  
**Total Taxable Assessed Value and Exemptions**  
**(Consolidated Digest General Fund)**  
**Last Ten Fiscal Years**





**Chatham County, Georgia  
Property Tax Rates  
Last Ten Fiscal Years**

**City of Savannah**

| <b>County</b>      |                     |                          |                                       |                     |                           |             |              |   |
|--------------------|---------------------|--------------------------|---------------------------------------|---------------------|---------------------------|-------------|--------------|---|
| <b>Fiscal Year</b> | <b>General Fund</b> | <b>Debt Service Fund</b> | <b>Chatham Area Transit Authority</b> | <b>Total County</b> | <b>Board of Education</b> | <b>City</b> | <b>State</b> | <b>Total Direct &amp; Overlapping Rates</b> |
| 2001               | 10.367              |                          | 0.853                                 | 11.220              | 18.576                    | 13.50       | 0.25         | 43.546                                      |
| 2002               | 10.367              |                          | 0.820                                 | 11.187              | 17.550                    | 13.30       | 0.25         | 42.287                                      |
| 2003               | 10.367              |                          | 0.820                                 | 11.187              | 17.768                    | 13.30       | 0.25         | 42.505                                      |
| 2004               | 10.367              |                          | 0.820                                 | 11.187              | 17.600                    | 13.30       | 0.25         | 42.337                                      |
| 2005               | 11.037              |                          | 0.820                                 | 11.857              | 17.277                    | 12.90       | 0.25         | 42.284                                      |
| 2006               | 10.837              |                          | 0.820                                 | 11.657              | 15.817                    | 12.70       | 0.25         | 40.424                                      |
| 2007               | 10.537              |                          | 0.820                                 | 11.357              | 13.795                    | 12.50       | 0.25         | 37.902                                      |
| 2008               | 10.537              |                          | 0.820                                 | 11.357              | 13.404                    | 12.50       | 0.25         | 37.511                                      |
| 2009               | 10.537              |                          | 0.820                                 | 11.357              | 13.404                    | 12.50       | 0.25         | 37.511                                      |
| 2010               | 10.537              |                          | 0.820                                 | 11.357              | 14.131                    | 13.00       | 0.25         | 38.738                                      |

Other incorporated areas are shown with year 2010 millage rates as follows:

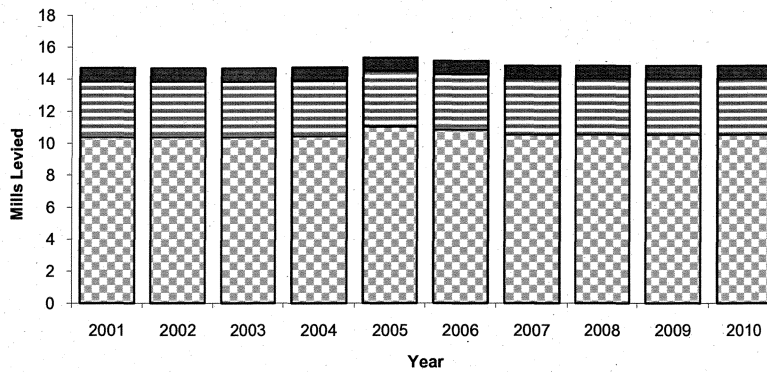
|                | <u>2010<br/>Millage Rate</u> |
|----------------|------------------------------|
| Tybee Island   | 4.186                        |
| Town of Pooler | 4.635                        |
| Thunderbolt    | 6.377                        |
| Garden City    | None                         |
| Port Wentworth | 4.397                        |
| Bloomingdale   | None                         |
| Vernonburg     | None                         |

**Chatham County, Unincorporated**

| <b>County</b>       |                        |                                       |                     |                           |              |   |
|---------------------|------------------------|---------------------------------------|---------------------|---------------------------|--------------|---|
| <b>General Fund</b> | <b>Special Service</b> | <b>Chatham Area Transit Authority</b> | <b>Total County</b> | <b>Board of Education</b> | <b>State</b> | <b>Total Direct &amp; Overlapping Rates</b> |
| 10.367              | 3.475                  | 0.853                                 | 14.695              | 18.576                    | 0.25         | 33.521                                      |
| 10.367              | 3.475                  | 0.820                                 | 14.662              | 17.550                    | 0.25         | 32.462                                      |
| 10.367              | 3.475                  | 0.820                                 | 14.662              | 17.768                    | 0.25         | 32.680                                      |
| 10.367              | 3.475                  | 0.820                                 | 14.662              | 17.600                    | 0.25         | 32.512                                      |
| 11.037              | 3.475                  | 0.820                                 | 15.332              | 17.277                    | 0.25         | 32.859                                      |
| 10.837              | 3.475                  | 0.820                                 | 15.132              | 15.817                    | 0.25         | 31.199                                      |
| 10.537              | 3.475                  | 0.820                                 | 14.832              | 13.795                    | 0.25         | 28.877                                      |
| 10.537              | 3.475                  | 0.820                                 | 14.832              | 13.404                    | 0.25         | 28.486                                      |
| 10.537              | 3.475                  | 0.820                                 | 14.832              | 13.404                    | 0.25         | 28.486                                      |
| 10.537              | 3.475                  | 0.820                                 | 14.832              | 14.131                    | 0.25         | 29.213                                      |

# Chatham County, Georgia

County Government Property Tax Rates  
Last Ten Fiscal Years



**Chatham County, Georgia  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

| Taxpayer                    | 2010                     |      |  | 2001                    |      |  |
|-----------------------------|--------------------------|------|--|-------------------------|------|--|
|                             | Taxable Assessed Value   | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value |
| Gulfstream                  | \$ 530,395,358           | 1    | 3.82%                                      | \$ 271,665,269          | 1    | 4.18%                                      |
| Southern Energy             | 190,563,176              | 2    | 1.37%                                      | -                       |      |  |
| International Paper         | 183,536,936              | 3    | 1.32%                                      | 202,008,362             | 2    | 3.11%                                      |
| Georgia Power               | 110,391,306              | 4    | 0.79%                                      | -                       |      |  |
| Savannah Foods & Industries | 88,761,349               | 5    | 0.64%                                      | 44,602,308              | 7    | 0.68%                                      |
| Weyerhaeuser                | 80,388,908               | 6    | 0.58%                                      | -                       |      |  |
| Colonial Oil                | 74,611,585               | 7    | 0.54%                                      | -                       |      |  |
| Walmart                     | 52,980,524               | 8    | 0.38%                                      | 26,617,339              | 10   | 0.41%                                      |
| Fuji Vegetable Oil          | 52,805,717               | 9    | 0.38%                                      | -                       |      |  |
| Home Depot                  | 40,597,912               | 10   | 0.29%                                      | 50,097,520              | 5    | 0.77%                                      |
| Savannah Electric           | -                        |      |  | 106,311,808             | 3    | 1.64%                                      |
| Kerr-McGee (Kemira)         | -                        |      |  | 78,363,147              | 4    | 1.22%                                      |
| Southern Bell               | -                        |      |  | 47,862,049              | 6    | 0.74%                                      |
| Stone Savannah              | -                        |      |  | 44,007,730              | 8    | 0.67%                                      |
| U S Prime (Oglethorpe Mall) | -                        |      |  | 29,682,000              | 9    | 0.45%                                      |
| Sub-Total                   | \$ 1,405,032,771         |      | 10.11%                                     | \$ 901,217,532          |      | 13.87%                                     |
| All Others                  | 12,490,145,921           |      | 89.89%                                     | 5,596,431,635           |      | 86.13%                                     |
| Total                       | <u>\$ 13,895,178,692</u> |      | <u>100.00%</u>                             | <u>\$ 6,497,649,167</u> |      | <u>100.00%</u>                             |

Source: Chatham County Board of Assessors

**Chatham County, Georgia  
Property Tax Levies and Collections  
Consolidated Digest  
Last Eight Fiscal Years**

| <u>Year<br/>Ended</u> | <u>Total Tax<br/>Levy</u> | <u>Collected within the<br/>Fiscal Year of the Levy</u> |                           | <u>Collections in<br/>Subsequent Years</u> | <u>Total Collections to Date</u> |                           |
|-----------------------|---------------------------|---|---------------------------|--|----------------------------------|---------------------------|
|                       |                           | <u>Amount</u>   | <u>Percentage of Levy</u> |  | <u>Amount</u>                    | <u>Percentage of Levy</u> |
| 2003                  | \$ 70,684,524             | \$ 18,528,436   | 26.21%                    | \$ 52,148,471                              | \$ 70,676,907                    | 99.99%                    |
| 2004                  | 75,162,003                | 21,584,466  | 28.72%                    | 53,568,292                                 | 75,152,758                       | 99.99%                    |
| 2005                  | 88,608,340                | 23,525,814  | 26.55%                    | 65,070,365                                 | 88,596,179                       | 99.99%                    |
| 2006                  | 100,840,116               | 28,658,157  | 28.42%                    | 72,148,990                                 | 100,807,147                      | 99.97%                    |
| 2007                  | 112,522,372               | 32,673,326  | 29.04%                    | 79,524,017                                 | 112,197,343                      | 99.71%                    |
| 2008                  | 121,333,526               | 35,548,608  | 29.30%                    | 84,468,099                                 | 120,016,707                      | 98.91%                    |
| 2009                  | 127,368,781               | 40,659,138  | 31.92%                    | 80,866,310                                 | 121,525,448                      | 95.41%                    |
| 2010                  | 53,059,129 *              | 41,045,731  | 77.36%                    | -  | 41,045,731                       | 77.36%                    |

\* Tax Levy for 2010 is for First Installment Billing Only.

Note: Prior year's information not available

Source: Chatham County Tax Commissioner  
(Includes Real and Personal Property Only)



**Chatham County, Georgia**  
**Ratios of Outstanding Debt by Type**  
**Last Nine Fiscal Years**

| <b>Fiscal<br/>Year</b> | <b>Governmental Activities</b>     |                           |              | <b>Business-Type Activities</b>    |                           | <b>Total<br/>Primary<br/>Government</b> | <b>Percentage<br/>of Personal<br/>Income</b> | <b>Debt<br/>Per<br/>Capita</b> |
|------------------------|------------------------------------|---------------------------|--------------|------------------------------------|---------------------------|---|--|--------------------------------|
|                        | <b>Contractual<br/>Obligations</b> | <b>Capital<br/>Leases</b> | <b>Other</b> | <b>Contractual<br/>Obligations</b> | <b>Capital<br/>Leases</b> |   |  |                                |
| 2002                   | \$ 45,390,000                      | \$ 4,919,095              | \$ 279,648   | \$ 5,475,000                       | \$ 229,084                | \$ 56,292,827                           | 0.053%                                       | \$ 222                         |
| 2003                   | 46,768,677                         | 3,310,051                 | 209,670      | 13,223,916                         | 88,071                    | 63,600,385                              | 0.047%                                       | 251                            |
| 2004                   | 33,411,363                         | 4,035,969                 | 139,692      | 7,504,371                          | 196,821                   | 45,288,216                              | 0.072%                                       | 179                            |
| 2005                   | 42,595,466                         | 2,999,419                 | 129,714      | 6,983,441                          | 129,734                   | 52,837,774                              | 0.064%                                       | 208                            |
| 2006                   | 39,780,761                         | 2,179,520                 | 119,736      | 6,258,179                          | 75,021                    | 48,413,217                              | 0.073%                                       | 191                            |
| 2007                   | 36,532,009                         | 2,876,831                 | 109,758      | 5,494,937                          | 34,773                    | 45,048,308                              | 0.079%                                       | 178                            |
| 2008                   | 33,148,959                         | 2,518,310                 | 99,780       | 4,692,415                          | 156,382                   | 40,615,846                              | 0.088%                                       | 160                            |
| 2009                   | 29,621,343                         | 1,069,852                 | 89,802       | -                                  | 110,888                   | 30,891,885                              | 0.124%                                       | 122                            |
| 2010                   | 28,333,873                         | 693,169                   | 79,824       | -                                  | 63,111                    | 29,169,977                              | 0.131%                                       | 115                            |

Note: 10 year information not available. GASB 34 implementation year was 2002.

**Chatham County, Georgia**  
**Ratios of General Bonded Debt Outstanding**  
**Last Nine Fiscal Years**

| <u>Fiscal<br/>Years</u> | <u>General<br/>Obligation<br/>Bonds</u> | <u>Less: Amounts<br/>Available in Debt<br/>Service Fund</u> | <u>Total</u> | <u>Percentage of<br/>Estimated Actual<br/>Taxable Value of<br/>Property</u> | <u>Per<br/>Capita</u> |
|-------------------------|---|---|--------------|---|-----------------------|
| 2002                    | \$ -                                    | \$ -  | \$ -         | -   | \$ -                  |
| 2003                    | -                                       | -   | -            | -   | -                     |
| 2004                    | -                                       | -   | -            | -   | -                     |
| 2005                    | -                                       | -   | -            | -   | -                     |
| 2006                    | -                                       | -   | -            | -   | -                     |
| 2007                    | -                                       | -   | -            | -   | -                     |
| 2008                    | -                                       | -   | -            | -   | -                     |
| 2009                    | -                                       | -   | -            | -   | -                     |
| 2010                    | -                                       | -   | -            | -   | -                     |

Note: 10 years of information not available. GASB 34 implementation year was 2002.

**Chatham County, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**

| <b>Governmental Unit</b>   | <b>Debt Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable</b> | <b>Estimated<br/>Share of<br/>Overlapping<br/>Debt</b> |
|--|-------------------------|--|--|
| Chatham County Georgia:  |                         |  |  |
| General Obligation Bonded Debt                                     | \$ -                    | 100.00%  | \$ -   |
| Contractual Obligations:   |                         |  |  |
| Downtown Savannah Authority (Chatham County Projects) Series 2005  | 15,265,000              | 100.00%  | 15,265,000   |
| Chatham County Public Health Facilities Projects                   | 645,000                 | 100.00%  | 645,000  |
| Downtown Savannah Authority (Chatham County Projects) Series 1999  | -                       | 100.00%  | -  |
| Downtown Savannah Authority (Chatham County Projects) Series 2005A | 5,940,000               | 100.00%  | 5,940,000  |
| Downtown Savannah Authority (Union Mission) Series 2009            | 2,400,000               | 100.00%  | 2,400,000  |
| Mosquito Control Facility  | 4,083,873               | 100.00%  | 4,083,873  |
| City of Savannah, Georgia:   |                         |  |  |
| General Obligation Bonded Debt                                     | -                       | 100.00%  | -  |
| Contractual Obligations:   |                         |  |  |
| Resource Recovery Development Authority                            | 27,210,000              | 100.00%  | 27,210,000   |
| Downtown Savannah Authority (Parking Improvements)                 | 24,820,000              | 100.00%  | 24,820,000   |
| Downtown Savannah Authority (Stormwater Project)                   | 37,000,000              | 100.00%  | 37,000,000   |
| Downtown Savannah Authority (Capital Improvement Projects)         | 13,055,000              | 100.00%  | 13,055,000   |
| Chatham-Savannah School Board:                                     |                         |  |  |
| General Obligation Bonded Debt                                     | 77,230,000              | 100.00%  | 77,230,000   |
| Contractual Obligations  |                         |  |  |
| Downtown Savannah Authority (Improvement Project)                  | 1,650,000               | 100.00%  | 1,650,000  |
| <b>Total</b>   | <b>\$ 209,298,873</b>   |  | <b>\$ 209,298,873</b>                                  |

**Chatham County, Georgia  
Legal Debt Margin Information  
Last Nine Fiscal Years**

|  | 2002                  | 2003                  | 2004                  | 2005                  | 2006                    | 2007                    | 2008                    | 2009                    | 2010                |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| Debt limit   | \$ 728,364,925        | \$ 788,379,570        | \$ 847,974,575        | \$ 956,036,113        | \$ 1,113,679,071        | \$ 1,275,695,215        | \$ 1,376,702,033        | \$ 1,368,711,462        | \$85,477,841        |
| Total net debt applicable to limit                                   | -                     | -                     | -                     | -                     | -                       | -                       | -                       | -                       | -                   |
| Legal debt margin  | <u>\$ 728,364,925</u> | <u>\$ 788,379,570</u> | <u>\$ 847,974,575</u> | <u>\$ 956,036,113</u> | <u>\$ 1,113,679,071</u> | <u>\$ 1,275,695,215</u> | <u>\$ 1,376,702,033</u> | <u>\$ 1,368,711,462</u> | <u>\$85,477,841</u> |
| Total net debt applicable to the limit as a percentage of debt limit | n/a                   | n/a                   | n/a                   | n/a                   | n/a                     | n/a                     | n/a                     | n/a                     | n/a                 |

**Legal Debt Margin Calculation for Fiscal Year 2010**

|   |                      |
|---|----------------------|
| Assessed value  | \$ 13,895,178,692    |
| Less: Exemptions for Bond Purposes                        | (13,040,400,287)     |
| Total assessed value                                      | <u>854,778,405</u>   |
| Debt Limit<br>( 10% of net assessed value)                | <u>85,477,841</u>    |
| General Obligation Bonds                                  | <u>-</u>             |
| Amount set aside for repayment of general obligation debt | <u>-</u>             |
| Total Net Debt Applicable to Limit                        | <u>-</u>             |
| Legal Debt Margin   | <u>\$ 85,477,841</u> |

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. Chatham County has no general obligation bonds authorized but unissued.

Note: 10 year information not available. GASB 34 implementation year was 2002.

**Chatham County, Georgia  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population</b> | <b>Total Personal Income</b> | <b>Per Capita Personal Income</b> | <b>Median Age</b> | <b>School Enrollment</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|------------------------------|-----------------------------------|-------------------|--------------------------|--------------------------|
| 2001               | 242,250           | 6,909,939,000                | 28,524                            | *                 | 44,763                   | 3.3                      |
| 2002               | 240,500           | 7,002,157,500                | 29,115                            | 34.4              | 44,244                   | 4.3                      |
| 2003               | 235,270           | 7,063,275,940                | 30,022                            | 34.4              | 46,050                   | 4.1                      |
| 2004               | 238,518           | 7,558,873,938                | 31,691                            | 34.4              | 41,615                   | 4.8                      |
| 2005               | 240,903           | 8,203,469,859                | 34,053                            | 34.5              | 43,452                   | 4.2                      |
| 2006               | 250,539           | 8,637,582,564                | 34,476                            | 34.8              | 41,225                   | 4.6                      |
| 2007               | 253,044           | 9,122,742,288                | 36,052                            | 34.8              | 41,273                   | 4.2                      |
| 2008               | 251,120           | 9,504,892,000                | 37,850                            | 34.8              | 40,244                   | 6.2                      |
| 2009               | 253,631           | 9,695,805,868                | 38,228                            | 34.9              | 41,152                   | 8.7                      |
| 2010               | 256,992           | 9,701,448,000                | 37,752                            | 34.0              | 42,061                   | 9.0                      |

\* Information not available

Sources: US Census  
Savannah Area Chamber of Commerce  
Georgia Department of Labor

**Chatham County, Georgia  
Principal Employers  
Current Year and Nine Years Ago**

| Employer                                 | 2010                   |      |   | 2001                   |      |   |
|--|------------------------|------|---|------------------------|------|---|
|  | Number of<br>Employees | Rank | Percentage<br>of Total County<br>Employment | Number of<br>Employees | Rank | Percentage<br>of Total County<br>Employment |
| Gulfstream Aerospace Corporation         | 6,000                  | 1    | 5.05%                                       | 5,000                  | 1    | 4.66%                                       |
| Ft. Stewart/Hunter Army Airfield         | 5,109                  | 2    | 4.30%                                       | 4,283                  | 4    | 3.99%                                       |
| Memorial Health University Health Center | 4,643                  | 3    | 3.91%                                       | 4,400                  | 3    | 4.10%                                       |
| Savannah-Chatham Board of Education      | 4,093                  | 4    | 3.45%                                       | 5,000                  | 2    | 4.66%                                       |
| St. Joseph's/Candler                     | 3,304                  | 5    | 2.78%                                       | 3,700                  | 6    | 3.45%                                       |
| Wal-Mart                                 | 2,935                  | 6    | 2.47%                                       | -                      | -    | -   |
| City of Savannah                         | 2,500                  | 7    | 2.10%                                       | 1,991                  | 9    | 1.86%                                       |
| Momentum Resources II, Inc.              | 1,703                  | 8    | 1.43%                                       | -                      | -    | -   |
| Savannah College of Art and Design       | 1,500                  | 9    | 1.26%                                       | -                      | -    | -   |
| Chatham County                           | 1,500                  | 10   | 1.26%                                       | 1,590                  | 10   | 1.48%                                       |
| Savannah International Airport           | -                      | -    | -   | 3,600                  | 7    | 3.35%                                       |
| State of Georgia                         | -                      | -    | -   | 3,750                  | 5    | 3.49%                                       |
| International Paper                      | -                      | -    | -   | 2,000                  | 8    | 1.86%                                       |
| Total                                    | <u>33,287</u>          |      | <u>28.02%</u>                               | <u>35,314</u>          |      | <u>32.91%</u>                               |

Source: Savannah Economic Development Authority  
Georgia Department of Labor

**Chatham County, Georgia**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

| <b>Function</b>       | <b><u>2001</u></b> | <b><u>2002</u></b> | <b><u>2003</u></b> | <b><u>2004</u></b> | <b><u>2005</u></b> | <b><u>2006</u></b> | <b><u>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Government    | 282                | 270                | 282                | 302                | 316                | 313                | 330                | 328                | 335                | 355                |
| Judiciary             | 299                | 307                | 307                | 318                | 323                | 319                | 318                | 318                | 327                | 341                |
| Public Safety         | 653                | 619                | 637                | 638                | 445 (b)            | 470                | 511                | 513                | 513                | 522                |
| Public Works          | 150                | 153                | 158                | 148                | 147                | 149                | 149                | 146                | 157                | 142                |
| Health                | 42                 | 30                 | 30                 | 30                 | 30                 | 29                 | 29                 | 29                 | 29                 | 29                 |
| Culture & Recreation  | 196                | 167                | 166                | 34 (a)             | 37                 | 43                 | 43                 | 53                 | 54                 | 54                 |
| Housing & Development | 26                 | 30                 | 33                 | 33                 | 35                 | 33                 | 35                 | 36                 | 35                 | 35                 |

(a) Library employees are now employees of the Live Oak Public Libraries

(b) Majority of Police and CNT personnel are now City of Savannah employees effective 2005

**Chatham County, Georgia**  
**Operating Indicators by Function**  
**Last Nine Fiscal Years**

| Function                        | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      | 2010      |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>General Government</b>       |           |           |           |           |           |           |           |           |           |
| Real Property Reviews           | 25,000    | 25,000    | 32,000    | 30,000    | 32,000    | 32,000    | 42,000    | 42,000    | 42,000    |
| Tax Bills Generated             | 189,000   | 190,000   | 191,000   | 192,000   | 200,000   | 205,000   | 206,000   | 201,000   | 201,700   |
| <b>Judiciary</b>                |           |           |           |           |           |           |           |           |           |
| Marriage Licenses               | 2,100     | 2,239     | 2,250     | 2,300     | 2,350     | 2,965     | 2,917     | 3,091     | 3,037     |
| Pistol Permits                  | 1,250     | 1,260     | 1,260     | 1,310     | 1,950     | 1,365     | 1,918     | 3,287     | 2,269     |
| <b>Public Safety-Sheriff</b>    |           |           |           |           |           |           |           |           |           |
| Meals Served                    | 1,478,250 | 1,715,000 | 1,727,624 | 1,750,000 | 1,895,555 | 1,950,000 | 2,999,952 | 2,435,423 | 1,916,517 |
| Inmates Booked                  | 18,200    | 17,173    | 16,588    | 17,300    | 19,723    | 20,200    | 22,005    | 22,553    | 19,348    |
| Avg Daily Jail Population       | 1,350     | 1,339     | 1,460     | 1,480     | 1,532     | 1,625     | 2,160     | 1,823     | 1,791     |
| <b>Public Works</b>             |           |           |           |           |           |           |           |           |           |
| Bridge Openings                 | 8,100     | 7,942     | 8,200     | 8,300     | 5,134     | 6,156     | 5,500     | 5,780     | 6,143     |
| Yard Waste Recycled (in tons)   | 25,505    | 27,996    | 15,600    | 15,900    | 15,600    | 29,015    | 32,631    | 31,635    | 36,869    |
| Other Recyclables (in tons)     | 982       | 1,194     | 1,102     | 1,080     | 1,671     | 1,128     | 994       | 1,249     | 1,026     |
| Water & Sewer New Connections   | N/A       | 99        | 82        | 68        | 82        | 54        | 43        | 17        | 21        |
| Average Water Daily Consumption | N/A       | 1,265,942 | 1,472,811 | 1,412,808 | 1,104,000 | 1,240,064 | 959,000   | 1,038,813 | 959,748   |
| <b>Culture and Recreation</b>   |           |           |           |           |           |           |           |           |           |
| Aquatic Center Admissions       | 70,000    | 72,000    | 79,000    | 80,000    | 85,246    | 78,396    | 37,895    | 103,749   | 112,148   |

Indicators prior to 2002 not available.  
N/A= Information not Available



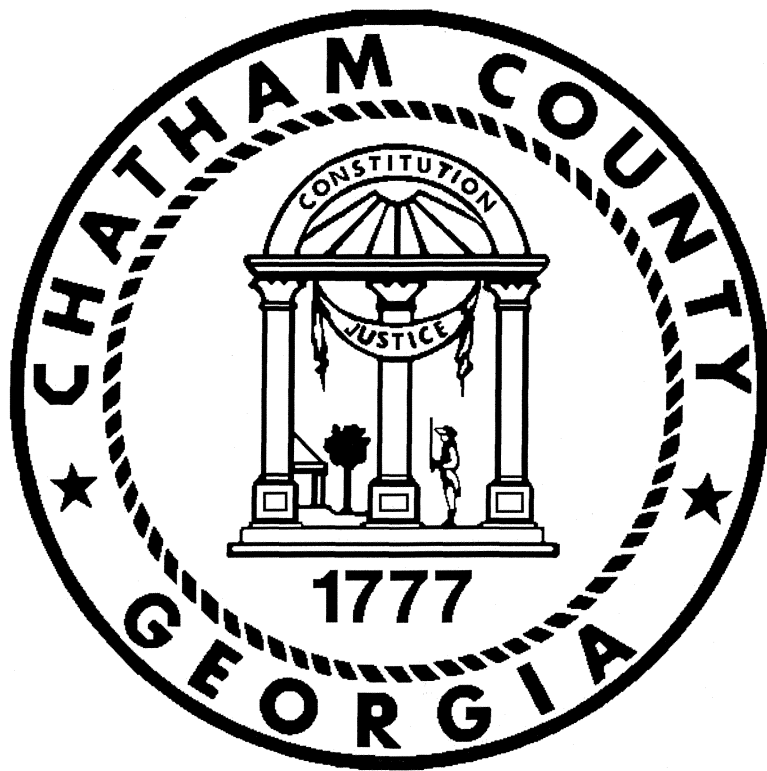
**Chatham County, Georgia**  
**Capital Asset Statistics by Function**  
**Last Nine Fiscal Years**

| <b>Function</b>        | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Judicial               |             |             |             |             |             |             |             |             |             |
| Courthouse             | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Public Safety:         |             |             |             |             |             |             |             |             |             |
| Sheriff                |             |             |             |             |             |             |             |             |             |
| Stations               | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Jail                   | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol Units           | 240         | 240         | 245         | 245         | 245         | 245         | 175         | 175         | 175         |
| CNT Headquarters       | 0           | 0           | 0           | 1           | 1           | 1           | 1           | 1           | 1           |
| Public Works:          |             |             |             |             |             |             |             |             |             |
| Solid Waste            |             |             |             |             |             |             |             |             |             |
| Collection Trucks      | 13          | 13          | 14          | 14          | 14          | 16          | 16          | 16          | 16          |
| Highways & Streets     |             |             |             |             |             |             |             |             |             |
| Street Lights          | 5720        | 5720        | 5720        | 5720        | 5720        | 5720        | 5720        | 5720        | 5795        |
| Traffic Signals        | 42          | 42          | 42          | 42          | 42          | 42          | 42          | 42          | 48          |
| Miles of Streets/Roads | 300         | 301         | 305         | 309         | 310         | 318         | 318         | 365         | 398         |
| Culture & Recreation   |             |             |             |             |             |             |             |             |             |
| Parks Acreage          | 1,900       | 1,900       | 1,900       | 1,900       | 1900        | 1900        | 1900        | 1900        | 1900        |
| Parks                  | 20          | 21          | 21          | 22          | 22          | 22          | 22          | 22          | 22          |
| Swimming Pools         | 1           | 1           | 1           | 1           | 2           | 2           | 2           | 2           | 2           |
| Tennis Courts          | 17          | 17          | 17          | 18          | 19          | 22          | 22          | 24          | 24          |
| Community Centers      | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 2           | 2           |
| Sports Complex         | 5           | 5           | 5           | 5           | 5           | 9           | 9           | 9           | 9           |

Sources: Various county departments

Note: 10 year information not available. GASB 34 implementation year was 2002.

Note: No capital asset indicators are available for the general government function.



**CHATHAM COUNTY, GEORGIA  
CHILD SUPPORT ENFORCEMENT PROGRAM INFORMATION  
JUNE 30, 2010**

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**SUMMARY STATEMENT:**

The Child Support Enforcement Office for the Eastern Judicial Circuit of Georgia is responsible for the enforcement of criminal and civil child support laws. This includes locating absent parents, determining paternity, and establishing and enforcing child support orders. The office has 13,576 child support cases. Cases are serviced repeatedly throughout the year.

**SCHEDULE OF VEHICLES**

| <u>Make</u> | <u>Model</u>   | <u>Year</u> | <u>VIN</u>        |
|-------------|----------------|-------------|-------------------|
| Ford        | Crown Victoria | 1999        | 2FAFP71W7XX196666 |
| Ford        | Crown Victoria | 2005        | 2FAFP71W85X112366 |
| Ford        | Explorer       | 2006        | 1FMEU62E06ZA24000 |
| Ford        | Crown Victoria | 2009        | 1FMCU493X9KB3664  |
| Ford        | Fusion         | 2010        | 3FAHP0GA9AR424460 |

CHATHAM COUNTY, GEORGIA  
CHILD SUPPORT ENFORCEMENT PROGRAM INFORMATION  
SCHEDULE OF SALARIES AND TRAVEL  
JUNE 30, 2010

| NAME        | SALARIES<br>(NO ACCRUAL IN 2010) | TRAVEL | NAME       | SALARIES<br>(NO ACCRUAL IN 2010) | TRAVEL |
|-------------|----------------------------------|--------|------------|----------------------------------|--------|
| AUSTIN      | \$ 63,283                        | \$ -   | MANKER     | \$ 35,643                        | \$ -   |
| BARFIELD    | 36,756                           |        | MANNING    | 27,693                           |        |
| BROOKS      | 36,490                           |        | MASON      | 17,358                           |        |
| BUCK        | 35,358                           |        | MCGOWAN    | 9,216                            |        |
| BURKE       | 15,904                           |        | MCMILLAN   | 37,437                           |        |
| CAMP        | 30,630                           |        | MILES      | 47,706                           |        |
| CARPENTER   | 36,250                           |        | MOJA       | 3,440                            |        |
| CONNORS     | 20,566                           |        | NORO       | 6,133                            |        |
| COOK        | 12,169                           |        | NORTH      | 45,057                           |        |
| COREY       | 44,260                           |        | POWERS     | 33,233                           |        |
| DOWNS       | 29,206                           |        | ROBERTS    | 29,057                           |        |
| DRESCHER    | 96,786                           |        | ROVOLIS    | 56,180                           |        |
| EDENFIELD   | 65,839                           |        | SCHARNIKOV | 28,851                           |        |
| ERWIN       | 38,634                           |        | SIMMONS    | 38,027                           |        |
| ETHERIDGE   | 29,411                           |        | STEPTOE    | 52,169                           |        |
| FIELDS      | 20,017                           |        | TAYLOR, L  | 28,991                           |        |
| GIBBS       | 39,133                           |        | THORNTON   | 41,659                           |        |
| HARRISON    | 33,125                           |        | VANVLECK   | 58,887                           |        |
| HOWELL      | 29,012                           |        | VARNEDOE   | 28,817                           |        |
| HUTSON      | 43,694                           |        | WHITTAKER  | 28,650                           |        |
| JARRELL     | 40,908                           |        | WHITE      | 3,652                            |        |
| JOHNSON III | 42,841                           |        | WHITFIELD  | 57,668                           |        |
| JUSINO      | 28,601                           |        | WILLIAMS   | 7,282                            |        |
| KRAPF       | 29,140                           |        | WRIGHT, R  | 28,984                           |        |
| LOWE        | 72,290                           | 30     | WRIGHT, W  | 11,675                           |        |
|             |                                  |        | ACCRUAL    | -                                |        |
|             |                                  |        | TOTAL      | \$ 1,733,767                     | \$ 30  |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| <b>Contract</b>   | <b>Contract Award</b> | <b>Cash Basis<br/>Revenue</b> | <b>Due from<br/>State of Georgia</b> | <b>Total<br/>Revenues</b> | <b>Total<br/>Expenditures</b> |
|-------------------|-----------------------|-------------------------------|--------------------------------------|---------------------------|-------------------------------|
| <b>DRUG COURT</b> |                       |                               |                                      |                           |                               |
| 441-93-1035AAU    | <u>\$ 194,750</u>     | <u>\$ 178,530</u>             | <u>\$ 16,220</u>                     | <u>\$ 194,750</u>         | <u>\$ 194,750</u>             |
| <b>CSRU</b>       |                       |                               |                                      |                           |                               |
| 401-000000-3120   | <u>\$ 2,883,930</u>   | <u>\$ 2,047,709</u>           | <u>\$ 733,507</u>                    | <u>\$ 2,781,216</u>       | <u>\$ 2,781,216</u>           |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                  | ORIGINAL   | ESTIMATED<br>COST | ESTIMATED<br>COST | EXPENDITURES   |                 |       |
|--|------------|-------------------|-------------------|----------------|-----------------|-------|
|  | COST       |                   |                   | PRIOR<br>YEARS | CURRENT<br>YEAR | TOTAL |
| <b>Sales Tax I (1985-1993):</b>          |            |                   |                   |                |                 |       |
| Administrative Annex Entry Road          | -          | 407,744           | 407,744           | -              | 407,744         |       |
| Airport Road and Bridge                  | -          | 385,193           | 385,193           | -              | 385,193         |       |
| Area Beautification                      | -          | 517,435           | 517,435           | -              | 517,435         |       |
| Bay Street Viaduct                       | 300,000    | 886,674           | 886,674           | -              | 886,674         |       |
| Bourne Avenue                            | 437,000    | 4,332,608         | 4,332,608         | -              | 4,332,608       |       |
| Brampton Road                            | 958,000    | 51,055            | 51,055            | -              | 51,055          |       |
| Bryan Woods Road                         | 500,000    | 53,684            | 53,684            | -              | 53,684          |       |
| Chatham Parkway: Garrard to US 17        | 4,899,000  | 3,659,714         | 3,659,714         | -              | 3,659,714       |       |
| Chatham Parkway: US 17 to US 80          | 3,400,000  | 3,445,334         | 3,445,334         | -              | 3,445,334       |       |
| Crossroads Parkway                       | -          | 2,652,823         | 2,652,823         | -              | 2,652,823       |       |
| Staley Avenue Overpass                   | 1,500,000  | 3,546,381         | 3,546,381         | -              | 3,546,381       |       |
| Deptford Cul-de-Sac                      | -          | 122,315           | 122,315           | -              | 122,315         |       |
| Distribution to Municipalities I         | 1,050,000  | 1,050,000         | 1,050,000         | -              | 1,050,000       |       |
| Distribution to Municipalities II        | 10,676,000 | 10,676,000        | 10,676,000        | -              | 10,676,000      |       |
| Eli Whitney Blvd                         | -          | 1,186             | 1,186             | -              | 1,186           |       |
| Gateway Savannah Beautification          | -          | 125,000           | 125,000           | -              | 125,000         |       |
| Gulfstream Road at SR21                  | -          | 131,349           | 131,349           | -              | 131,349         |       |
| Henderson Blvd                           | -          | 916,292           | 916,292           | -              | 916,292         |       |
| Henderson Blvd II                        | -          | 285,275           | 285,275           | -              | 285,275         |       |
| Interchange: I95 at Airport              | -          | 2,551             | 2,551             | -              | 2,551           |       |
| Interchange: Southwest Bypass- Abercorn  | 900,000    | 7,362             | 7,362             | -              | 7,362           |       |
| Interchange: Talmadge-Hutchinson Isl     | 2,800,000  | 17,000,000        | 16,277,433        | -              | 16,277,433      |       |
| Interchange: US 80- Islands Exp          | 3,000,000  | 11,373,236        | 11,373,236        | -              | 11,373,236      |       |
| Interchange: US 80-Johnny Mercer         | 3,400,000  | 151,991           | 151,991           | -              | 151,991         |       |
| Jimmy DeLoach Pkwy                       | 12,200,000 | 17,706,114        | 17,706,114        | -              | 17,706,114      |       |
| Jimmy DeLoach/I-95                       | -          | 160,074           | 160,074           | -              | 160,074         |       |
| Johnny Mercer: Bryan Woods- US 80        | 1,533,000  | 1,599,066         | 1,599,066         | -              | 1,599,066       |       |
| Johnny Mercer: Bryan Woods to Sapelo     | -          | 480,614           | 480,614           | -              | 480,614         |       |
| Mall Blvd Widening                       | -          | 244,098           | 244,098           | -              | 244,098         |       |
| Montgomery Crossroads                    | 7,803,000  | 8,159,670         | 8,159,670         | -              | 8,159,670       |       |
| Pooler Bypass- US80 to I-95              | 2,000,000  | 5,237,787         | 5,237,787         | -              | 5,237,787       |       |
| President Street: Randolph St - US 80    | 2,250,000  | 1,236,334         | 1,236,334         | -              | 1,236,334       |       |
| Richardson Creek Bridge                  | 40,000     | 5,100             | 5,100             | -              | 5,100           |       |
| Riverview Drive                          | -          | 38,284            | 38,284            | -              | 38,284          |       |
| Robert McCorkle Bike Trail               | -          | 327,435           | 327,435           | -              | 327,435         |       |
| Skidaway Widening: Victory - Five Points | -          | 1,872,241         | 1,872,240         | -              | 1,872,240       |       |
| Southwest Bypass                         | 15,750,000 | 29,085,964        | 29,085,964        | -              | 29,085,964      |       |
| Stagecoach Road                          | -          | 2,000             | 2,000             | -              | 2,000           |       |
| State Route 21: I-95 - County Line       | 40,000     | 41,911            | 41,911            | -              | 41,911          |       |
| State Route 307: US 17 to I-16           | -          | 215,641           | 213,246           | 4,377          | 217,623         |       |
| Stephenson: Abercorn - Waters            | 770,000    | 7,000,000         | 5,932,724         | -              | 5,932,724       |       |
| Tax Map Conversion                       | -          | 383,538           | 383,538           | -              | 383,538         |       |
| Triplett Park Entrance Road              | -          | 254,263           | 254,263           | -              | 254,263         |       |
| Truman Parkway I                         | 4,642,000  | 17,191,783        | 17,191,783        | -              | 17,191,783      |       |
| Truman Parkway II                        | 2,794,000  | 10,383,000        | 10,383,000        | -              | 10,383,000      |       |
| Truman Parkway III                       | 8,652,000  | 14,500,000        | 13,928,309        | 6,433          | 13,934,742      |       |
| Truman Parkway IV                        | 2,500,000  | 11,300,000        | 9,119,271         | 1,310,677      | 10,429,948      |       |
| Truman Parkway V                         | 10,500,000 | 23,000,000        | 21,170,962        | 357,398        | 21,528,360      |       |
| TSM Abercorn: DeRenne - Victory          | -          | 200,000           | 200,000           | -              | 200,000         |       |
| TSM Abercorn: Ferguson-Victory           | 4,320,000  | 5,000,000         | 1,739,401         | 82,136         | 1,821,537       |       |
| TSM Waters: Stephenson - Wheaton         | -          | 3,308,886         | 3,308,886         | -              | 3,308,886       |       |
| US 17N: Brampton Rd -Old Traffic Circle  | 680,000    | 736,216           | 736,216           | -              | 736,216         |       |
| US 17S: Dean Forest - I-516              | 3,815,000  | 5,686,022         | 5,686,022         | -              | 5,686,022       |       |
| US 17: Abercorn - Dean Forest            | 2,000,000  | 1,295,168         | 1,295,168         | -              | 1,295,168       |       |
| US 17: Burkhalter Rd Intersection        | -          | 19,100            | 19,100            | -              | 19,100          |       |

(Continued)

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                    | ORIGINAL<br>ESTIMATED<br>COST | ESTIMATED<br>COST     | EXPENDITURES          |                     |                       |
|--|-------------------------------|-----------------------|-----------------------|---------------------|-----------------------|
|  |                               |                       | PRIOR<br>YEARS        | CURRENT<br>YEAR     | TOTAL                 |
| US 17: Enhancement Fla Line to SC line     | \$ -                          | \$ 7,995              | \$ 7,995              | \$ -                | \$ 7,995              |
| US 17: GPA Entrance                        | 50,000                        | 30                    | 30                    | -                   | 30                    |
| US 17: Ogeechee Road - Abercorn            | 1,400,000                     | 1,828,801             | 1,828,801             | -                   | 1,828,801             |
| US 17-SR 204 Intersection                  | -                             | 205,554               | 205,554               | -                   | 205,554               |
| US 80: Bloomingdale- County Line           | 1,323,000                     | 154,287               | 154,287               | -                   | 154,287               |
| US 80: Chatham Parkway to I-95             | 4,712,000                     | 2,689,555             | 2,689,555             | -                   | 2,689,555             |
| US 80: Garden City                         | -                             | 268,157               | 268,157               | -                   | 268,157               |
| US 80: I-516 to Victory                    | 4,800,000                     | 2,000,000             | 663,198               | -                   | 663,198               |
| US 80: Johnny Mercer- Bryan Woods          | 105,000                       | 57,871                | 57,871                | -                   | 57,871                |
| US 80: Pooler                              | 250,000                       | 1,422,666             | 1,422,666             | -                   | 1,422,666             |
| US 80: Pooler- Bloomingdale                | 2,005,000                     | 1,029,946             | 1,029,946             | -                   | 1,029,946             |
| US 80: Whitemarsh Island                   | -                             | 20,000                | 20,000                | -                   | 20,000                |
| Various County Roads                       | 8,254,519                     | 17,400,000            | 14,729,979            | 320,937             | 15,050,916            |
| Waters Avenue: Montgomery-Stephenson       | 1,050,000                     | 2,887,972             | 2,887,972             | -                   | 2,887,972             |
| Wheaton Street: Bee - Liberty              | 4,330,000                     | 4,419,851             | 4,419,853             | -                   | 4,419,853             |
| White Bluff: Derenne - Abercorn            | 1,100,000                     | 1,150,752             | 1,150,752             | -                   | 1,150,752             |
| White Bluff: Montgomery Cross Road/Windsor | 4,503,000                     | 5,501,660             | 5,501,660             | -                   | 5,501,660             |
| Whitemarsh Island Road                     | -                             | 479,292               | 479,292               | -                   | 479,292               |
| Whitefield Avenue                          | -                             | 6,800,000             | -                     | 3,437,758           | 3,437,758             |
| Right of Way Consultants                   | -                             | 7,000,000             | 6,961,347             | 4,379               | 6,965,726             |
| Administrative Expenditures                | -                             | 3,720,673             | 2,843,189             | 242,480             | 3,085,670             |
| Transfer to General Fund - Admin           | -                             | 3,400,000             | 3,070,425             | 76,002              | 3,146,427             |
| Transfer to Service District Fund - Admin  | -                             | 2,623,628             | 2,623,628             | -                   | 2,623,628             |
| Transfer to CDBG Fund                      | -                             | 33,388                | 33,388                | -                   | 33,388                |
| Contingency                                | 29,321,481                    | 221,473               | -                     | -                   | -                     |
| <b>TOTAL</b>                               | <b>\$ 179,313,000</b>         | <b>\$ 293,775,062</b> | <b>\$ 271,866,760</b> | <b>\$ 5,842,577</b> | <b>\$ 277,709,337</b> |

(Concluded)

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                  | ORIGINAL   | ESTIMATED  | EXPENDITURES |         | TOTAL      |
|--|------------|------------|--------------|---------|------------|
|  | ESTIMATED  |            | PRIOR        | CURRENT |            |
|  | COST       | COST       | YEARS        | YEAR    |            |
| <b>Sales Tax II (1993-1998):</b>         |            |            |              |         |            |
| Hutchinson Island Interchange            | -          | 15,522,567 | 15,522,567   | -       | 15,522,567 |
| Middleground Road                        | -          | 8,600,000  | 8,562,465    | 200     | 8,562,665  |
| White Bluff Extension                    | -          | 800,000    | 283,301      | -       | 283,301    |
| SR 21 Intersection/Jimmy DeLoach Pwy Ext | -          | 9,624,495  | 9,624,495    | -       | 9,624,495  |
| Truman Parkway Phase V                   | -          | 1,083,725  | 1,083,725    | -       | 1,083,725  |
| Science Drive                            | -          | 1,261,695  | 1,261,695    | -       | 1,261,695  |
| Pooler Bypass Phase II                   | -          | 2,731,317  | 2,251,818    | 155,427 | 2,407,245  |
| Jimmy DeLoach Phase II                   | -          | 1,500,000  | 783,585      | 88,593  | 872,178    |
| J DeLoach Pky Ext to Houlihan Bridge     | -          | -          | -            | -       | -          |
| Pooler Bypass Highway 80 Interchange     | -          | 1,449,194  | 1,449,194    | -       | 1,449,194  |
| Pooler Bypass I-16 Interchange           | -          | 539,897    | 539,897      | -       | 539,897    |
| Whitfield Avenue Widening                | -          | 6,150,979  | 2,462,868    | 621,202 | 3,084,070  |
| Skidaway TSM (Intersection/Safety Imp.)  | -          | 100,000    | -            | -       | -          |
| Bay Street TSM                           | -          | 1,973,719  | 1,973,719    | -       | 1,973,719  |
| Bay Street Widening                      | -          | 3,500,000  | 3,500,000    | -       | 3,500,000  |
| Diamond Causeway Widening                | -          | 800,000    | 686,661      | -       | 686,661    |
| US 80 Bryan Woods to Bull                | -          | 169,089    | 169,089      | -       | 169,089    |
| US 80 Bull River to Lazaretto Creek      | -          | 100,000    | -            | -       | -          |
| Abercorn Safety Project                  | -          | 558,548    | 558,548      | -       | 558,548    |
| Gulfstream Entrance Area                 | -          | 50,125     | 50,125       | -       | 50,125     |
| Bonny Bridge Intersection Improvement    | -          | 256,437    | 256,437      | -       | 256,437    |
| Miscellaneous                            | -          | 59,044     | 59,044       | -       | 59,044     |
| King George Blvd                         | -          | 830,142    | 830,142      | -       | 830,142    |
| McWhorter Drive                          | -          | 164,566    | 164,566      | -       | 164,566    |
| Ambrose Drive at Gulfstream              | -          | -          | -            | -       | -          |
| Stagecoach Road                          | -          | 228,993    | 228,993      | -       | 228,993    |
| Dolan Drive                              | -          | 378,240    | 378,240      | -       | 378,240    |
| Central Ave/SmithDr/Cherokee Ave/Saussy  | -          | 642,551    | 642,551      | -       | 642,551    |
| Humane Society Road                      | -          | 152,107    | 152,107      | -       | 152,107    |
| President Street                         | -          | 1,232,316  | 1,232,316    | -       | 1,232,316  |
| Bamboo Farm and Coastal Gardens Paving   | -          | 204,803    | 204,803      | -       | 204,803    |
| Bond Ave/Heather St/Betran St/Shore Ave  | -          | 1,500,000  | 1,040,090    | 414,131 | 1,454,221  |
| Unincorporated Roads                     | 4,624,284  | 62,807     | -            | -       | -          |
| Bloomingtondale Roads                    | 274,582    | 274,582    | 274,582      | -       | 274,582    |
| Garden City Roads                        | 449,057    | 449,057    | 449,057      | -       | 449,057    |
| Pooler Roads                             | 301,755    | 301,755    | 301,755      | -       | 301,755    |
| Port Wentworth Roads                     | 346,088    | 346,088    | 346,088      | -       | 346,088    |
| Savannah Roads                           | 5,691,151  | 5,691,151  | 5,691,151    | -       | 5,691,151  |
| Tybee Roads                              | 322,491    | 322,491    | 322,491      | -       | 322,491    |
| Vernonburg Roads                         | 18,592     | 18,592     | 18,592       | -       | 18,592     |
| Right of Way Consultant                  | -          | 1,290,473  | 1,290,473    | -       | 1,290,473  |
| Administrative Expenditures              | -          | 1,980,000  | 1,860,486    | 1,713   | 1,862,199  |
| Transfer to General Fund                 | -          | 6,800,000  | 6,464,887    | 80,932  | 6,545,819  |
| Transfer to Special Service District     | -          | 637,040    | 637,040      | -       | 637,040    |
| Reserve for Roads, Streets, and Bridges  | 57,100,000 | 4,359      | -            | -       | -          |
| Contingency-Other Projects               | -          | 64,928     | -            | -       | -          |
| Library                                  | 5,000,000  | 7,880,894  | 7,880,894    | -       | 7,880,894  |
| Juvenile Justice Center                  | 5,000,000  | 4,765,983  | 4,765,982    | -       | 4,765,982  |
| Thunderbolt Complex                      | 225,000    | 225,000    | 225,000      | -       | 225,000    |
| Trade Center                             | 37,000,000 | 84,067,098 | 84,067,098   | -       | 84,067,098 |
| Administrative Annex/Police Headquarters | -          | 5,772,920  | 5,772,922    | -       | 5,772,922  |
| Hutchinson Island Water & Sewer          | -          | 6,464,000  | 6,243,951    | -       | 6,243,951  |
| Georgia DCA Grant- Trade Center          | -          | 3,298,511  | 3,298,511    | -       | 3,298,511  |
| Georgia DCA Grant- Mighty 8th Museum     | -          | 350,000    | 350,000      | -       | 350,000    |
| Shackelford Lighting                     | -          | 210,000    | 210,000      | -       | 210,000    |
| Jail Expansion                           | -          | 328,681    | 328,681      | 5,700   | 334,381    |



**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                | ORIGINAL<br>ESTIMATED<br>COST | ESTIMATED<br>COST     | EXPENDITURES          |                     | TOTAL                 |
|--|-------------------------------|-----------------------|-----------------------|---------------------|-----------------------|
|  |                               |                       | PRIOR<br>YEARS        | CURRENT<br>YEAR     |                       |
| Pier/Pavilion                          | 2,500,000                     | 2,644,746             | 2,644,746             | -                   | 2,644,746             |
| Olympic Pool                           | 2,000,000                     | 4,812,469             | 4,812,469             | -                   | 4,812,469             |
| Weight Center                          | 200,000                       | 397,258               | 397,258               | -                   | 397,258               |
| Civil Rights Museum                    | 1,000,000                     | 2,447,080             | 2,447,080             | -                   | 2,447,080             |
| Lucas Theatre                          | 1,000,000                     | 1,700,000             | 1,700,000             | -                   | 1,700,000             |
| Telfair                                | 1,000,000                     | 1,000,000             | 1,000,000             | -                   | 1,000,000             |
| Bandshell                              | 700,000                       | -                     | -                     | -                   | -                     |
| Bandshell (portable)                   | 285,000                       | 218,416               | 218,416               | -                   | 218,416               |
| May Street YMCA                        | 750,000                       | 828,535               | 828,535               | -                   | 828,535               |
| Frank Callen                           | 450,000                       | 700,000               | 700,000               | 376,817             | 1,076,817             |
| Pennsylvania Center                    | 250,000                       | 584,538               | 584,538               | -                   | 584,538               |
| Hudson Hill Center                     | 125,000                       | 256,970               | 256,970               | -                   | 256,970               |
| Woodville Center                       | 125,000                       | 259,097               | 259,097               | -                   | 259,097               |
| Memorial Stadium                       | 95,000                        | 232,142               | 232,142               | -                   | 232,142               |
| Community Center                       | -                             | 37,178                | 37,178                | -                   | 37,178                |
| Whitemarsh Island Community Center     | -                             | 345,082               | 345,081               | -                   | 345,081               |
| Aquatic Center/Soccer Parking Lot      | -                             | 116,272               | 116,272               | -                   | 116,272               |
| Bandshell Project                      | -                             | 787,500               | 787,500               | -                   | 787,500               |
| Parks Renovation Program               | -                             | 90,000                | 38,861                | -                   | 38,861                |
| Charles Brooks Park renovation program | -                             | 84,810                | 84,810                | -                   | 84,810                |
| Concord Soccer                         | -                             | 250,000               | 3,500                 | 161,011             | 164,511               |
| Triplett Park                          | 1,050,000                     | 2,573,366             | 2,573,366             | -                   | 2,573,366             |
| Soccer Complex                         | 1,500,000                     | 2,947,362             | 2,947,362             | -                   | 2,947,362             |
| Track & Field                          | 1,000,000                     | 1,062,980             | 1,062,980             | -                   | 1,062,980             |
| Battlefield Park                       | 915,000                       | 915,000               | 915,000               | -                   | 915,000               |
| No Wake Project                        | 48,000                        | 158,085               | 158,085               | -                   | 158,085               |
| Truman Linear Park                     | 300,000                       | 259,112               | 259,112               | -                   | 259,112               |
| Runaway Park                           | 518,000                       | 919,290               | 919,290               | -                   | 919,290               |
| East Broad Park                        | 483,000                       | 835,552               | 835,552               | -                   | 835,552               |
| Beach Project                          | 500,000                       | 494,980               | 494,980               | -                   | 494,980               |
| Jaycee Park Tennis Courts              | -                             | 13,581                | 13,581                | -                   | 13,581                |
| Inclusive Confidence Course            | -                             | 39,500                | 39,500                | -                   | 39,500                |
| Wilmington Island Community Park       | -                             | 81,513                | 81,513                | -                   | 81,513                |
| Sallie Mood Corridor Lot               | -                             | 176,479               | 176,479               | -                   | 176,479               |
| Tatumville Park                        | -                             | 543,326               | 543,326               | -                   | 543,326               |
| Tremont Park                           | -                             | 40,000                | 40,000                | -                   | 40,000                |
| LaRoche Avenue                         | -                             | 7,375                 | 7,375                 | -                   | 7,375                 |
| Woodbridge Canal                       | -                             | 55,215                | 55,215                | -                   | 55,215                |
| Central Avenue                         | -                             | 5,910                 | 5,910                 | -                   | 5,910                 |
| Hall Bros Property                     | -                             | 62,115                | 62,115                | -                   | 62,115                |
| Grovepoint Road                        | -                             | 213,220               | 213,220               | -                   | 213,220               |
| Middlelandings                         | -                             | 3,500                 | 3,500                 | -                   | 3,500                 |
| Golden Isles                           | -                             | 100,430               | 100,430               | -                   | 100,430               |
| Burnside Island                        | -                             | 511,571               | 511,571               | -                   | 511,571               |
| Ogeechee Farms                         | -                             | 114,364               | 114,364               | -                   | 114,364               |
| Wilmington Island Subdivision          | -                             | 235,010               | 235,010               | -                   | 235,010               |
| Whitemarsh Island at Penrose           | -                             | 12,625                | 12,625                | -                   | 12,625                |
| Whitfield Avenue at Summit Ridge       | -                             | 331,870               | 331,870               | -                   | 331,870               |
| Ferguson Avenue                        | -                             | 682,414               | 682,414               | -                   | 682,414               |
| Norwood Avenue Drainage                | -                             | 11,912                | 11,912                | -                   | 11,912                |
| Windfield Subdivision Drainage         | -                             | 32,601                | 32,601                | -                   | 32,601                |
| Fawcett Canal Drainage                 | -                             | 1,075,459             | 1,075,459             | -                   | 1,075,459             |
| Placentia Canal Drainage               | -                             | 21,701                | 21,701                | -                   | 21,701                |
| Bloomingtondale Drainage               | 284,444                       | 284,444               | 284,444               | -                   | 284,444               |
| Garden City Drainage                   | 928,106                       | 928,106               | 928,106               | -                   | 928,106               |
| Pooler Drainage                        | 557,740                       | 557,740               | 557,740               | -                   | 557,740               |
| Port Wentworth Drainage                | 502,505                       | 502,505               | 502,505               | -                   | 502,505               |
| City of Savannah Drainage              | 3,000,000                     | 3,000,000             | 3,000,000             | -                   | 3,000,000             |
| Thunderbolt Drainage/Roads             | 353,332                       | 353,332               | 353,332               | -                   | 353,332               |
| Tybee Drainage/Recreation              | 355,962                       | 355,962               | 355,962               | -                   | 355,962               |
| Vernonburg Drainage/Sidewalks          | 17,911                        | 17,911                | 17,911                | -                   | 17,911                |
| Unincorporated Drainage Contingency    | 3,300,000                     | -                     | -                     | -                   | -                     |
| <b>TOTAL</b>                           | <b>\$ 142,447,000</b>         | <b>\$ 232,100,470</b> | <b>\$ 224,784,552</b> | <b>\$ 1,905,725</b> | <b>\$ 226,690,277</b> |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                  | ORIGINAL   |              | ESTIMATED    | EXPENDITURES |              |       |
|--|------------|--------------|--------------|--------------|--------------|-------|
|  | ESTIMATED  | COST         |              | PRIOR        | CURRENT      | TOTAL |
|  |            |              |              | YEARS        | YEAR         |       |
| <b>Sales Tax III (1998-2003):</b>        |            |              |              |              |              |       |
| <b>DRAINAGE:</b>                         |            |              |              |              |              |       |
| Administrative Expenditures Drainage     | \$ -       | \$ 2,764,286 | \$ 1,889,784 | \$ 274,582   | \$ 2,164,366 |       |
| Atlantic Creosote Canal                  | -          | 758,409      | 758,409      | -            | 758,409      |       |
| Bloomington Drainage                     | 2,000,000  | 2,000,000    | 2,000,000    | -            | 2,000,000    |       |
| Chatham County Drainage                  | 61,500,000 | 29,049       | 0            | -            | -            |       |
| Garden City Drainage                     | 2,000,000  | 2,000,000    | 2,000,000    | -            | 2,000,000    |       |
| Pooler Drainage                          | 2,000,000  | 2,000,000    | 2,000,000    | -            | 2,000,000    |       |
| Port Wentworth Drainage                  | 2,000,000  | 2,000,000    | 2,000,000    | -            | 2,000,000    |       |
| Savannah Drainage                        | 71,000,000 | 71,000,000   | 71,000,000   | -            | 71,000,000   |       |
| Thunderbolt Drainage                     | 2,000,000  | 2,000,000    | 2,000,000    | -            | 2,000,000    |       |
| Tybee Drainage                           | 3,000,000  | 3,000,000    | 3,000,000    | -            | 3,000,000    |       |
| Vernonburg Drainage                      | 400,000    | 400,000      | 400,000      | -            | 400,000      |       |
| Conaway Branch Canal                     | -          | 2,600,000    | 501,095      | 640,112      | 1,141,207    |       |
| Fawcett Phase II                         | -          | 1,124,026    | 1,103,733    | 10,718       | 1,114,450    |       |
| Golden Isles Area                        | -          | 565,753      | 553,277      | 10,268       | 563,545      |       |
| Grange Road                              | -          | 500,000      | 535          | -            | 535          |       |
| Halycon Bluff                            | -          | 1,126,751    | 1,126,751    | -            | 1,126,751    |       |
| Hardin Canal                             | -          | 13,000,000   | 5,247,403    | 2,804,373    | 8,051,776    |       |
| Indirect Cost Allocations -General Fund  | -          | 1,000,000    | 702,519      | 127,887      | 830,406      |       |
| Transfer to SSD                          | -          | 534,360      | 534,360      | -            | 534,360      |       |
| Kings Way Canal                          | -          | 1,240,000    | 786,267      | 226,199      | 1,012,466    |       |
| Little Hurst                             | -          | 2,000,000    | 106,008      | -            | 106,008      |       |
| Little Ogeechee Basin                    | -          | 9,965        | 9,965        | -            | 9,965        |       |
| Ogeechee Farms                           | -          | 1,100,000    | 358,011      | 269,789      | 627,799      |       |
| Pipemakers Canal                         | -          | 21,900,000   | 12,682,909   | 138,577      | 12,821,486   |       |
| Placentia Canal                          | -          | 2,740,650    | 2,721,992    | 18,659       | 2,740,651    |       |
| Port Industrial Park                     | -          | 20,979       | 20,979       | -            | 20,979       |       |
| Raspberry Canal                          | -          | 596,794      | 596,794      | -            | 596,794      |       |
| Right of Way Administration              | -          | 400,000      | 331,454      | -            | 331,454      |       |
| Romney Place/Parkersburg Drainage        | -          | 876,553      | 524,557      | 47,992       | 572,549      |       |
| Topographic Mapping                      | -          | 4,000,000    | 2,913,507    | 71,818       | 2,985,324    |       |
| Village Green Outfall Drainage           | -          | 476,071      | 467,473      | -            | 467,473      |       |
| Westlake Drainage                        | -          | 5,571,618    | 5,398,750    | 137,278      | 5,536,027    |       |
| Wilmington Park Canal                    | -          | 2,500,000    | 1,023,379    | 294,548      | 1,317,927    |       |
| Laberta/Cresthill Outfall                | -          | 0            | 0            | -            | -            |       |
| Gateway/Henderson Drainage               | -          | 1,600,000    | 230,367      | 828,997      | 1,059,364    |       |
| Rice Mill at Grove Point                 | -          | 35,014       | 35,014       | -            | 35,014       |       |
| Louis Mills/Redgate                      | -          | 3,100,000    | 825,196      | 944,371      | 1,769,567    |       |
| Quacco/Regency Park                      | -          | 1,600,000    | 218,088      | 362,213      | 580,301      |       |
| Quacco/Restoration                       | -          | 1,653,502    | 1,455,149    | 193,133      | 1,648,282    |       |
| St. Ives Culvert (Georgetown Canal)      | -          | 239,523      | 239,524      | -            | 239,524      |       |
| <b>OPEN SPACE, GREENWAY AND BIKEWAY:</b> |            |              |              |              |              |       |
| Chatham County                           | 9,000,000  | 0            | 0            | -            | -            |       |
| Bloomington                              | -          | 98,597       | 98,597       | -            | 98,597       |       |
| Garden City                              | -          | 87,979       | 87,979       | -            | 87,979       |       |
| Pooler                                   | -          | 62,260       | 62,260       | -            | 62,260       |       |
| Port Wentworth                           | -          | 42,847       | 42,847       | -            | 42,847       |       |
| Savannah                                 | -          | 2,848,741    | 2,848,741    | -            | 2,848,741    |       |
| Thunderbolt                              | -          | 30,273       | 30,273       | -            | 30,273       |       |
| Tybee Island                             | -          | 33,663       | 33,663       | -            | 33,663       |       |
| Vernonburg                               | -          | 2,532        | 2,532        | -            | 2,532        |       |
| Civil War Heritage Trails                | -          | 5,000        | 5,000        | -            | 5,000        |       |
| Coastal Georgia Greenway                 | -          | 618,535      | 519,974      | -            | 519,974      |       |
| Demere Property Acquisition              | -          | 5,575,333    | 5,575,333    | -            | 5,575,333    |       |
| Greenspace Project (Grant Refund)        | -          | 71,347       | 71,347       | -            | 71,347       |       |
| DNR GA Greenspace Grant                  | -          | 0            | 0            | -            | -            |       |
| Tom Triplett Park and Ogeechee Canal     | -          | 500,000      | 447,901      | -            | 447,901      |       |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                  | ORIGINAL              |                       | ESTIMATED             | PRIOR               | EXPENDITURES |                       |
|--|-----------------------|-----------------------|-----------------------|---------------------|--------------|-----------------------|
|  | ESTIMATED             | COST                  |                       |                     | CURRENT      | TOTAL                 |
|  | COST                  | COST                  | YEARS                 | YEAR                |              |                       |
| <b>OTHER PROJECTS:</b>                   |                       |                       |                       |                     |              |                       |
| Administrative Expenditures Other        | \$ -                  | \$ 2,607              | \$ 2,607              | \$ -                | \$ -         | \$ 2,607              |
| Bloomington Other                        | 458,703               | 396,636               | 396,635               | -                   | -            | 396,635               |
| CEMA                                     | -                     | 240,766               | 240,765               | -                   | -            | 240,765               |
| Chatham County Other                     | 14,112,663            | 0                     | 0                     | -                   | -            | -                     |
| City of Savannah Other                   | 16,292,341            | 14,087,815            | 14,087,815            | -                   | -            | 14,087,815            |
| EMS                                      | -                     | 79,982                | 79,982                | -                   | -            | 79,982                |
| Fire/Safety Equipment                    | -                     | 2,040,000             | 2,039,997             | -                   | -            | 2,039,997             |
| Garden City Other                        | 458,703               | 396,636               | 396,635               | -                   | -            | 396,635               |
| Greenbriar Children's Center             | -                     | 1,258,000             | 1,258,000             | -                   | -            | 1,258,000             |
| Hutchinson Island Riverwalk Ext Slip 1   | -                     | 2,000,000             | 871,305               | 3,983               | -            | 875,288               |
| King Tisdell Cottage                     | -                     | 1,258,000             | 1,258,000             | -                   | -            | 1,258,000             |
| Library (Technology)                     | -                     | 935,000               | 918,473               | 8,616               | -            | 927,089               |
| Lucas Theatre                            | -                     | 833,000               | 833,000               | -                   | -            | 833,000               |
| Ogeechee Canal                           | -                     | 833,000               | 213,604               | 56,900              | -            | 270,504               |
| Pooler Other                             | 458,703               | 396,636               | 396,635               | -                   | -            | 396,635               |
| Port Wentworth Other                     | 458,703               | 396,636               | 396,635               | -                   | -            | 396,635               |
| Senior Citizens                          | -                     | 100,000               | 100,000               | -                   | -            | 100,000               |
| Telfair Museum of the Arts               | -                     | 833,000               | 833,000               | -                   | -            | 833,000               |
| Thunderbolt Other                        | 458,703               | 396,637               | 396,636               | -                   | -            | 396,636               |
| Trade Center (CO 20)                     | -                     | 0                     | 0                     | -                   | -            | -                     |
| Tybee Lighthouse                         | -                     | 297,500               | 297,500               | -                   | -            | 297,500               |
| Tybee Marine (Science Center)            | -                     | 50,000                | 50,000                | -                   | -            | 50,000                |
| Tybee Other                              | 696,428               | 602,191               | 602,192               | -                   | -            | 602,192               |
| Vernonburg Other                         | 87,053                | 75,274                | 75,274                | -                   | -            | 75,274                |
| <b>ROADS, STREETS, AND BRIDGES:</b>      |                       |                       |                       |                     |              |                       |
| Right of Way Administration              | -                     | 100,000               | 0                     | -                   | -            | -                     |
| Administrative Expenditures              | -                     | 800,000               | 9,870                 | 12,017              | -            | 21,887                |
| Abercorn Widening (Rio Road to Truman V) | -                     | 5,000,000             | 119,310               | -                   | -            | 119,310               |
| Bay Street Widening                      | -                     | 6,000,000             | 785,583               | 277,002             | -            | 1,062,585             |
| East/West Corridor                       | -                     | 22,000,000            | 2,691,721             | 1,000,000           | -            | 3,691,721             |
| Eisenhower Widening and Median           | -                     | 3,000,000             | 400,470               | 7,542               | -            | 408,012               |
| Hodgson Memorial Drive                   | -                     | 157,646               | 157,646               | -                   | -            | 157,646               |
| Melinda Drive (Stiles Ave Ext)           | -                     | 544,000               | 0                     | -                   | -            | -                     |
| Chatham County Roads, Streets, Bridges   | 41,618,000            | 27,529                | 0                     | -                   | -            | -                     |
| Spur 21, Phase I                         | -                     | 2,200,000             | 1,210,059             | 5,681               | -            | 1,215,740             |
| SR307 Extension                          | -                     | 15,224                | 15,224                | -                   | -            | 15,224                |
| Truman Parkway Phase V                   | -                     | 6,000,000             | 4,450,655             | 96,399              | -            | 4,547,054             |
| Reserve                                  | -                     | 361,689               | 0                     | -                   | -            | -                     |
| <b>TOTAL</b>                             | <b>\$ 230,000,000</b> | <b>\$ 243,755,813</b> | <b>\$ 173,174,920</b> | <b>\$ 8,869,652</b> | <b>\$ -</b>  | <b>\$ 182,044,573</b> |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                      | ORIGINAL<br>ESTIMATED<br>COST | ESTIMATED<br>COST | EXPENDITURES   |                 | TOTAL      |
|--|-------------------------------|-------------------|----------------|-----------------|------------|
|  |                               |                   | PRIOR<br>YEARS | CURRENT<br>YEAR |            |
| <b>Sales Tax IV (2003-2008):</b>             |                               |                   |                |                 |            |
| <b>ROADS, STREETS, and BRIDGES:</b>          |                               |                   |                |                 |            |
| Chatham Urban Trans. Study (CUTS)            | \$ -                          | \$ 0              | \$ -           | -               | -          |
| Truman Parkway Phase V                       | 2,000,000                     | 5,000,000         | 2,640,849      | 217,303         | 2,858,152  |
| Benton Blvd- Extension                       | 2,000,000                     | 2,000,000         | -              | -               | -          |
| Interchange US 80 and J. DeLoach Pkwy        | 2,000,000                     | 3,000,000         | 430,029        | 274,406         | 704,435    |
| Dean Forest Road Ext from US 17 to Vet       | 2,000,000                     | 1,000,000         | 184,134        | -               | 184,134    |
| Widen Dean Forest Road from 1-16 to US17     | 2,000,000                     | 6,000,000         | 317,586        | 228,598         | 546,184    |
| Traffic Safety Improvements Bull St to MLK   | 2,000,000                     | 2,000,000         | -              | -               | -          |
| Islands Expressway/Causton Bluff Bridge      | 2,000,000                     | 2,000,000         | 122,736        | 1,686           | 124,422    |
| Whitefield Avenue                            | -                             | 0                 | -              | -               | -          |
| Other Roads                                  | 6,000,000                     | 0                 | -              | -               | -          |
| Unincorporated County Roads                  | 14,000,000                    | 14,000,000        | 6,935,157      | 1,736,145       | 8,671,302  |
| Administrative Expenditures-Roads            | -                             | 959,700           | 675,687        | 284,013         | 959,700    |
| City of Savannah                             | 13,620,000                    | 13,782,365        | 13,782,364     | -               | 13,782,364 |
| <b>DRAINAGE PROJECTS:</b>                    |                               |                   |                |                 |            |
| Chatham County                               | 11,000,000                    | 11,100,000        | 2,156,879      | 10,000          | 2,166,879  |
| Pipemakers Canal                             | 17,000,000                    | 17,000,000        | -              | -               | -          |
| General Drainage                             | 500,000                       | 500,000           | 322,231        | 611,007         | 933,238    |
| Storm Drainage                               | 300,000                       | 600,000           | 22,112         | 57,689          | 79,801     |
| Administrative Expenditures                  | -                             | 240,300           | 93,524         | 131,601         | 225,125    |
| Reserve for County Drainage                  | -                             | 0                 | -              | -               | -          |
| City of Savannah                             | 51,150,000                    | 51,759,764        | 51,759,764     | -               | 51,759,764 |
| <b>OPENSOURCE, GREENWAY, and BIKEWAY:</b>    |                               |                   |                |                 |            |
| Unincorporated Chatham County                | 2,322,122                     | 5,757,603         | 3,502,421      | 456,702         | 3,959,123  |
| County Greenspace 08+                        | -                             | -                 | -              | -               | -          |
| Bloomingtondale                              | 53,540                        | 115,967           | 115,967        | -               | 115,967    |
| Garden City                                  | 33,659                        | 67,708            | 67,707         | -               | 67,707     |
| Pooler                                       | 33,659                        | 67,708            | 67,708         | -               | 67,708     |
| Port Wentworth                               | 20,078                        | 43,138            | 41,138         | -               | 41,138     |
| Thunderbolt                                  | 14,172                        | 30,381            | 30,381         | -               | 30,381     |
| Tybee Island                                 | 15,354                        | 32,841            | 32,841         | -               | 32,841     |
| Vernonburg                                   | 1,200                         | 2,547             | 2,547          | -               | 2,547      |
| McQueens Trail Stabilization                 | -                             | 200,000           | 252,278        | 134,479         | 386,757    |
| Other (Municipality & County)                | 2,821,203                     | 0                 | -              | -               | -          |
| <b>RECREATION, CULTURAL, and HISTORICAL:</b> |                               |                   |                |                 |            |
| Tom Triplett Park                            | 1,700,000                     | 3,900,000         | 1,808,590      | 21,735          | 1,830,325  |
| Runaway Point Park                           | 400,000                       | 400,000           | 340,453        | 12,820          | 353,273    |
| Mother Mathilda Beasley Park                 | 1,900,000                     | 1,900,000         | 410,732        | 6,644           | 417,376    |
| Boat Ramps                                   | 700,000                       | 1,800,000         | 705,500        | 35,597          | 741,097    |
| Kings Ferry Boat Ramp                        | -                             | 700,000           | -              | 18,420          | 18,420     |
| Telfair Museum                               | 490,128                       | 990,128           | 990,128        | -               | 990,128    |
| Fort Jackson                                 | 1,078,283                     | 999,638           | 999,638        | -               | 999,638    |
| W Chatham YMCA                               | 49,013                        | 45,438            | 45,438         | -               | 45,438     |
| McCorkle Trail                               | 100,000                       | 150,000           | 29,962         | 13,316          | 43,278     |
| Civil Rights Museum                          | 1,328,248                     | 3,320,065         | 3,166,197      | 4,250           | 3,170,447  |
| Tatemville Community Center                  | 735,193                       | 735,193           | -              | 17,847          | 17,847     |
| Coastal Soccer                               | 68,618                        | 368,618           | 44,256         | -               | 44,256     |
| King-Tisdell                                 | 980,257                       | 1,980,257         | 1,951,902      | -               | 1,951,902  |
| WW Law Center                                | 980,257                       | 908,762           | 400,000        | -               | 400,000    |
| Yamacraw Arts                                | 68,618                        | 63,613            | 63,613         | -               | 63,613     |
| Con Ed                                       | 490,128                       | 490,128           | 490,128        | -               | 490,128    |
| Library                                      | 24,500,000                    | 24,500,000        | 13,870,744     | 274,631         | 14,145,375 |
| <b>OTHER CAPITAL PROJECTS:</b>               |                               |                   |                |                 |            |
| County Courthouse-Tax Assessor Computer      | 800,000                       | 800,000           | 696,270        | -               | 696,270    |
| Chatham County Police Merger                 | 2,200,000                     | 3,200,000         | 3,100,300      | 2,085           | 3,102,385  |
| Chatham County Courthouse                    | 12,000,000                    | 15,000,000        | 10,514,676     | 3,452,936       | 13,967,612 |
| County Vehicles                              | 4,580,000                     | 5,500,000         | 4,204,906      | 697,868         | 4,902,774  |
| King George Sidewalks                        | 250,000                       | 250,000           | 36,820         | 62,588          | 99,408     |
| US 80 Sidewalks                              | 75,000                        | 100,000           | -              | -               | -          |
| US 80 Beautification                         | 75,000                        | 75,000            | 11,534         | -               | 11,534     |
| Wild Heron Sidewalks                         | 100,000                       | 100,000           | 24,488         | 12,767          | 37,255     |
| Whitemarsh Island Bikeways                   | 450,000                       | 1,000,000         | 160,635        | 197,554         | 358,189    |
| McCorkle Trail Bikeway                       | -                             | -                 | (14,012)       | -               | (14,012)   |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                                    | ORIGINAL<br>ESTIMATED<br>COST | ESTIMATED<br>COST     | EXPENDITURES          |                      |                       |
|--|-------------------------------|-----------------------|-----------------------|----------------------|-----------------------|
|  |                               |                       | PRIOR<br>YEARS        | CURRENT<br>YEAR      | TOTAL                 |
| Charlie Brooks Park                        | \$ 950,000                    | \$ 3,000,000          | \$ 916,314            | \$ 36,852            | \$ 953,166            |
| Public Works Building                      | 1,000,000                     | 5,000,000             | 140,417               | 19,250               | 159,667               |
| Greenbriar                                 | 1,470,385                     | 1,465,926             | 1,363,142             | -                    | 1,363,142             |
| Hospice                                    | 1,980,257                     | 1,980,257             | 1,980,257             | -                    | 1,980,257             |
| CAT  | 926,343                       | 4,426,343             | 753,810               | 966,558              | 1,720,368             |
| Rape Crisis                                | 98,026                        | 98,026                | 90,876                | -                    | 90,876                |
| Royce Learning Center                      | 1,764,462                     | 1,635,770             | 1,635,770             | -                    | 1,635,770             |
| Humane Society                             | 144,588                       | 134,042               | 134,042               | -                    | 134,042               |
| Food Bank                                  | 784,206                       | 784,206               | 784,206               | -                    | 784,206               |
| Savannah Symphony                          | 98,026                        | -                     | -                     | -                    | -                     |
| Ash Tree                                   | 245,064                       | 245,064               | 227,190               | 17,874               | 245,064               |
| Court Appointed Special Advocate           | 98,026                        | 90,876                | -                     | -                    | -                     |
| Diversion Center                           | 4,000,000                     | 4,000,000             | -                     | -                    | -                     |
| Telfair                                    | 500,000                       | 0                     | -                     | -                    | 0                     |
| King Tisdell                               | 1,000,000                     | 0                     | -                     | -                    | -                     |
| OTHER CAPITAL OUTLAY-PUBLIC SAFETY:        |                               |                       |                       |                      |                       |
| Bloomingdale Fire Dept                     | 100,000                       | 101,454               | 101,454               | -                    | 101,454               |
| Garden City Fire Dept                      | 200,000                       | 201,160               | 201,161               | -                    | 201,161               |
| Isle of Hope Fire Dept                     | 100,000                       | 100,000               | 80,000                | -                    | 80,000                |
| Pooler Fire Dept                           | 200,000                       | 201,160               | 201,161               | -                    | 201,161               |
| Port Wentworth Fire Dept                   | 200,000                       | 201,272               | 201,273               | -                    | 201,273               |
| Southside Fire Dept                        | 800,000                       | 800,000               | 800,000               | -                    | 800,000               |
| Thunderbolt Fire Dept                      | 100,000                       | 100,411               | 100,411               | -                    | 100,411               |
| Tybee Island Fire Dept                     | 100,000                       | 100,186               | 100,186               | -                    | 100,186               |
| Savannah Public Safety                     | 1,300,000                     | 1,315,497             | 1,315,497             | -                    | 1,315,497             |
| OTHER CAPITAL OUTLAY-MUNICIPALITIES:       |                               |                       |                       |                      |                       |
| Bloomingdale                               | 2,700,000                     | 2,740,237             | 2,740,237             | -                    | 2,740,237             |
| Garden City                                | 3,779,500                     | 3,803,003             | 3,803,004             | -                    | 3,803,004             |
| Pooler                                     | 3,779,500                     | 3,803,002             | 3,803,003             | -                    | 3,803,003             |
| Port Wentworth                             | 2,254,426                     | 2,271,739             | 2,271,740             | -                    | 2,271,740             |
| Thunderbolt                                | 2,600,000                     | 2,611,779             | 2,611,779             | -                    | 2,611,779             |
| Tybee Island                               | 6,400,000                     | 6,414,619             | 6,414,619             | -                    | 6,414,619             |
| Vernonburg                                 | 400,000                       | 401,095               | 401,095               | -                    | 401,095               |
| City of Savannah                           | 29,901,183                    | 31,982,002            | 31,982,000            | -                    | 31,982,000            |
| OTHER                                      |                               |                       |                       |                      |                       |
| Debt Retirement                            | 16,000,000                    | 16,719,000            | 11,278,871            | -                    | 11,278,871            |
| M / WBE Contract for Consulting Services   | -                             | 325,000               | 320,000               | -                    | 320,000               |
| Transfer to M&O - Indirect Cost Allocation | -                             | 1,067,107             | 374,366               | -                    | 374,366               |
| Transfer to SSD                            | -                             | 0                     | -                     | -                    | -                     |
| Transfer to CIP                            | -                             | 10,000                | -                     | -                    | -                     |
| Reserve for Other Projects                 | -                             | 309,197               | 8,252                 | -                    | 8,252                 |
| Reserve For Non Profits                    | -                             | 309,567               | -                     | -                    | -                     |
| Reserve For Other Projects - from interest | -                             | 106,987               | -                     | -                    | -                     |
| <b>TOTAL</b>                               | <b>\$ 276,627,433</b>         | <b>\$ 305,392,846</b> | <b>\$ 204,745,067</b> | <b>\$ 10,015,221</b> | <b>\$ 214,760,288</b> |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| PROJECT                           | ORIGINAL              | ESTIMATED<br>COST     | EXPENDITURES        |                     |                      |
|-----------------------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------|
|                                   | ESTIMATED<br>COST     |                       | PRIOR<br>YEARS      | CURRENT<br>YEAR     | TOTAL                |
| <b>Sales Tax V (2008-2014):</b>   |                       |                       |                     |                     |                      |
| Detention Center                  | \$ 109,000,000        | \$ 109,000,000        | \$ 2,104,865        | \$ 3,246,349        | \$ 5,351,214         |
| Other Level 1 County Projects     | 39,000,000            | 32,859,248            | -                   | 5,632,006           | 5,632,006            |
| County-wide Roads (CUTS approved) | 30,000,000            | 25,276,302            |                     |                     |                      |
| County-wide Flood Control         | 20,000,000            | 16,850,679            |                     |                     |                      |
| County-wide Capital Projects      | 18,000,000            | 15,165,611            |                     |                     |                      |
| Municipal Distributions           | 189,300,000           | 159,494,072           |                     |                     |                      |
| Unincorporated County Projects    | 40,000,000            | 33,701,641            |                     |                     |                      |
|                                   | <u>\$ 445,300,000</u> | <u>\$ 392,347,553</u> | <u>\$ 2,104,865</u> | <u>\$ 8,878,355</u> | <u>\$ 10,983,220</u> |

**CHATHAM COUNTY, GEORGIA**  
**SCHEDULE OF REQUIRED EXPENDITURES**  
**GENERATED BY HOTEL/MOTEL TAX**  
**For the year ended June 30, 2010**

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|  |    |                  |
|--|----|------------------|
| Revenue:                               |    |                  |
| Hotel/Motel Taxes                      | \$ | <u>1,140,584</u> |
| Tourism Expenditures:                  |    |                  |
| Maritime Trade Center                  | \$ | 190,097          |
| Savannah Convention Center             |    | <u>380,195</u>   |
|  | \$ | <u>570,292</u>   |
| Percentage of expenditures to revenues |    | <u>50%</u>       |

