

# North Carolina Financial Condition Analysis

**Key:** CHATHAM COUNTY

■ Benchmark —

Benchmark peers selected:

FRANKLIN COUNTY, LEE COUNTY

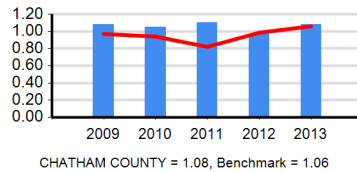
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## Governmental Activities

### Resource Flow

#### Interperiod Equity

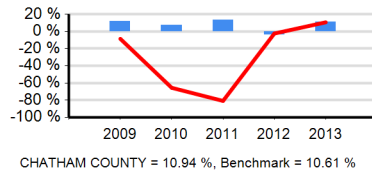
Total margin ratio



Interperiod equity measures whether or not a local government lived within its financial means. The total margin ratio - total financial resources divided by total financial obligations - is used to analyze this dimension of resource flow.

#### Financial Performance

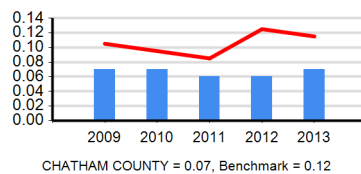
Percent change in net position



Financial performance shows how much a government's financial position improved or deteriorated as a result of resource flow. The percent change in net position is calculated as the change in net position divided by net position, beginning.

#### Self-Sufficiency

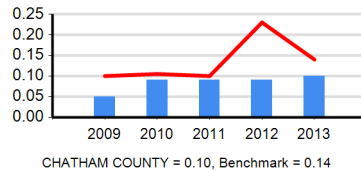
Charge-to-expense ratio



Self-sufficiency addresses the extent to which charges for services covered total expenses. The charge-to-expense ratio is calculated as charges for services divided by total expenses.

#### Financing Obligation

Debt service ratio

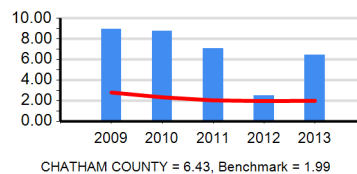


Financing obligation looks at service flexibility by determining the amount of total expenses committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses.

### Resource Stock

#### Liquidity

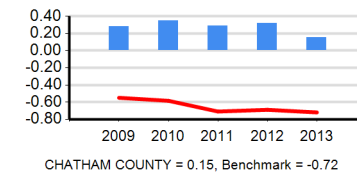
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio—cash & investments divided by current liabilities—is used to analyze this dimension of resource stock.

#### Solvency

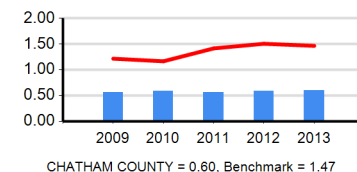
Net position ratio



Solvency measures a government's ability to meet long-term obligations. The net position ratio is calculated as unrestricted net position divided by total liabilities.

#### Leverage

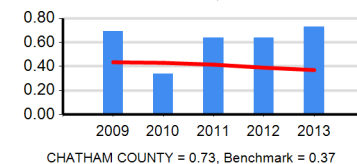
Debt-to-assets ratio



Leverage measures the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets.

#### Capital

Capital-assets-condition ratio



Capital is the condition of capital assets as defined by their remaining useful life. The capital assets condition ratio is calculated as accumulated depreciation divided by capital assets being depreciated. This result is then subtracted from one.

[ Selected Unit ]

CHATHAM COUNTY			2009	2010	2011	2012	2013
Dimension	Indicator	Elements					
Interperiod Equity	Margin Ratio		1.08	1.05	1.10	0.97	1.08
		Total Resource Inflow	82,903,825	85,277,111	86,898,445	89,480,081	94,081,474
		Total Resource Outflow	76,902,766	81,246,392	78,724,042	92,061,061	86,752,387
Financial Performance	Percent Change in Net Position		11.69	7.03	13.32	(3.71)	10.94
		Change in Net Position	6,001,059	4,030,719	8,174,403	(2,580,980)	7,329,087
		Net Position, Beginning	51,342,286	57,343,345	61,374,064	69,548,467	66,967,487
Self-Sufficiency	Charge-to-Expense Ratio		0.07	0.07	0.06	0.06	0.07
		Charges for Services	5,680,298	5,433,770	4,825,238	5,494,812	6,495,026
		Total Expenses	76,902,766	81,246,392	78,724,042	92,061,061	86,752,387
Financing Obligation	Debt Service Ratio		0.05	0.09	0.09	0.09	0.10
		Debt Service	4,174,812	7,956,076	7,787,468	8,260,108	9,289,582
		Total Expenses plus Principal	78,935,334	84,864,421	82,307,557	96,245,071	91,822,842
Liquidity	Quick Ratio		8.92	8.77	7.08	2.48	6.43
		Cash & Investments	57,022,703	73,194,408	62,291,076	66,906,415	70,161,700
		Current Liabilities (not including Deferred Revenue)	6,389,427	8,346,530	8,794,342	26,992,504	10,906,560
Solvency	Net Position Ratio		0.28	0.35	0.29	0.32	0.15
		Unrestricted Net Position	23,847,924	34,672,300	29,602,312	36,666,777	19,590,379
		Total Liabilities	84,485,863	100,310,863	102,684,584	113,089,180	129,808,895
Leverage	Debt-to-Assets Ratio		0.56	0.58	0.56	0.58	0.60
		Long-Term Debt	79,584,162	93,016,133	96,213,680	104,296,077	121,639,719
		Total Assets	141,829,208	161,684,927	172,233,051	180,056,667	204,105,469
Capital	Capital-Assets-Condition Ratio		0.69	0.34	0.64	0.64	0.73
		Accumulated Depreciation	16,671,819	35,060,147	20,391,767	21,966,165	22,701,890
		Capital Assets being Depreciated	52,974,237	53,509,060	56,532,797	60,877,155	82,796,726

[ Benchmark Peer ]

FRANKLIN COUNTY			2009	2010	2011	2012	2013
Dimension	Indicator	Elements					
Interperiod Equity	Margin Ratio		1.00	0.88	0.79	1.04	1.08
		Total Resource Inflow	68,426,386	68,808,288	70,703,223	70,359,069	71,538,789
		Total Resource Outflow	68,167,215	77,801,833	89,173,663	67,458,853	66,515,171
Financial Performance	Percent Change in Net Position		3.47	(131.00)	(112.66)	8.32	15.75
		Change in Net Position	259,171	(8,993,545)	(18,470,440)	2,900,216	5,023,618
		Net Position, Beginning	(7,124,230)	(6,865,059)	(16,394,885)	(34,865,325)	(32,040,209)
Self-Sufficiency	Charge-to-Expense Ratio		0.17	0.15	0.13	0.19	0.18
		Charges for Services	11,844,524	11,859,293	11,838,718	12,563,177	11,889,989
		Total Expenses	68,167,215	77,801,833	89,173,663	67,458,853	66,515,171
Financing Obligation	Debt Service Ratio		0.11	0.10	0.10	0.17	0.15
		Debt Service	7,923,364	8,655,018	9,402,457	12,764,902	11,446,426
		Total Expenses plus Principal	73,088,122	83,206,336	95,169,429	76,731,461	74,699,697
Liquidity	Quick Ratio		3.19	2.00	2.23	1.99	2.17
		Cash & Investments	21,990,752	24,208,437	30,495,897	24,159,944	23,874,719
		Current Liabilities (not including Deferred Revenue)	6,885,271	12,089,109	13,652,107	12,153,778	10,999,033
Solvency	Net Position Ratio		(0.44)	(0.45)	(0.63)	(0.59)	(0.63)
		Unrestricted Net Position	(29,843,295)	(38,579,992)	(66,246,651)	(62,555,157)	(62,311,839)
		Total Liabilities	68,159,811	86,216,420	105,727,483	105,378,629	99,279,690
Leverage	Debt-to-Assets Ratio		1.03	1.08	1.32	1.26	1.18
		Long-Term Debt	62,966,103	75,431,600	93,435,833	92,801,705	84,953,110
		Total Assets	61,294,752	69,821,535	70,862,158	73,413,520	72,263,099
Capital	Capital-Assets-Condition Ratio		0.53	0.51	0.49	0.47	0.44
		Accumulated Depreciation	16,308,019	17,768,346	18,652,376	20,232,305	21,774,509
		Capital Assets being Depreciated	34,910,061	36,502,868	36,765,157	37,985,013	38,714,215

[ Benchmark Peer ]

LEE COUNTY			2009	2010	2011	2012	2013
Dimension	Indicator	Elements					
Interperiod Equity	Margin Ratio		0.94	1.00	0.85	0.93	1.04
		Total Resource Inflow	62,789,157	60,870,755	64,450,832	63,663,082	63,322,688
		Total Resource Outflow	66,875,940	60,942,117	76,189,828	68,362,625	61,150,259
Financial Performance	Percent Change in Net Position		(20.77)	(0.30)	(49.25)	(13.21)	5.47
		Change in Net Position	(4,086,783)	(71,362)	(11,738,996)	(4,699,543)	2,172,429
		Net Position, Beginning	(19,677,452)	(23,764,235)	(23,835,597)	(35,574,593)	(40,814,325)
Self-Sufficiency	Charge-to-Expense Ratio		0.04	0.04	0.04	0.06	0.05
		Charges for Services	3,009,208	2,727,351	2,676,438	3,878,953	3,191,511
		Total Expenses	66,875,940	60,942,117	76,189,828	68,362,625	61,150,259
Financing Obligation	Debt Service Ratio		0.09	0.11	0.10	0.29	0.13
		Debt Service	6,699,311	7,416,297	8,356,493	25,339,736	8,482,678
		Total Expenses plus Principal	71,182,645	65,462,994	80,582,354	88,684,150	66,571,116
Liquidity	Quick Ratio		2.39	2.65	1.83	1.93	1.81
		Cash & Investments	17,548,404	19,772,375	16,462,601	15,645,308	13,511,430
		Current Liabilities (not including Deferred Revenue)	7,346,603	7,465,538	8,997,593	8,093,573	7,448,459
Solvency	Net Position Ratio		(0.66)	(0.72)	(0.79)	(0.79)	(0.81)
		Unrestricted Net Position	(45,568,414)	(64,082,475)	(68,466,530)	(65,501,706)	(62,897,286)
		Total Liabilities	68,525,418	89,482,264	86,837,951	82,539,702	78,128,288
Leverage	Debt-to-Assets Ratio		1.40	1.25	1.51	1.75	1.75
		Long-Term Debt	62,637,269	81,988,143	77,512,714	73,772,156	68,943,413
		Total Assets	44,761,183	65,646,667	51,263,358	42,265,566	39,486,392
Capital	Capital-Assets-Condition Ratio		0.34	0.35	0.34	0.31	0.30
		Accumulated Depreciation	21,831,174	23,066,652	24,330,243	25,498,500	26,603,806
		Capital Assets being Depreciated	33,010,577	35,555,608	36,743,304	37,048,948	38,272,220