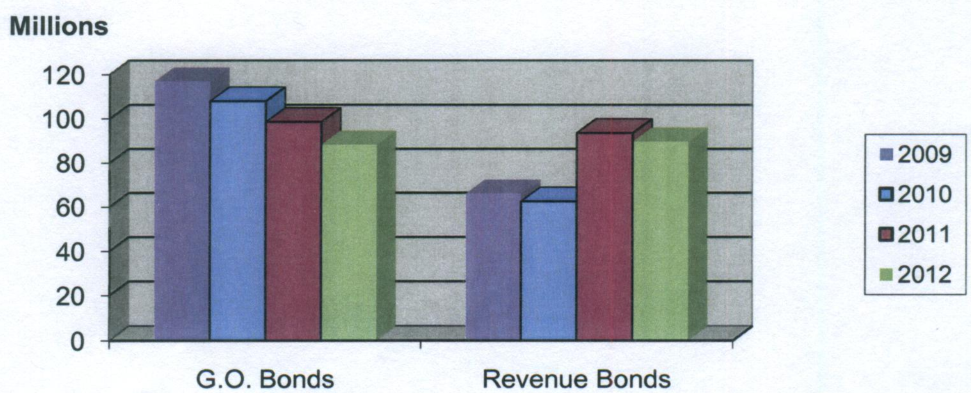
DEBT ADMINISTRATION

Columbia County continues to maintain strong bond ratings with the major credit rating services. In August 2010, the Government prepared comprehensive presentations for Fitch IBCA, Standard & Poor's, and Moody's Investors Service rating agencies in an effort to upgrade the current uninsured ratings applied to the Government's general obligation bonds and water and sewerage revenue bonds in anticipation of issuing approximately $60 million in water and sewerage revenue bonds. The Government received an upgrade from Fitch to AAA from AA and an upgrade from Moody's Investor Services to Aa1 from Aa2 and maintains a rating of AA+ from Standard and Poor's for the general obligation debt. The Government received upgrades from all three rating agencies for the water and sewerage debt. Standard and Poor's upgraded from AA to AA+, Fitch upgraded from AA- to AA+, and Moody's Investor Services upgraded from Aa3 to Aa2. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt. The County will continue to follow prudent fiscal policies and practices in order to maintain its strong credit rating.

As of June 30, 2011, the Government had a total of $192 million in outstanding bonded debt, including deferred amounts. Of this amount, $98.5 million consists of general obligation debt backed by the full faith and credit of the government and $93.5 million consists of water and sewerage revenue bonds backed by the revenues of the water and sewer system. On September 30, 2010, the County issued $60.73 million of water and sewerage revenue bonds. This bond issue refunded $27.4 million of previously issued water and sewerage revenue bonds.

The Government's Outstanding Debt
General Obligation and Revenue Bonds
As of June 30,

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
General obligation bonds	$ 116,811,233	$ 107,925,343	$ 98,519,453	$ 88,218,563
Revenue bonds	65,924,732	62,395,255	93,494,466	89,634,837
Total debt	$ 182,735,965	$ 170,320,598	$ 192,013,919	$ 177,853,400

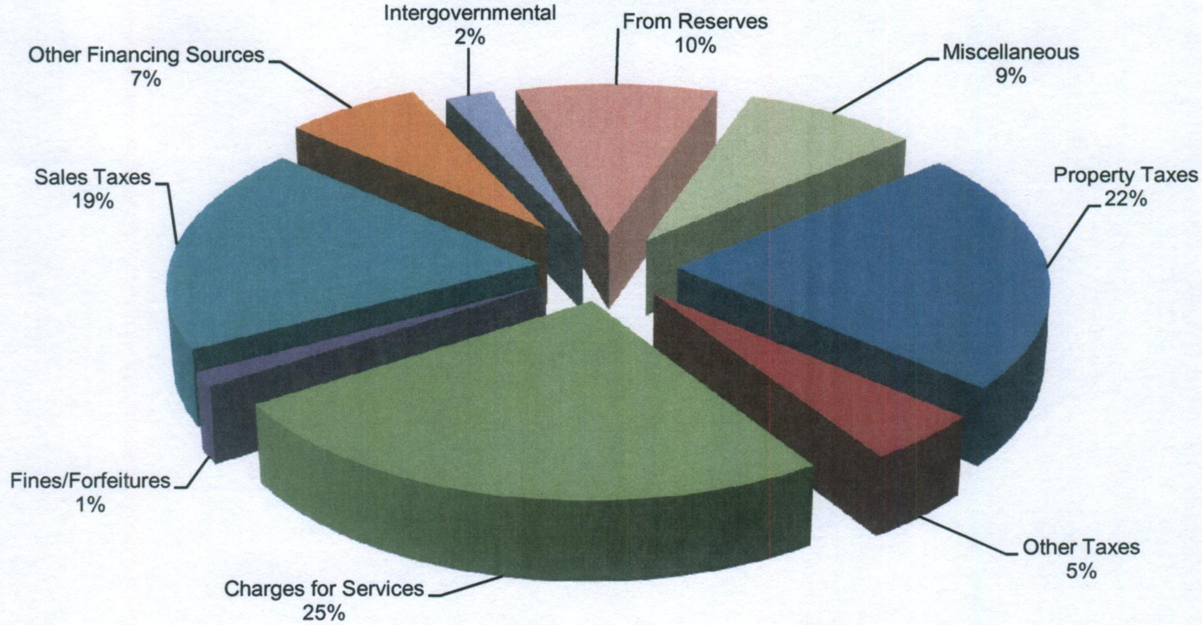


The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10% of the net assessed value of taxable property located within that government's boundaries. The legal debt limit for the County based on the 2010 tax digest was $412,663,660. Assuming no growth in the 2011 tax digest (the 2011 tax digest was not available at the time of printing; however preliminary estimates indicate no growth), the legal debt limit for 2011 is estimated to remain at $412,663,660. Based on this figure, the estimated legal debt margin for the County as of June 30, 2011, is $318,283,660, showing that the County only utilized 22.87% of its legal debt limit for 2011. Based on another 1% growth rate in 2012, the County will utilize only 20.4% of its 2012 legal debt limit.

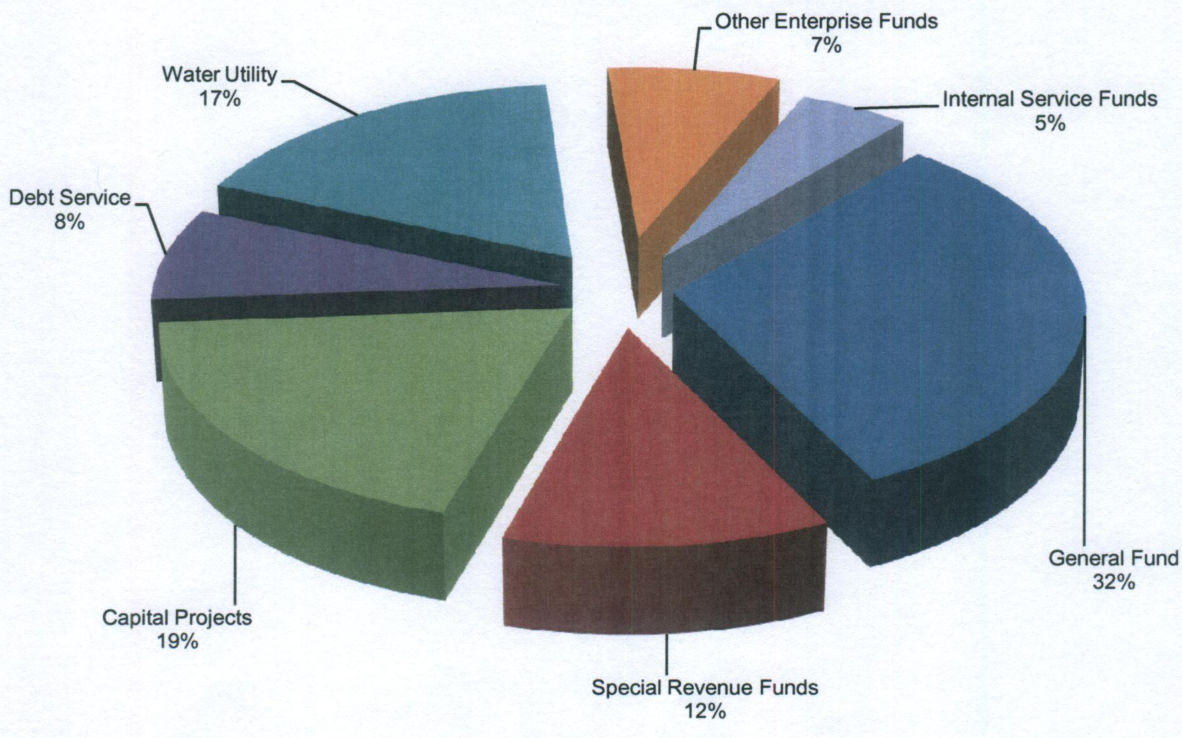
Summary of Legal Debt Margin

	2009 Actual	2010 Actual	2011 Estimated	2012 Projected
GO Bonds	$ 110,740,000	$ 102,820,000	$ 94,380,000	$ 85,045,000
Legal Debt Limit	$ 415,886,505	$ 412,663,660	$ 412,663,660	$ 416,790,297
Legal Debt Margin	$ 305,146,505	$ 309,843,660	$ 318,283,660	$ 331,745,297
% of Debt Limit	26.63%	24.92%	22.87%	20.40%

Countywide Sources of Funds
FY 2011/2012



Countywide Uses of Funds
FY 2011/2012



COMBINED STATEMENT OF BUDGETED REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN RESERVES
FISCAL YEAR 2011/2012

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUNDS	INTERNAL SERVICE	TOTAL
REVENUES:							
Property Taxes	$ 26,941,328	$ 8,284,952	$ -	$ 3,776,202	$ -	$ -	$ 39,002,482
Sales Taxes	15,477,000	-	18,000,000	-	-	-	33,477,000
Other Taxes	3,679,900	4,376,305	-	-	-	-	8,056,205
Charges for Services	3,992,500	4,341,645	-	-	29,255,000	6,105,451	43,694,596
Fines/Forfeitures	2,019,200	310,000	-	-	-	-	2,329,200
Intergovernmental	1,985,403	201,931	-	-	12,547,881	1,916,150	16,651,365
Miscellaneous	755,756	1,174,017	-	-	523,244	-	2,453,017
Total Anticipated Revenues	$ 54,851,087	$ 18,688,850	$ 18,000,000	$ 3,776,202	$ 42,326,125	$ 8,021,601	$ 145,663,865
EXPENDITURES:							
Personal Services	$ 34,943,032	$ 2,947,550	$ -	$ -	$ 6,705,167	$ 369,158	$ 44,964,907
Operating	19,495,009	15,654,667	-	1,000	8,219,462	6,837,151	50,207,289
Capital Projects	688,046	132,464	23,118,634	-	18,522,883	1,219,000	43,681,027
Debt Service:							-
Principal	-	-	-	9,335,000	4,200,000	-	13,535,000
Interest	-	-	-	4,201,886	5,414,087	-	9,615,973
Total Anticipated Expenditures	$ 55,126,087	$ 18,734,681	$ 23,118,634	$ 13,537,886	$ 43,061,599	$ 8,425,309	$ 162,004,196
Excess(Deficit) of Revenues over Expenses	$ (275,000)	$ (45,831)	$ (5,118,634)	$ (9,761,684)	$ (735,474)	$ (403,708)	$ (16,340,331)
Sale of Property	100,000	-	-	-	-	-	100,000
Transfers In	175,000	1,567,102	-	9,761,684	-	-	11,503,786
Transfers Out	-	(1,754,480)	(10,634,866)	-	-	-	(12,389,346)
Increase (Decrease) in Reserves	$ -	$ (233,209)	$ (15,753,500)	$ -	$ (735,474)	$ (403,708)	$ (17,125,891)

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Taxes - property	$ 27,682,831	$ 27,664,377	$ 27,147,075	$ 26,941,328
Taxes - sales	14,612,918	15,637,754	16,135,031	15,477,000
Taxes - other	3,431,974	3,477,965	3,496,183	3,679,900
Licenses and permits	332,478	350,862	341,437	345,000
Charges for services	3,885,641	3,897,273	4,154,201	3,992,500
Intergovernmental	2,195,594	2,518,882	2,021,891	1,985,403
Fines and forfeitures	1,787,729	2,091,889	1,868,934	2,019,200
Investment income	337,583	254,111	211,668	200,000
Contributions	10,371	115,412	967	500
Miscellaneous sources	435,774	398,463	358,788	210,256
Other financing sources	203,000	599,862	269,269	275,000
Total revenues	$ 54,915,893	$ 57,006,850	$ 56,005,444	$ 55,126,087
Expenditures:				
Personal services	$ 33,927,867	$ 34,509,749	$ 34,602,843	$ 34,943,032
Operating services	17,387,749	18,017,716	17,496,498	19,495,009
Capital projects	867,437	717,349	236,637	688,046
Other financing uses	1,109,000	1,981,586	69,670	-
Total expenditures	$ 53,292,053	$ 55,226,400	$ 52,405,648	$ 55,126,087

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
SPLOST 2006-2010

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Taxes - sales	$ 16,644,367	$ 17,821,142	$ 9,101,465	$ -
Intergovernmental	-	388,568	111,432	-
Investment income	434,809	328,268	221,952	-
Miscellaneous sources	328	-	-	-
Other financing sources	154,553	500,000	5,660,032	-
Use of reserves	-	-	-	11,358,500
Total revenues	$ 17,234,057	$ 19,037,978	$ 15,094,881	$ 11,358,500
Expenditures:				
Capital projects	$ 3,439,411	$ 5,534,214	$ 11,709,396	$ 11,358,500
Other financing uses	5,133,250	4,613,219	1,373,493	-
Total expenditures	$ 8,572,661	$ 10,147,433	$ 13,082,889	$ 11,358,500

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
2009 GENERAL OBLIGATION BOND/2011-2016 SPLOST FUND

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Taxes - sales	$ -	$ -	$ 9,285,582	$ 18,000,000
Investment income	54,886	626,659	91,055	-
Contributions	-	40,000	-	-
Other financing sources	42,484,502	-	-	-
Use of reserves	-	-	-	-
Total revenues	$ 42,539,388	$ 666,659	$ 9,376,637	$ 18,000,000
Expenditures:				
Capital projects	$ 1,669,618	$ 5,749,410	$ 16,423,793	$ 7,365,134
Other financing uses	472,890	3,583,390	9,960,360	10,634,866
Total expenditures	$ 2,142,508	$ 9,332,800	$ 26,384,153	$ 18,000,000

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
WATER AND SEWERAGE FUND

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Charges for services	$ 24,450,053	$ 25,860,872	$ 27,946,197	$ 26,675,000
Investment income	812,853	545,022	551,895	325,000
Miscellaneous sources	89,766	78,960	96,825	87,600
Capital contributions	3,615,030	3,047,341	3,447,307	-
Total revenues	$ 28,967,702	$ 29,532,195	$ 32,042,224	$ 27,087,600
Expenditures:				
Personal services	$ 5,282,894	$ 5,422,185	$ 5,450,152	$ 5,581,804
Operating services	12,314,357	13,436,885	14,200,858	6,538,592
Capital projects	-	-	117,263	5,353,117
Debt service	2,237,874	1,957,058	1,389,648	9,614,087
Total expenditures	$ 19,835,125	$ 20,816,128	$ 21,157,921	$ 27,087,600

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
STORM WATER UTILITY FUND

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Charges for services	$ 2,505,784	$ 2,586,285	$ 2,591,125	$ 2,580,000
Investment income	29,476	11,844	29,894	10,000
Miscellaneous sources	826	5	-	-
Capital contributions	1,992,655	1,283,744	2,423,775	-
Use of reserves	-	-	-	149,749
Total revenues	$ 4,528,741	$ 3,881,878	$ 5,044,794	$ 2,739,749
Expenditures:				
Personal services	$ 646,665	$ 658,996	$ 642,058	$ 700,224
Operating services	2,199,108	2,183,575	2,113,509	810,293
Capital projects	-	-	127,044	1,229,232
Total expenditures	$ 2,845,773	$ 2,842,571	$ 2,882,611	$ 2,739,749

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
BROADBAND UTILITY FUND

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Charges for services	$ -	$ -	$ -	$ -
Intergovernmental	-	162,356	5,860,329	12,547,881
Investment income	-	21	3,497	-
Miscellaneous sources	-	-	-	100,644
Other financing sources	-	1,000,000	-	-
Capital contributions	-	-	-	-
Total revenues	$ -	$ 1,162,377	$ 5,863,826	$ 12,648,525
Expenditures:				
Personal services	$ -	$ 49,986	$ 289,052	$ 288,591
Operating services	-	387,517	153,064	419,400
Capital projects	-	-	12,545,150	11,940,534
Total expenditures	$ -	$ 437,503	$ 12,987,266	$ 12,648,525

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
NONMAJOR FUNDS

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Taxes - property	$ 11,909,432	$ 11,908,639	$ 12,160,297	$ 11,841,154
Taxes - sales	-	-	-	-
Taxes - other	4,844,561	4,844,817	4,789,523	4,596,305
Licenses and permits	1,303,780	1,143,471	1,227,570	992,067
Charges for services	9,612,226	10,214,445	10,493,045	10,447,096
Intergovernmental	1,389,608	2,649,808	3,831,992	2,118,081
Fines and forfeitures	377,401	358,170	414,007	310,000
Investment income	1,271,074	466,127	118,100	15,609
Contributions	-	452,291	116,593	70,000
Miscellaneous sources	351,346	178,595	181,091	96,341
Other financing sources	14,469,226	11,581,887	13,136,656	11,328,786
Use of reserves	-	-	-	5,617,642
Total revenues	$ 45,528,654	$ 43,798,250	$ 46,468,874	$ 47,433,081
Expenditures:				
Personal services	$ 4,048,475	$ 4,340,569	$ 4,446,270	$ 3,451,256
Operating services	20,320,789	21,889,917	22,214,549	22,943,995
Capital projects	8,642,963	12,166,478	13,622,522	5,746,464
Debt service	11,477,903	12,998,578	13,194,122	13,536,886
Other financing uses	7,826,134	3,290,290	7,767,383	1,754,480
Total expenditures	$ 52,316,264	$ 54,685,832	$ 61,244,846	$ 47,433,081

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
ALL FUNDS

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Budget
Revenues:				
Taxes - property	$ 39,592,263	$ 39,573,016	$ 39,307,372	$ 38,782,482
Taxes - sales	31,257,285	33,458,896	34,522,078	33,477,000
Taxes - other	8,276,535	8,322,782	8,285,706	8,276,205
Licenses and permits	1,636,258	1,494,333	1,569,007	1,337,067
Charges for services	40,453,704	42,558,875	45,184,568	43,694,596
Intergovernmental	3,585,202	5,719,614	11,825,644	16,651,365
Fines and forfeitures	2,165,130	2,450,059	2,282,941	2,329,200
Investment income	2,940,681	2,232,052	1,228,061	550,609
Contributions	5,618,056	4,858,788	5,988,642	70,500
Miscellaneous sources	878,040	656,023	636,704	494,841
Other financing sources	57,311,281	13,681,749	19,065,957	11,603,786
Use of reserves	-	-	-	17,125,891
Total revenues	$ 193,714,435	$ 155,006,187	$ 169,896,680	$ 174,393,542
Expenditures:				
Personal services	$ 43,905,901	$ 44,981,485	$ 45,430,375	$ 44,964,907
Operating services	52,222,003	55,915,610	56,178,478	50,207,289
Capital projects	14,619,429	24,167,451	54,781,805	43,681,027
Debt service	13,715,777	14,955,636	14,583,770	23,150,973
Other financing uses	14,541,274	13,468,485	19,170,906	12,389,346
Total expenditures	$ 139,004,384	$ 153,488,667	$ 190,145,334	$ 174,393,542

STATEMENT OF PROJECTED CHANGES IN FUND BALANCE

Fund	Anticipated Expenses	Anticipated Revenues	Estimated Beginning FY 2011 Fund Balance	Estimated Change in Reserve	Estimated Ending FY 2011 Fund Balance	Reserved Fund Balance	Fund Balance Available for Appropriation
General	$ 55,126,087	$ 55,126,087	$ 33,767,742	$ -	$ 33,767,742	$ 233,664	$ 33,534,078
Building Standards Fund	1,272,026	1,045,817	801,106	(226,209)	574,897	3,046	571,851
Library Board Fund	110,000	103,000	393,010	(7,000)	386,010	-	386,010
Recreation Advisory Board Fund	26,945	26,945	18,843	-	18,843	-	18,843
Street Lights Fund	1,615,400	1,615,400	(785,565)	-	(785,565)	-	(785,565)
911 Fund	2,085,000	2,085,000	4,221,844	-	4,221,844	12,993	4,208,851
Drug Court Fund	25,000	25,000	25,666	-	25,666	-	25,666
Drug Abuse Treatment Fund	25,000	25,000	82,932	-	82,932	-	82,932
Juvenile Services Fund	50,000	50,000	126,899	-	126,899	-	126,899
Jail Fund	150,000	150,000	392,641	-	392,641	-	392,641
Federal Asset Sharing Fund	20,000	20,000	90,554	-	90,554	-	90,554
State Condemnation Fund	50,000	50,000	83,959	-	83,959	-	83,959
Community Centers Fund	539,500	539,500	176,808	-	176,808	2,351	174,457
Lodging Tax Fund	576,305	576,305	815,705	-	815,705	2,514	813,191
Multiple Grant Fund	201,931	201,931	(74,039)	-	(74,039)	-	(74,039)
Fire Services Fund	9,852,054	9,852,054	367,043	-	367,043	-	367,043
Sheriff's Gifts/Donations Fund	20,000	20,000	51,046	-	51,046	-	51,046
Insurance Premium Tax Fund	3,800,000	3,800,000	149,864	-	149,864	4,235	145,629
Community Events Fund	30,000	30,000	108,579	-	108,579	125	108,454

STATEMENT OF PROJECTED CHANGES IN FUND BALANCE

Fund	Anticipated Expenses	Anticipated Revenues	Estimated Beginning FY 2011 Fund Balance	Estimated Change in Reserve	Estimated Ending FY 2011 Fund Balance	Reserved Fund Balance	Fund Balance Available for Appropriation
Georgia Superior Court Clerks'							
Cooperative Authority Fund	$ 10,000	$ 10,000	$ 5,582	$ -	$ 5,582	$ -	$ 5,582
Law Library Fund	30,000	30,000	26,514	-	26,514	-	26,514
SPLOST Funds:							
2001-2005	2,505,000	-	2,505,000	(2,505,000)	-	-	-
2006-2010	11,358,500	-	41,595,400	(11,358,500)	30,236,900	3,062,732	27,174,168
General Obligation Bond Funds:							
2007	1,890,000	-	14,619,874	(1,890,000)	12,729,874	607,454	12,122,420
2009	18,000,000	18,000,000	15,457,875	-	15,457,875	1,093,201	14,364,674
Debt Service Funds:							
2007 General Obligation Bond	6,498,636	6,498,636	162,867	-	162,867	162,867	-
2009 General Obligation Bond	7,039,250	7,039,250	7,037,302	-	7,037,302	7,037,302	-
Water and Sewerage Fund	27,087,600	27,087,600	158,187,207	-	158,187,207	291,568	157,895,639
Storm Water Utility Fund	2,739,749	2,590,000	21,117,991	(149,749)	20,968,242	131,957	20,836,285
Solid Waste Management Fund	585,725	-	1,343,864	(585,725)	758,139	6,288	751,851
Columbia County Broadband Utility	12,648,525	12,648,525	174,373	-	174,373	174,373	-
Internal Service Funds:							
Employee Medical Fund	6,105,451	6,105,451	1,990,435	-	1,990,435	1,990,435	-
Risk Management Fund	911,925	911,925	-	-	-	-	-
Customer Service and Information Center	188,933	188,933	-	-	-	-	-
Fleet Replacement Fund	1,219,000	815,292	3,644,361	(403,708)	3,240,653	156,959	3,083,694
ALL FUNDS	$ 174,393,542	$ 157,267,651	$ 308,683,282	$ (17,125,891)	$ 291,557,391	$ 14,974,064	$ 276,583,327

STATEMENT OF PROJECTED CHANGES IN FUND BALANCE

STREET LIGHTS FUND

Recently our Internal Auditors conducted a rate study of the Street Lights Fund and determined that the current rate is not sufficient to cover expenses. Therefore, the BOC has implemented annual rate increases beginning in 2010 to cover anticipated expenses.

MULTIPLE GRANT FUND

The majority of grants accounted for within this fund are reimbursable grants. Reimbursement for expenditures incurred in FY 2011 will be received in FY 2012.