

BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary process and data reflected in this report. Many of these processes are outlined in detail on the Budget Calendar adopted by the Board, shown on page 611.

1. Departments and Agencies submit detailed budget requests to the Budget Office in the Finance Department, which reviews and compiles the request and makes recommendations to the County Manager.
2. The County Manager submits a recommended balanced budget to the Board of County Commissioners in late April or early May annually.
3. The Board of County Commissioners holds such public workshops as it deems necessary and holds an advertised public hearing on the recommended budget at which the first reading of the budget resolution occurs. The budget is adopted by Resolution at a regular Board meeting, advertised in accordance with State law.
4. Formal budgetary integration is employed for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
5. Budgets for governmental fund types are maintained on a basis consistent with generally accepted accounting principles.
6. The County Manager, Finance Director and Budget Officer are authorized to transfer budgeted amounts within departments, with the exception of transfers which increase salary appropriations. The Board of County Commissioners may transfer amounts between departments and approve appropriations of additional resources.

ENCUMBRANCES AND APPROPRIATIONS

Appropriations are encumbered as a result of purchase orders, contracts or other forms of legal commitments. Encumbrances outstanding at year end are reported as a reservation of fund balance at year-end. Appropriations lapse at year end; however, re-appropriation of amounts to cover significant encumbrances are made by the Board of County Commissioners during the subsequent fiscal year as an amendment to the budget. The level of control (level at which expenditures may not legally exceed the budget) is exercised by the Board of County Commissioners on a departmental level.

BASIC SERVICES

In this year's budget process, the service level and associated funding level were used to try to hold increases in operating costs to a minimum. "Basic Services" used in the development of FY 2008/2009 budgeting included the following activities:

1. Activities that are required by law or ordinance.
2. Activities that affect the public health and safety.
3. Activities that are necessary to preserve capital asset value.

BUDGET CALENDAR

The Board of Commissioner's formally adopted a Budget Calendar on January 18, 2008 detailing target dates for both the budget and millage levy process. The calendar is shown herein:

**CHATHAM COUNTY, GEORGIA BUDGET CALENDAR
FISCAL YEAR JULY 1, 2009 THRU JUNE 30, 2010**

ORIGINAL DATE	REVISED DATE	BUDGET ACTIVITY	TAX DIGEST PROCESS
October 1, 2008		FY 2010 / 2014 Capital budget Packages distributed.	
November 3, 2008		FY 2010 / 2014 Capital budget Requests due from departments.	
November 17, 2008 – November 21, 2008		CIP Committee convenes to rate projects.	
December 1, 2008 – December 5, 2008		Finalize FY 2010 / 2014 CIP - Identify emergency projects / finalize priorities.	
December 1, 2008 – January 5, 2009		Prepare FY 2010 / 2014 CIP Workbook.	
January 16, 2009		Fiscal Year ending June 30, 2010 Budget Calendar to Board for approval. Five-year CIP Plan submitted to Board	Year 2009 Millage Levy Calendar to Board for approval. Once approved, notice sent to Board of Education on Millage Levy Calendar.
January 27, 2009 February 5, 2009		Revenue / Expenditure Data Entry Training with Departments	
January 26, 2009 – February 27, 2009		Goal Setting: Board of County Commissioners / County Manager	
February 2, 2009		Expanded Staff Meeting to kick-off FY 2009 / 2010 budget process.	
February 6, 2009		FY 2009 / 2010 Budget Request packages distributed. Revenue estimates due from departments.	
February 9, 2009 - March 16, 2009		Complete Fiscal Year Ending 6/30/10 revenue estimates. All Funds	
February 13, 2009		Budget Request Packages due from departments.	
February 16, 2009 - March 27, 2009		Analyze departmental budget requests/hold conference with Department Heads/Budget Staff (to run concurrent w/staff analysis).	
March 9, 2009 - March 27, 2009		Budget reviews begins- County Manager/Department Heads/Budget Staff (to run concurrent w/staff analysis).	

**CHATHAM COUNTY, GEORGIA BUDGET CALENDAR
FISCAL YEAR JULY 1, 2009 THRU JUNE 30, 2010**

ORIGINAL DATE	REVISED DATE	BUDGET ACTIVITY	TAX DIGEST PROCESS
March 30, 2009 - April 17, 2009		Prepare budget workbooks for County Manager and Board of Commissioners - Final Internal Review by Finance Director-Budget Staff.	
April 20, 2009		Advertisement to Savannah News Press for availability of proposed budget/public hearing.	
April 20, 2009 - April 30, 2009		Final proposed budget goes to Printer.	
May 8, 2009		Advertise availability of proposed budget and May 22, 2009 public hearing (State Law). Proposed budget document and budget message are transmitted to the Board.	
May 11, 2009 - June 12, 2009		Board Workshops	
May 20, 2009		Advertise adoption FY 2009 / 2010 Budget.	
May 22, 2009		Board conducts public hearing at regular Commission meeting.	
June 1, 2009	June 15, 2009		Year 2009 Digest provided to Finance for Millage Levy calculations.
June 8, 2009 - June 12, 2009		Final review/revisions of Proposed Budget by the Board.	
June 12, 2009	June 26, 2009		Advertisement of 5-year history to newspaper (July 7, 2009 publication as required by State Law).
June 11, 2009	June 25, 2009		Advertise 1 st and 2 nd Public Hearing on Millage Levy to be held on July 7 th at 9:30 a.m. and 6:00 p.m.
June 23, 2009	July 7, 2009		Hold 1 st and 2 nd Public Hearing on Millage Levy - 9:30 a.m. and 6:00 p.m.
June 24, 2009	July 7, 2009		Advertise year 2009 Tax Digest and 5-year history (two weeks prior to millage levy as required by State Law - House Bill 66, Act. No. 478).

**CHATHAM COUNTY, GEORGIA BUDGET CALENDAR
FISCAL YEAR JULY 1, 2009 THRU JUNE 30, 2010**

ORIGINAL DATE	REVISED DATE	BUDGET ACTIVITY	TAX DIGEST PROCESS
June 26, 2009	July 10, 2009	Adoption of FY 2009 / 2010 budget by County Commissioners.	Year 2009 Tax Digest and 5-year history to Board as information.
June 26, 2009 - September 24, 2009		Prepare 2009 / 2010 budget book and complete FY 2009 / 2010 budget document.	
June 29, 2009	July 10, 2009		Advertise 3rd Public Hearing on Millage Levy to be held on July 23 rd at 9:30 a.m.
July 1, 2009		Beginning of Fiscal Year 2009 / 2010 - budget goes into effect.	
July 10, 2009	July 23, 2009		(1) Hold 3rd Public Hearing on Millage Levy at 9:30 a.m. (2) Adoption of year 2009 Chatham County M&O, SSD and Chatham Area Transit Millage Levy by the County Commissioners.
July 23, 2009			Adoption of Year 2009 Board of Education Millage Levy by the County Commissioners.
July 27, 2009			Tax Digest to Atlanta
August 1, 2009			State Penalty assessed if digest not submitted to the State.
September 24, 2009		Deadline for submission of adopted budget document for GFOA Award.	

CHATHAM COUNTY FY 2009/2010 ORGANIZATION "SHORT-TERM" FINANCIAL AND OPERATIONAL BUDGETARY GUIDELINES:

The County's budget was prepared in accordance with the following internal guidelines to provide the citizens of Chatham County with the highest level of service possible within certain funding availability limits.

1. Prepare and submit to the Board of Commissioners a budget balanced to current revenues.
2. Develop budgets for all funds to provide effective fiscal control and fiscal responsibility of tax dollars.
3. Adopt the County's budget prior to the beginning of the fiscal year, which begins on July 1, to facilitate effective and efficient budget administration.
4. Continue to provide funding to departments at a level that will allow them to operate effectively and efficiently in the delivery of public services.
5. Develop a Vehicle Replacement schedule that will provide meaningful information and financial mechanism's for the funding of vehicles on a timely basis.
6. Provide funding for debt service for the County obligations including:
 - (a) Series 2005 Revenue Refunding and Improvement Bonds, Series 2005 for various Chatham County Projects,
 - (b) Chatham County Hospital Authority Revenue Bonds, Series 1993,
 - (c) Downtown Savannah Authority Series 2005 Bonds
 - (d) Remaining obligations for Pollution Control Financing,
 - (e) Series 2005A Revenue Refunding bonds, for various Chatham County projects,
 - (f) Several capital leases.
7. Address the capital needs outlined in the revised five year Capital Improvement Program FY 2009-2013. Seek to include capital funding within the budget.

8. Continue to provide effective and efficient fiscal management in the administration of the County's budget.
9. Address issues in pay and benefit administration through the budget process, including new positions.
10. Provide choices to the Board in the form of Decision Packages so that the Board may select programs and services consistent with their stated goals.
11. Provide the Board with Five Year Forecast models to illustrate the current and future impacts of variable millage rates, programs and tax digest growth rates.

Basis of Accounting:

Basis of accounting refers to when revenues, expenditures and expenses are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus:

- Governmental funds are accounted for on a current financial resources measurement focus and modified accrual basis of accounting. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception is that principal and interest paid on general long term debt is recognized when due. 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 concept of being susceptible to accrual pursuant to GASB Statement 33, the provider should recognize liabilities and expenses, and the recipient should recognize receivables and revenue when the applicable eligibility and time requirements are met. Resources transmitted prior to the eligibility requirements are met are, under most circumstances, reported as advances by the provider and deferred revenue by the recipient.
- Proprietary, Internal Service and Trust Funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus for these funds is the economic resources basis.

Basis of Budgeting:

The General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds are developed on the same basis consistent with the accounting treatment. The budgets are developed on a modified accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) consistent with the Governmental Accounting Standards Board (GASB).

The Enterprise Funds and Internal Service Funds are developed on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) consistent with the Government Accounting Standards Board (GASB).

FIVE YEAR FORECAST

During the budget process the Finance Department utilized the Five-Year budget forecast model for the General Fund and Special Service District Fund. Enterprise models were also developed but are not included herein. These models were established using historical data and trend analysis while allowing for unusual and non-recurring events. The five-year forecast is a planning tool that can be used to project how changes in revenue or the addition of a new program will effect fund balance in both the current and in future years.

The model explores how changes in digest growth and millage rates will impact revenues. Growth assumptions have been made for the various expenditure categories such as personal services, repairs and maintenance, supplies, purchased services, etc. New programs and services can be added to the model to access their long-term financial impact.

The models shown reflect the adopted budget's five year impact. These models should help the Board plan for future service additions and capital funding needs.

The forecast shows decreasing revenue growth and additional recurring expenditures as a result of the following trends:

- (1) slowing growth rate assumptions for the County's tax digest at 7%,
 - (2) staff additions for a new library and expansion of the Detention Center,
 - (3) impact of a compensation study, and
 - (4) increase cost of Police serves under an intergovernmental agreement.
- County staff will use the forecast in association with its organizational goals to address foreseen challenges for fiscal 2010 and beyond. The Forecast will be modified throughout the year as assumptions are refined.

Chatham County, Georgia

General Fund M&O - Adopted 2010 Budget

Projected Statement of Revenues and Expenditures (Forecast)

	Actual 2006-2007	Adopted Budget 2007-2008	Adopted Budget 2008-2009	Adopted Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
REVENUES								
Tax Revenue - Digest (less HTRG)	102,517,178	105,381,824	113,924,610	119,307,870	120,500,953	121,705,963	136,160,062	143,648,865
Tax Revenue - HTRG	3,472,017	3,472,017	3,463,372	-	-	-	-	-
Other Tax Revenue	13,045,331	15,556,900	15,521,656	14,162,282	15,832,089	16,148,731	16,471,706	16,801,140
License & Permits	961,866	864,500	910,040	961,320	910,040	910,040	910,040	910,040
Intergovernmental	2,064,022	1,565,955	1,990,247	2,237,171	1,990,247	1,990,247	1,990,247	1,990,247
Charges for Services	8,880,618	9,163,297	10,035,554	9,994,549	10,035,554	10,035,554	10,035,554	10,035,554
Fines & Forfeitures	3,700,458	3,566,481	3,286,190	3,032,845	3,286,190	3,286,190	3,286,190	3,286,190
Interest on Investments	908,508	550,000	360,743	365,000	400,000	500,000	500,000	500,000
Miscellaneous	446,045	493,440	455,938	386,738	455,938	455,938	455,938	455,938
Other Financing Sources	481,602	582,500	426,500	330,800	426,500	426,500	426,500	426,500
Sub-total of Revenues	136,477,645	141,196,914	150,374,850	150,778,575	153,837,511	155,459,162	170,236,236	178,054,474
EXPENDITURES								
General Government	22,060,628	25,606,095	26,849,205	27,760,514	28,775,295	30,235,131	31,989,310	33,359,256
Judiciary	22,057,112	24,972,718	26,520,140	27,347,511	28,347,527	29,639,419	30,994,621	32,416,259
Public Safety	42,180,797	47,567,159	50,636,063	51,599,732	53,975,351	57,278,377	63,656,149	70,297,808
Public Works	1,051,646	1,368,874	1,453,364	1,465,962	1,486,158	1,532,644	1,581,305	1,632,244
Health and Welfare	9,486,473	10,449,000	10,971,898	11,148,981	11,275,057	11,503,879	11,744,572	11,997,762
Culture and Recreation	9,180,745	10,707,269	11,298,334	11,166,076	12,608,599	12,842,273	13,087,544	13,345,010
Housing & Development	99,741	245,919	570,408	579,433	593,807	610,019	627,025	644,864
Debt Service	5,501,325	5,584,930	5,661,445	5,558,470	5,567,680	5,474,230	2,768,730	2,500,980
Other Financing Uses	18,574,473	14,694,950	16,413,993	14,151,896	11,208,038	11,397,219	11,592,213	11,793,209
Subtotal of Expenses	130,192,942	141,196,914	150,374,850	150,778,575	153,837,511	160,513,191	168,041,469	177,987,392
Fund Balance added (used)	6,284,703	-	-	-	(0)	(5,054,028)	2,194,767	67,082

Library funded \$1M
Reflects moratorium on reassessments

Reflects moratorium on reassessments

Open Detention Center Jan 2013
Moratorium exp 1/1/12

Digest Revenue calculation:
Prior Year Tax Digest Total 7,936,654,618
Digest Growth Rate 14.41%
Net Tax Digest 9,080,124,494
Tax rate 10.837

11,322,755,459
1.00%
11,435,983,014
1.00%
11,435,983,014
10.537

11,435,983,014
1.64%
11,322,755,459
10.537

11,550,983,014
4.00%
12,012,356,557
11,335
12,673,036,168
11,335

11,435,983,014
11,550,983,014
121,705,963
11,435,983
11,550,983
11,322,755
98,401,309
9,080,124

Chatham County, Georgia
Special Service District - Adopted 2010 Budget
Projected Statement of Revenues and Expenditures (Forecast)

	Actual 2006-2007	Adopted Budget 2007-2008	Adopted Budget 2008-2009	Adopted Budget 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014
REVENUES								
Tax Revenue - Digest (less HTRG)	13,632,924	13,935,462	14,684,489	15,513,927	15,669,452	15,826,146	16,617,454	17,448,326
Tax Revenue - HTRG	524,012	524,012	536,828	0	0	0	0	0
Other Tax Revenue	5,676,616	6,017,500	5,686,646	6,056,990	6,100,000	6,100,000	6,100,000	6,100,000
License & Permits	1,286,653	1,350,000	1,286,000	1,240,000	1,260,000	1,280,000	1,300,000	1,320,000
Intergovernmental	1,348,867	716,200	1,253,028	747,200	748,000	763,000	778,000	793,000
General Government Fees		405,000						
Charges for Services	362,918	995	342,751	131,900	140,000	155,000	170,000	185,000
Fines & Forfeitures	1,965,979	2,090,000	1,834,500	1,533,800	1,600,000	1,650,000	1,700,000	1,750,000
Interest on Investments	513,588	350,000	350,000	200,000	250,000	225,000	200,000	175,000
Miscellaneous	10,385	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Financing Sources	790,456	672,660	672,660	702,000	700,000	700,000	700,000	700,000
Sub-total of Revenues	26,112,398	26,066,829	26,651,902	26,130,817	26,472,452	26,704,146	27,570,454	28,476,326
EXPENDITURES								
General Government	2,099,152	2,389,277	2,602,259	1,528,077	1,618,892	1,715,209	1,817,369	1,925,734
Judiciary	580,043	918,090	929,300	2,060,873	2,127,633	2,199,258	2,276,105	2,358,557
Public Safety	11,245,492	12,078,567	13,594,218	14,008,641	15,054,631	15,804,794	16,592,506	17,419,647
Public Works	4,587,896	5,332,821	5,653,304	5,460,214	5,821,231	6,203,525	6,608,369	7,037,114
Housing & Development	1,553,257	1,890,540	2,023,510	1,598,694	1,650,051	1,703,411	1,758,884	1,816,590
Debt Service	62,116	87,120	87,120	0	25,000	50,000	50,000	50,000
Other Financing Uses	4,209,568	3,884,885	4,370,443	3,050,314	3,100,386	3,154,000	3,211,433	3,272,983
Subtotal of Expenses	24,337,525	26,581,300	29,260,154	27,706,813	29,397,824	30,830,198	32,314,667	33,880,624
Fund Balance added (used)	1,774,873	(514,471)	(2,608,252)	(1,575,996)	(2,925,373)	(4,126,052)	(4,744,213)	(5,404,298)
Digest Revenue calculation:								
Prior Year Tax Digest Total	3,353,616,676	3,712,857,753	4,160,999,684	4,380,284,367	4,464,549,237	4,509,194,729	4,554,286,677	4,782,001,010
Digest Growth Rate	10.71%	12.07%	5.27%	1.92%	1.00%	1.00%	5.00%	5.00%
Net Tax Digest	3,712,857,753	4,160,999,684	4,380,284,367	4,464,549,237	4,509,194,729	4,554,286,677	4,782,001,010	5,021,101,061
Tax rate	3.475	3.475	3.475	3.475	3.475	3.475	3.475	3.475
Projected Digest revenue	12,902,181	14,459,474	15,221,317	15,514,309	15,669,452	15,826,146	16,617,454	17,448,326
Value of One Mill	3,712,858	4,161,000	4,380,235	4,464,549	4,509,195	4,554,287	4,782,001	5,021,101

BUDGET FORMAT - ADOPTED BUDGET DOCUMENT

The FY 2009/2010 Annual Budget Document for Chatham County provides historical, present, and future comparisons of revenues and expenditures; proposed allocations of resources - both fiscal and personnel; and descriptions of the anticipated annual accomplishments of County programs.

The Budget Document is divided in three sections. The first section contains an overview of the County's budget through the budget message, budget synopsis, tables and graphs. Each of the next two sections concentrates on a particular type of fund: the tax-supported General Fund, the Special Service District Fund, Special Revenue Funds, Capital Improvement Program Funds, Debt Service Fund, Enterprise Funds and the Internal Service Funds. The remaining sections address statistical information and other policy related materials.

Each departmental budget comprises five different summary forms. The departmental budget summary form provides a description of departmental responsibilities and a schedule of departmental expenditures and staff levels. These resource allocations are provided for FY 2007/2008 actual, FY 2008/2009 budgeted (amended), FY 2009/2010 departmental requests and the FY 2009/2010 County Manager's Adopted Budget. Expenditures are "broken-out" into several cost categories: personal services, supplies, contractual services, and capital outlays; when appropriate, debt service costs are also provided. The major policy issues faced in each organizational unit, both those funded and included in the budget as well as those still unfunded, are described. The departmental objectives and performance measures page explains the annual departmental objectives. The departmental summary by object code form provides a summary of each departmental past, present, and future expenditures and personnel allocations.

Each fund's budget is presented in a format listing expenditures and the required revenues by source needed to finance the cost of operation. Each fund's budget consist of the total expenditures and the revenues required, identified by other revenues and the net tax support. The other revenues consists of all the other revenue sources excluding property tax revenues. The FY 2009/2010 General Fund (M & O) and the Special Service District (unincorporated areas) general operations are funded with separate tax levies.

In fiscal year 2009/2010, the County continues to improve the narrative for service description and the improvement of performance measurements in the form of specific goals and objectives. The bottom line of a government body is the service it provides to citizens and the budget as a policy document, and an operating guide must effectively translate its dollars into services. Additionally, this application will help enhance the budget to show the relationship between organizational units and programs and to facilitate budgetary performance measurements.

Changes In Fund Balance

The charts shown herein illustrate fund balance changes for the General Fund M&O, the Special Service District and the other governmental funds of the County for fiscal years 2008 through 2010. Projected data is based on adopted budget resolutions. Actual Fiscal 2007 / 2008 data has been included for information purposes and represents audited information. Chatham County does not project fund balance information; fund balance information is only released after completion of the annual independent audit.

The General M&O Fund represents the main operating fund of the County. The Special Service District is a special revenue fund that provides services to the residents of the County's "second largest city", the unincorporated area, and levies a millage for those services. The chart also provided financial information for Other Special Revenue Funds including the following funds: Confiscated Assets, Emergency Management, Street Paving, Street Lighting, Emergency Telephone System, Multiple Grant, Child Support Enforcement, Hotel / Motel Tax, Land Disturbing Activities Ordinance, and the Land Bank Authority. Capital Projects data shown summarizes financial data for all the capital project funds including the four special purpose local option sales tax funds, the Capital Improvements Program Fund, the CIP Bond Fund (Series 1999) and the CIP Bond Fund (Series 2005).

Fund	Fiscal Year 2007/2008 - Actual					Balance 06/30/2008	
	Balance 07/01/2007	Revenues FY 2007/2008	Expenditures FY2007/2008	Net Before Transfers	Transfers In		Transfers Out
M & O Fund	22,987,647	146,362,498	130,089,782	39,260,363	453,443	15,858,436	23,855,370
Special Revenue Funds:							
- Special Service District	10,579,346	25,406,985	23,567,636	12,418,695	937,495	2,626,403	10,729,787
- Other	1,602,257	9,443,000	9,450,876	1,594,381	1,321,754	1,012,456	1,903,679
Debt Service Fund	101,146	215,769	184,854	132,061	0	29,165	102,896
Capital Projects Funds	205,491,350	73,714,877	62,734,318	216,471,909	8,928,315	60,000	225,340,224
TOTAL	240,761,746	255,143,129	226,027,466	269,877,409	11,641,007	19,586,460	261,931,956

Fund	Fiscal Year 2008/2009 - Projected					Balance 06/30/2009	
	Balance 07/01/2008	Revenues FY 2008/2009	Expenditures FY2008/2009	Net Before Transfers	Transfers In		Transfers Out
M & O Fund	23,855,370	149,948,350	137,422,485	36,381,235	426,500	12,952,365	23,855,370
Special Revenue Funds:							
- Special Service District	10,729,787	25,979,242	26,404,971	10,304,058	672,660	2,855,183	8,121,535
- Other	1,903,679	6,493,381	6,741,687	1,655,373	1,823,760	645,660	2,833,473
Debt Service Fund	102,896	214,018	189,018	127,896	0	25,000	102,896
Capital Projects Funds	225,340,224	74,926,045	103,483,737	196,782,532	25,000	200,000	196,607,532
TOTAL	261,931,956	257,561,036	274,241,898	245,251,094	2,947,920	16,678,208	231,520,806

Fiscal Year 2009/2010 - Projected

Fund	Balance 07/01/2009	Revenues FY 2009/2010	Expenditures FY2009/2010	Net Before Transfers	Transfers In	Transfers Out	Balance 06/30/2010
M & O Fund	23,855,370	148,526,925	136,626,679	35,755,616	330,800	12,231,046	23,855,370
<u>Special Revenue Funds:</u>							
- Special Service District	8,121,535	25,136,207	24,656,499	8,601,243	702,000	2,757,704	6,545,539
- Other	2,833,473	7,894,218	8,746,300	1,981,391	1,291,781	675,000	2,598,172
Debt Service Fund	102,896	214,018	189,018	127,896	0	25,000	102,896
Capital Projects Funds	196,607,532	74,415,308	259,581,418	11,441,422	36,025,000	47,235,308	231,114
TOTAL	231,520,806	256,186,676	429,799,914	57,907,568	38,349,581	62,924,058	33,333,091

Data for internal service funds and enterprise funds is not included in the charts above.

Projected decreases in fund balance are largely the result of several factors. First, the County adjusts its adopted budget annually to carryforward prior year encumbrances. As a result, departmental budgets are increased with an offset to fund balance. Second, the County has been providing increased funding to the Capital Improvement Fund (CIP Fund) in accordance with its financial policies. In the SSD Fund, an appropriation of fund balance is budgeted for fiscal years 2008, 2009 and 2010 to balance rising fund expenditures. In addition it is assumed that most capital project funds will expend all funds available in project budgets.

Chatham County's Financial Policies include a Fund Balance Policy for the General M&O Fund and the Special Service District. The policies are located in this budget documents behind the tab "Financial Policies". The policies were adopted in March 2004.

Fund Balance is defined as the equity of governmental funds and trust funds. It is the difference between a fund's assets and its liabilities. The governmental fund measurement focus is upon determination of financial positions and changes in financial positions (sources, uses and balance of financial resources), rather than upon net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement. Fund balance can be divided into two components - reserved and unreserved.

FUND ACCOUNTING

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets, revenues, and expenditures/expenses. The County has identified the following as Major Funds: General Fund, Special Service District, all SPLOST Capital Funds, the Solid Waste Fund, and the Chatham Area Transit Authority. The following information includes the fund types used by the County.

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources, and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the County's Governmental Fund Types:

General Fund -

The 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.

Special Revenue Funds -

The Special Revenue funds are used to account for the proceeds of specific revenue sources (other than Capital Project and Trust Funds) 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. Other Special Revenue Funds are:

Confiscated Revenue Fund

Revenues are from funds received from participation in drug related cases and confiscated property.

Chatham Emergency Management Fund

This agency provides emergency service in a disaster area and in the event of enemy attack. Funding is provided by the State of Georgia and Chatham County.

Street Paving Fund

Revenues are from the special assessments levied for street improvements.

Street Lighting Fund

Revenues are from the special assessments levied for street lighting services.

Emergency Telephone System Fund

Revenues are from funds generated from telephone subscriber surcharge fees for operation of the emergency 911 system. Revenues are remitted to the City of Savannah for police dispatch services under an intergovernmental agreement.

Multiple Grant Fund

Revenues are from various local, state and federal agencies.

Child Support Fund

This grant fund was established to account for the funds received and expended for the costs associated with the collection and disbursement of child support received and/or recovered.

Hotel / Motel Tax Fund

The County imposes an excise tax in the unincorporated area of 6% on charges made from rooms, lodging, or accommodations furnished by hotels, motel, inns, lodges, and tourist camps. The hotel-motel tax cannot be levied on rooms, lodgings, or accommodations furnished for more than 10 consecutive days; meeting rooms; or rooms, lodgings, or accommodations furnished for one or more consecutive days to Georgia state or local government officials and employees traveling on official business. 50% of all collections transferred to the Special Service District Fund, 33.33% are forwarded to the Savannah Convention Center and 16.67% are forwarded to the

Land Disturbing Activities Ordinance Fund

Revenues are from fees paid by Developers and donations.

The Land Bank Authority Fund

Revenues are from Sales of Surplus Land.

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

Capital Project Funds - Capital Project 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 five 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 the County continues their presentation as major funds due to the high level of public interest in their activities.

PROPRIETARY FUND TYPES

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. 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:

Enterprise Funds - 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.

Water & Sewer Fund

The Water & Sewer Fund accounts for the provision of water and sewer services to the system customers within the County. All activities necessary to provide such services are accounted for in this fund. Activities are funded with user fees.

Solid Waste Management Fund

The Solid Waste Management Fund accounts for the provision of Solid Waste collection, transportation and disposal for the residents in the unincorporated area of Chatham County. All activities necessary to provide such services are accounted for in this fund. This fund also provides for landfill operations which were separated from the Public Works Department in 1992 to comply with State accounting and reporting requirements.

Chatham Area Transit Authority Fund (CAT)

CAT is a blended component unit of the County, providing local transportation services.

Parking Garage Fund

This fund accounts for parking services of the County which are recovered by user fees.

Henderson Golf Club Fund

Revenues are generated from golf activities in this Enterprise Fund.

Building Safety & Regulatory Services Fund

The Building Safety & Regulatory Services Fund provides for the collection of permit, plan review, inspections and zoning fees for the administration of the applicable county ordinances and the administration and enforcement of the State Minimum Construction Codes.

Internal Service Fund -

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 and catastrophic claims that are not covered by insurance which are charged to other departments or funds of the County on a cost-reimbursement basis.

Catastrophic Claims Fund

This fund was established to track the reserve that is restricted for payment of catastrophic claims.

Risk Management Fund

This fund was established to track the reserve that is restricted for payment of risk management claims.

Health Insurance Fund

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

FIDUCIARY FUND TYPES

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 fiduciary funds is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Trust and Agency Funds are used to account for the pension trust or agencies, which are custodial in nature.

Pension Trust Fund - Pension Trust funds are used to account for public employee retirement systems. The Pension Trust Fund is accounted for in the same manner as Proprietary Funds.

Agency Funds . There are eight agency funds, seven of which account for the receipts and disbursements of funds by the tax commissioner and various clerks of court, and the eighth is the flex benefit plan, which accounts for employee withholdings for dependent and medical care under section 125 of the IRS code.

OPEB Trust Fund- Effective July 1, 2008, the OPEB Trust Fund will record transactions related to retiree healthcare and other post-employment benefits, including activities related to the pre-funding of retiree healthcare.

REVENUE ANALYSIS AND OVERVIEW

Major sources of revenue are discussed in this section. Revenues are projected, using a straight line approach based on five year historical information. Projections may be revised after consideration of regional and national economic conditions. Revenues based on the tax digest (i.e. real and personal property, motor vehicles, timber, etc.) are adjusted to the actual digest when received from the Chief Appraiser prior to millage rate adoption. Departments submit any (legislated) fee increases at the beginning of the budget process with their revenue projections. Revenues are classified in accordance with the Uniform Chart of Accounts as required by the Georgia General Assembly. The County's main revenue sources are property taxes and sales and use taxes, on an entity-wide basis.

REVENUE SOURCES AND TRENDS

General Fund M&O

Taxes:

Tax revenues account for 88.37% of General Fund revenues. Of this, 79% comes from property taxes driven by the tax digest. Revenues are projected using a straight line approach based on five year historical information and economic trends. Revenues based on the tax digest (i.e. real and personal property, motor vehicles, timber, etc.) are adjusted to the actual digest when received from the Chief Appraiser. A five year levy history for the General Fund is presented below. During this period, the gross digest rose an average of 8.7 percent per year. Exemptions rose an average of 9.1 percent, resulting in a net digest growth averaging 8.5 percent. Digest growth allowed decreases in the millage rate in 2006 and 2007. The tax millage rate has remained the same for 2008 and 2009. Tax digest growth slowed to 1.6 percent for tax year 2009. This trend is expected to continue for next year. The other major tax revenues, Intangible taxes and the Local Option Sales Tax (LOST), have remained fairly flat in recent years, and are expected to continue in this manner. More detail on property taxes and exemptions can be found later within this section.

License and Permit Revenues:

These revenues are from marriage licenses, animal tags, pistol permits and motor vehicle penalties. This revenue source comprises 0.65% of the total. Revenues are projected based on historical collections.

Intergovernmental Revenue:

Intergovernmental revenues are revenues from other governments in the form of operating grants, entitlements, shared revenues, or payments in lieu of taxes. A major change in this category is the loss of the Homeowner Tax Relief Grant from the state, equal to 69% of the total in 2008. As a result, these revenues have dropped from 3.63 % to 1.5% General Fund revenues. Revenues are projected based on historical collections, tax digest growth, and tax rates.

Charges for Services:

These revenues include court fees, commissions, charges for housing prisoners, recreation fees, and charges to other funds for indirect costs. Indirect costs are based on the Indirect Cost Allocation study which is updated annually. Other revenues are based on historical experience. These revenues account for 6.71% of General Fund revenues.

Fine and Forfeiture Revenues:

Fines and fees from Superior, State, Magistrate, and Juvenile courts are recorded in this category. Fine surcharges from the municipal courts (5% Victim Witness, 50% Drug Surcharge, and 10% Jail Construction Act) are also received. These revenues equal 2.04% of the total. Revenues are projected based on historical data, and have remained fairly steady in recent years. Legislative changes enacted by the Georgia General Assembly may impact this category.

Interest Revenues:

Investment income includes monies derived from the investment of assets. This is approximately 0.25% of General Fund revenues. This item has been decreased based on projections of cash flow and interest rates.

Miscellaneous Revenue:

Miscellaneous revenue are revenues received that are not otherwise classified. This category is projected based on historical data and comprises 0.26% of total revenues.

Other Financing Sources:

Interfund transfers are budgeted here. These transfers are for restricted court fees from Recorder's Court. This revenue is 0.22% of the total, and is based on revenue projections for the court. This revenue has seen a decline that is expected to continue in the current year.

Property Taxes - Tax Digest

The Chief Appraiser is responsible for receiving returns and fairly and impartially assessing property. The total assessed valuation for County's 2009 Tax Digest was set at \$15.96 billion (net of 40 percent fair market value and exemptions). This translated into growth of 1.6 percent for the General Fund in 2009 and 1.9 percent in the Special Service District. Property Taxes are the County's largest revenue source. A five year levy history for the County's main operating fund, the General Fund, is presented below:

**CURRENT 2009 TAX DIGEST AND 5 YEAR HISTORY OF LEVY
GENERAL FUND**

	2004	2005	2006	2007	2008	2009
Real & Personal	\$ 8,507,109,822	\$ 9,619,207,743	\$11,244,344,033	\$12,894,532,528	\$13,958,123,170	\$13,931,316,875
Motor Vehicles	\$ 532,592,954	\$ 540,914,870	\$ 542,324,490	\$ 589,490,818	\$ 622,133,273	\$ 649,943,940
Mobile Homes	\$ 27,340,800	\$ 27,862,000	\$ 28,981,400	\$ 23,265,200	\$ 24,095,200	\$ 23,423,600
Timber	\$ 2,706,080	\$ 1,687,482	\$ 1,484,053	\$ 2,622,380	\$ 1,295,759	\$ 476,054
Gross Digest	\$ 9,069,749,656	\$10,189,672,095	\$11,817,133,976	\$13,509,910,926	\$14,605,647,402	\$14,605,160,269
Less M&O Exemptions	\$ (1,905,144,394)	\$ (2,253,017,477)	\$ (2,737,009,482)	\$ (3,179,281,578)	\$ (3,465,188,057)	\$ (3,282,404,810)
Net M&O Digest	\$ 7,164,605,262	\$ 7,936,654,618	\$ 9,080,124,494	\$10,330,629,348	\$11,140,459,345	\$11,322,755,459
Gross M&O Millage	11.510	12.163	11.912	11.628	11.546	11.516
Less Rollbacks	-1.143	-1.126	-1.075	-1.091	-1.009	-0.979
Net M&O Millage	10.367	11.037	10.837	10.537	10.537	10.537
Net Taxes Levied	\$ 74,275,463	\$ 87,596,857	\$ 98,401,309	\$ 108,853,841	\$ 117,387,020	\$ 119,307,869
Net Taxes \$ Increase	\$ 4,189,742	\$ 13,321,394	\$ 10,604,452	\$ 10,452,532	\$ 8,533,179	\$ 1,920,849
Net Taxes % Increase	6.0%	17.9%	12.3%	10.6%	7.8%	1.6%

Millage Value for Chatham County Government

One mill is the equivalent of \$1 of tax for each \$1,000 of assessed value of a resident's home. Assessed value for homeowners is arrived at by multiplying 40% times the estimated fair market value of the property. If a resident has a home with the estimated fair market value of \$75,000, the assessed value is \$30,000 (75,000 x 40%). Therefore, one mill of new taxation will generate \$18 of the tax receipts, (\$75,000 x 40% less \$12,000 for homestead exemption, equals \$18,000). The table below calculates county taxes of a home with a market value of \$75,000.

	2009	GENERAL M&O	SPECIAL SERVICE DISTRICT
Estimated Market Value of Home		\$75,000	\$75,000
Assessment Factor		40.00%	40.00%
Assessed Value (40%)		\$30,000	\$30,000
Less HIE (County Only)		\$12,000	\$12,000
Difference		\$18,000	\$18,000
County Taxation		10.537	3.475
(1) Home Owner Pays:			
Consolidated		\$189.67	\$189.67
Unincorporated		\$0.00	\$62.56

(1) Excludes Board of Education, City of Savannah, Other Municipalities and State of Georgia

Tax Reduction Factors

The five year levy history shows the growth in exemptions for the County. These exemptions include:

Homestead Exemption: The homeowner's tax bill is reduced due to the increase in homestead exemption in 1991 from \$2,000 to \$12,000 over the period 1991-1994 in increments of \$2,500 annually. The homeowner's tax bill is further reduced due to several types of additional exemptions allowed. This budget document does not address other taxing levies for the other municipalities in Chatham County

Freeport Exemption: Freeport is the exemption of certain inventory taxes, as allowed by Georgia law. On October 14, 1988 the Board passed a resolution to allow the citizens of Chatham County to know the manner in which a freeport exemption would be implemented if the voters of Chatham County approved such an exemption. The referendum passed in November 1988.

The freeport exemption was implemented in twenty percent (20%) increments as growth in the tax digest equal to \$285,000,000 occurred. The first 20 percent on freeport took effect in FY 1992. The final 20 percent on freeport was realized in 1999. The County Commissioners adopted a resolution to extend the freeport extension in Chatham County for calendar year 2001 to the 100 percent level.

The Property Taxpayer's Bill of Rights: This law, which took effect on January 1, 2000, calls for a mandatory rollback in the millage rate whenever the tax digest increases. The stated aim is to prevent creeping tax bills. If elected officials propose to adopt a millage rate greater than the mandatory rollback rate, they must hold three public meetings - at times when the most constituents can attend - to explain why the tax hike is necessary and vote publicly for or against it. The law also shifts the burden of proof from the homeowner to the local government in the appeals process; requires the county assessor's office to provide a written explanation to homeowners as to why their taxes went up; and allows taxpayers going through the appeal to name the time of their hearing before the Board of Equalization. The law also calls on taxing bodies to cover the legal fees of any homeowner who receives a 15 percent reduction or greater in their assessment and allows taxpayers going through the appeals process the right to record the hearing.

The Stephens-Day Bill: This law, which took effect on January 1, 2001, grants each Chatham County homeowner a homestead exemption from all Chatham County ad valorem taxes for county purposes in an amount equal to the amount of the assessed value of that homestead that exceeds the assessed value of that homestead for the taxable year immediately preceding the taxable year in which that exemption is first granted to such resident. This exemption does not apply to taxes assessed on improvements to the home or additional land added to the homestead after January 1 of the base year. In addition, it does not apply to taxes to pay interest on and to retire bonded indebtedness of the County. The exemption is renewed automatically from year to year as long as the homeowner occupies the residence as a homestead.

REVENUE SOURCES AND TRENDS

Other Major Governmental Funds:

The other major governmental funds include the Special Service District Fund, and the five Sales Tax Funds.

Special Service District (SSD)

Taxes:

Tax revenues account for 77.62% of Special Service District (SSD) Fund revenues. Of this, 61% comes from property taxes and are driven by the tax digest. Revenues are projected using a straight line approach based on five year historical information. Revenues based on the tax digest (i.e. real and personal property, motor vehicles, timber, etc.) are adjusted to the actual digest when received

from the Chief Appraiser. During the past five years, the gross digest rose an average of 7.7 percent per year. Exemptions rose an average of 10.7 percent, resulting in a net digest growth averaging 7.7 percent. Growth slowed to 1.9 percent for tax year 2009. This trend is expected to continue for next year. The other major tax revenues, Cable TV Franchise taxes and the Insurance Premium taxes, have remained fairly flat in recent years, and are expected to continue in this manner.

License and Permit Revenues:

Business licenses account for 4.5% of the budget. Revenues are projected based on historical collections, a decrease of 3.67% from FY 2009 budget.

Intergovernmental Revenue:

Intergovernmental revenues are revenues from other governments in the form of operating grants, entitlements, shared revenues, or payments in lieu of taxes. The main change in this category is the loss of the Homeowner Tax Relief Grant from the state. The other major line item is reimbursements from the City of Savannah which are projected to remain at FY2009 levels. As a result, these revenues will drop from 4.3% to 2.7% of SSD Fund revenues. Revenues are projected based on historical collections.

Charges for Services:

The major revenue in this category comes from fees collected by the Metropolitan Planning Commission. These revenues have seen a decline in recent years which is expected to continue. Projections are based on historical experience. These revenues account for .5% of the total.

Fine and Forfeiture Revenues:

Fines and fees from Recorder's court are recorded in this category. Fine surcharges (5% Victim Witness, 50% Drug Surcharge, and 10% Jail Construction Act) are also received. These revenues equal 5.6% of the total. Revenues are projected based on historical data, and have declined in the past two years. A \$300,000 decrease is projected for FY2010.

Interest Revenues:

Investment income includes monies derived from the investment of assets. This is approximately .73% of Special Service District Fund revenues. This item has been reduced \$150,000 from the prior year level.

Miscellaneous Revenue:

Miscellaneous revenue are revenues received that are not otherwise classified. This category is projected based on historical data and comprises 0.02% of total revenues.

Other Financing Sources:

Interfund transfers from the Hotel Motel Special Revenue Fund to the SSD Fund are budgeted here. This revenue equates to 2.6% of the total, is expected to continue at current levels.

**CURRENT 2009 TAX DIGEST AND 5 YEAR HISTORY OF LEVY
SSD FUND**

	2004	2005	2006	2007	2008	2009
Real & Personal	\$ 3,874,428,735	\$ 4,306,930,323	\$ 4,932,710,951	\$ 5,592,564,928	\$ 5,953,025,727	\$ 6,022,105,555
Motor Vehicles	\$ 222,675,218	\$ 219,677,702	\$ 216,224,293	\$ 238,652,276	\$ 247,396,834	\$ 257,271,684
Mobile Homes	\$ 14,277,400	\$ 14,457,200	\$ 14,701,800	\$ 11,244,800	\$ 11,799,000	\$ 10,853,200
Timber	\$ 1,118,150	\$ 810,729	\$ 480,865	\$ 634,512	\$ 9,068	\$ 107,211
Gross Digest	\$ 4,112,499,503	\$ 4,541,875,954	\$ 5,164,117,909	\$ 5,843,096,516	\$ 6,212,230,629	\$ 6,290,337,650
Less SSD Exemptions	\$ 1,005,671,108	\$ 1,188,259,278	\$ 1,451,260,336	\$ 1,682,145,961	\$ 1,831,887,780	\$ 1,825,788,413
Net SSD Digest	\$ 3,106,828,395	\$ 3,353,616,676	\$ 3,712,857,573	\$ 4,160,950,555	\$ 4,380,342,849	\$ 4,464,549,237
Gross SSD Millage	4.350	4.352	4.321	4.266	4.265	4.269
Less Rollbacks	-0.875	-0.877	-0.846	-0.791	-0.790	-0.794
Net SSD Millage	3.475	3.475	3.475	3.475	3.475	3.475
Net Taxes Levied	\$ 10,796,229	\$ 11,653,818	\$ 12,902,180	\$ 14,459,303	\$ 15,221,691	\$ 15,514,309
Net Taxes \$ Increase	\$ 377,759	\$ 857,589	\$ 1,248,362	\$ 1,557,123	\$ 762,388	\$ 292,617
Net Taxes % Increase	3.6%	7.9%	10.7%	12.1%	5.3%	1.9%

Sales Tax Funds

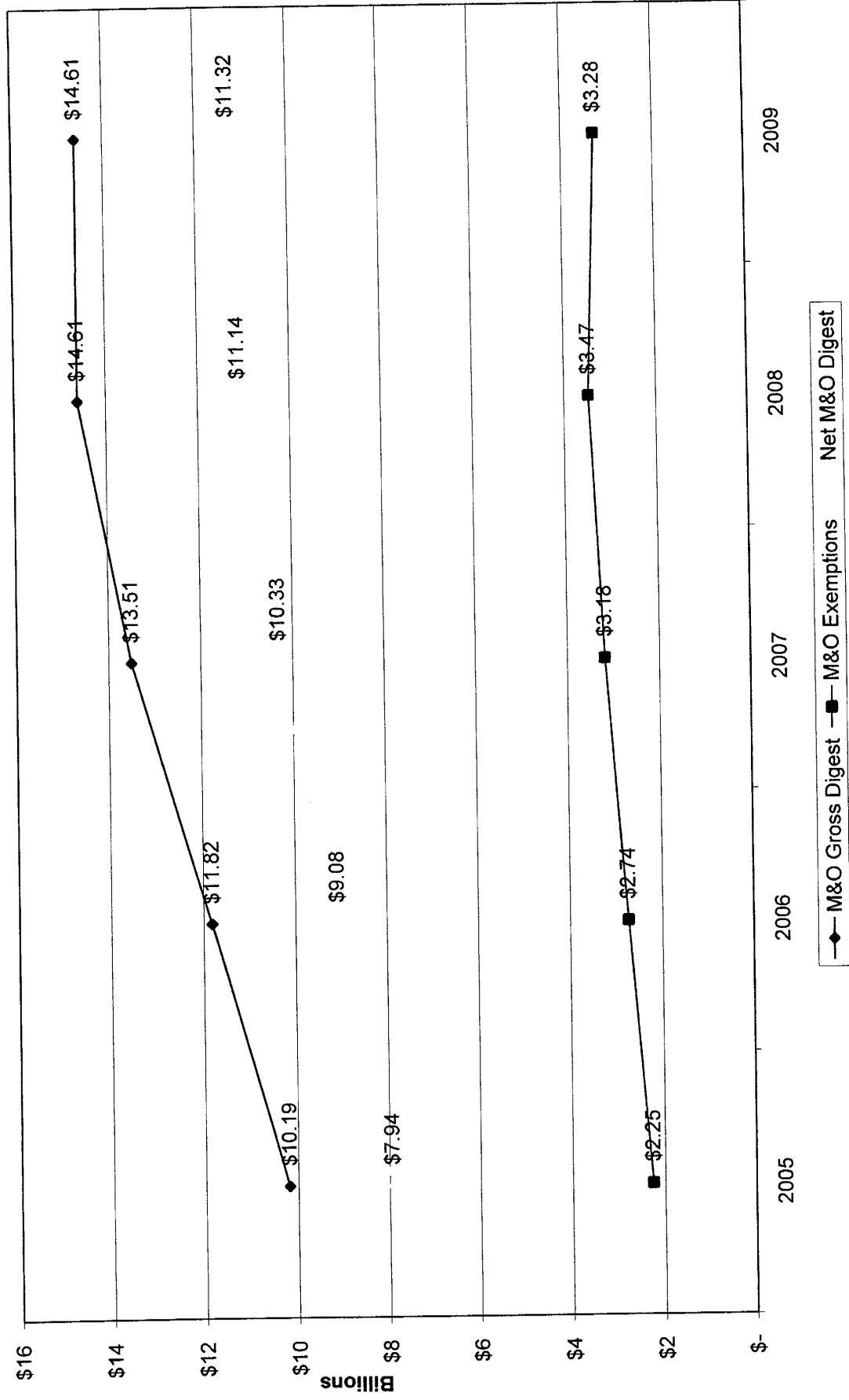
Taxes:

The Sales Tax funds generate revenue from a Special Purpose Local Option Sales Tax (SPLOST). The optional sales tax is authorized by local referendum for a specified time period (usually four years) and dedicated to specific capital projects. During FY2009, the Sales Tax IV collection period expired, and the Sales Tax V collections began. The current year is the first full year of revenue for Sales Tax V. Straight line projections based on historical data are used for budget purposes. Sales Tax V revenues are estimated as \$67 million for FY2010.

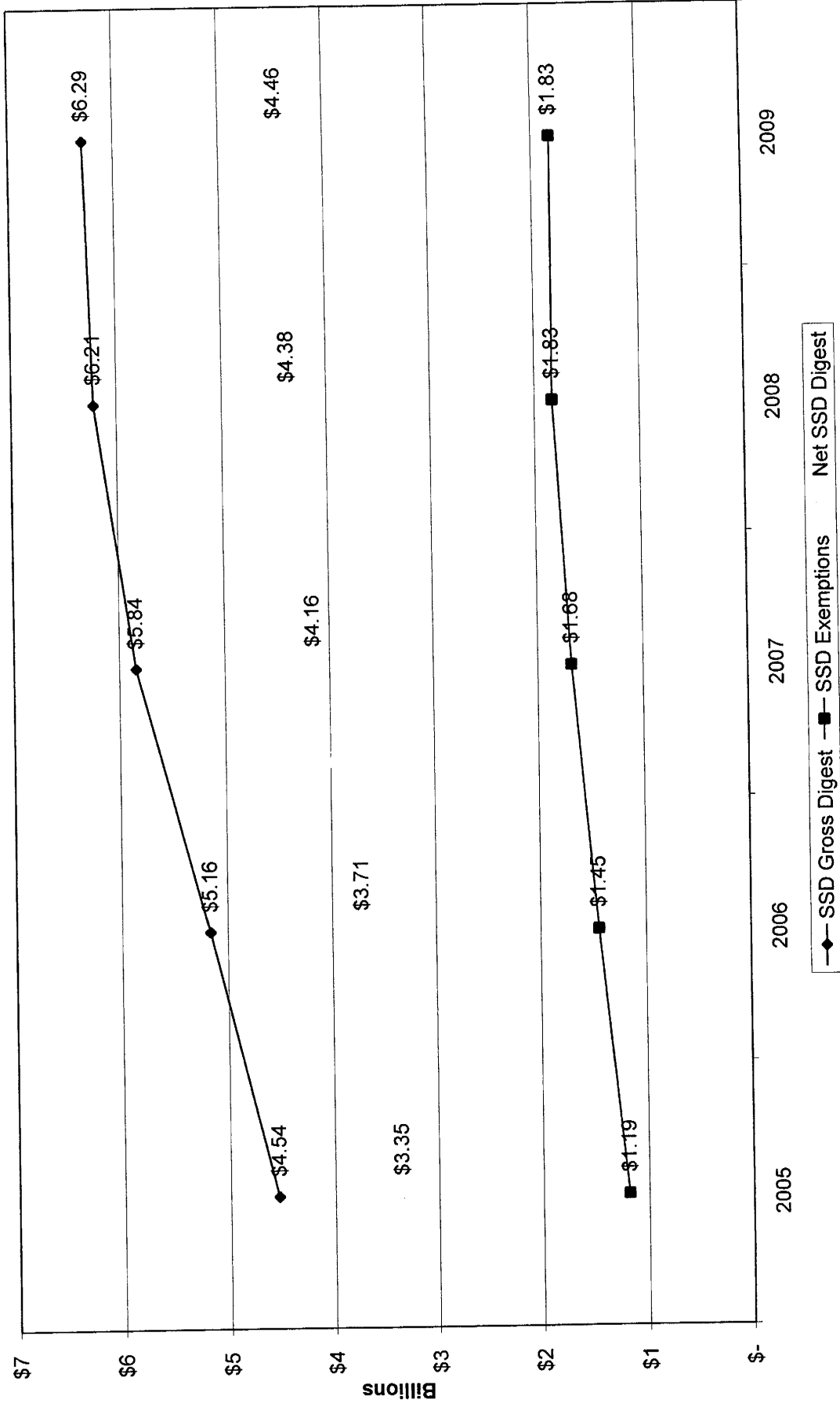
Graphs

The following two graphs outline the gross property tax digest, tax exemptions, and the net property tax digest for the two funds that levy a millage rate:

M&O Digest Change in Dollars



SSD Digest Change in Dollars



LEGAL DEBT MARGIN AND DESCRIPTION OF LONG-TERM OBLIGATIONS

LEGAL DEBT MARGIN

The present constitutional limit on direct general obligation bonds for Chatham County is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service purposes. The unused legal debt margin is computed below:

Total Assessed Value of Taxable Property for year 2009	\$14,605,160,269
Less Exemptions for Bond Purposes (Year 2009)	(\$838,627,070)
Net Assessed Valuation of Taxable Property for Bond Purposes	\$13,766,533,199
10% of Taxable Values	\$1,376,653,319
General Obligation Backed Debt	\$0
Less assets in debt service funds available for payment of principal (June 2009)	\$0
Total deductions	\$0
Unused Legal Debt Margin	\$1,376,653,319

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.

The County's debt policy is found behind the tab "Financial Policies".

LONG TERM OBLIGATIONS

Chatham County has a number of long-term debt obligations. FY2010 principal and interest payments for the County's long term obligations by fund are:

<u>Long-term Obligation</u>	<u>Fund where Annual Debt Service Budgeted</u>	<u>Annual Principal</u>	<u>Annual Interest</u>	<u>Total</u>
Series 1999 DSA Bonds	General Fund	\$ 430,000	\$ 22,038	\$ 452,038
Series 2005A DSA Bonds	General Fund	35,000	274,363	309,363
Series 2005 DSA Bonds	General Fund	3,000,000	808,015	3,808,015
Pollution Control Facilities Financing	General Fund	9,978	0	9,978
Ballfield Lighting System Lease - 2005	General Fund	59,831	3,034	62,865
Mosquito Control Facility	General Fund	82,470	251,040	333,510
First Responder Data System	General Fund	149,006	23,131	172,137
Judiciary File Tracking System	General Fund	84,771	12,298	97,069
Recreation Equipment - 2007	General Fund	36,878	1,564	38,442
Chatham County Hospital Authority Bonds	Debt Service Fund	140,000	44,745	184,745
Excavator - 2007	General Fund	46,197	8,756	54,953
Total Annual Debt Service		\$ 4,074,131	\$ 1,448,984	\$ 5,523,115

A description of each of these obligations is shown:

- (1) **DOWNTOWN SAVANNAH AUTHORITY REVENUE BONDS, SERIES 1999, \$9.3 MILLION**
 In November 1999, the County issued \$9.3 million revenue bonds to finance certain capital improvements and construction projects through the Downtown Savannah Authority. The bonds are limited obligations of the DSA, payable from payments made by the County to the DSA under the provisions of an intergovernmental agreement dated November 1, 1999. The bonds pay interest between 5.1% and 5.875%, depending on the maturity date. These bonds were partially refunded on November 3, 2005 with the Downtown Savannah Authority Revenue Bonds, Series 2005A. As of June 30, 2009, the bonds outstanding totaled \$430,000.

(2) DOWNTOWN SAVANNAH AUTHORITY REVENUE REFUNDING BONDS, SERIES 2005A

The Series 2005A DSA bonds were issued November 3, 2005 to partially refund the DSA Series 1999 bonds. The bonds are limited obligations of the DSA, payable from payments made by the County to the DSA under the provisions of an intergovernmental agreement. The bonds pay interest between 3% and 5%, depending on the maturity date, with a final maturity date on January 1, 2020. As of June 30, 2009 the bonds outstanding totaled \$5,975,000.

(3) DOWNTOWN SAVANNAH AUTHORITY REVENUE REFUNDING AND IMPROVEMENT BONDS (CHATHAM COUNTY PROJECTS), SERIES 2005

The Series 2005 DSA bonds were issued on June 29, 2005 to advance refund the DSA Series 1993 bonds and provide approximately \$12,000,000 for additional capital project needs. The bonds are limited obligations of the DSA, payable from payments made by the County to the DSA under the provisions of an intergovernmental agreement dated June 1, 2005. The bonds pay interest between 3.0% and 4.25%, depending on the maturity date, with a final maturity on January 1, 2026. As of June 30, 2009 the bonds outstanding totaled \$21,135,000.

(4) POLLUTION CONTROL FACILITIES FINANCING

Chatham County, under court order, has agreements with various county municipalities regarding the financing of pollution control facilities. Payments to the City of Pooler currently remain under the obligation, and the payments will be completed in 2018. At June 30, 2009 the amount outstanding totals \$89,802.

(5) BALLFIELD LIGHTING SYSTEM LEASE

On June 10, 2004, Chatham County approved an agreement with G. E. Public Finance, Inc. for the funding of a ballfield lighting system at Charlie Brooks Park. The \$265,000 lease was financed over 60 months at a 4.0% interest rate. The balance payable under the lease at June 30, 2009 was \$94,297, including principal and interest.

(6) MOSQUITO CONTROL FACILITY:

In 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 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 a 7.7 acre site where the facility was built for fifty years. Annual rental is based on the appraised land value multiplied by a 12% factor. Rental rates will be modified every five years based upon a reappraisal of the land. At inception, the agreement specifies an annual land rental of \$36,342.

(7) FIRST RESPONDER DATA SYSTEM:

On January 12, 2007 the County entered into a capital lease agreement with G. E. Capital Finance, Inc. to provide funding for a First Responder Mobile Data System on I-16 and I-95. The principal amount of \$750,000 with an interest rate of 5.32% was financed over a five year period (2007-2012).

(8) JUDICIARY FILE TRACKING SYSTEM:

On April 13, 2007 the County entered into a capital lease agreement with G. E. Capital Public Finance, Inc. To provide funding for a radio frequency ID File Tracking System and equipment for scanning of criminal case files. The principal amount of \$425,000 with an interest rate of 4.99% was financed over a five year period (2007-2012).

(9) RECREATION EQUIPMENT - 2007

On January 12, 2007 the County entered into a capital lease agreement with G. E. Capital Finance, Inc to provide funds for turf equipment for Charlie Brooks Park. The principal amount of \$106,000 with an interest rate of 5.63% was financed over a three year period (2008-2010).

(10) CHATHAM COUNTY HOSPITAL AUTHORITY BONDS

On April 28, 1993 the Chatham County Hospital Authority issued \$2.245 million revenue bonds to provide funds for land acquisition and construction for public health facilities within Chatham County. The bonds are limited obligations of the Hospital 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. Final maturity occurs January 1, 2014. The bonds pay interest between 3.5% and 5.7%, depending on the maturity date. As of June 30, 2009 the bonds outstanding totaled \$920,000.

(11) EXCAVATOR - 2007

On December 7, 2007 the County entered into a capital lease agreement with G. E. Capital Finance, Inc to provide funds for an excavator for Mosquito Control. The principal amount of \$238,000 with an interest rate of 4.8% was financed over a five year period (2007 - 2013).

SHORT TERM DEBT:

Because the majority of property tax revenue is not received by the County until November of each year, Chatham County has relied on short-term borrowing for cash flow purposes. The table below reviews the County's short-term borrowing experience since 1999.

Short Term Borrowing						
<u>Year</u>	<u>Type</u>	<u>Principal</u>	<u>Interest Exp.</u>			
1999	Actual	TAN \$ 29,500,000	\$ 550,367			
2000	Actual	TAN \$ 11,300,000	\$ 196,967	(1)		
2000/01	Actual	TAN \$ 12,800,000	\$ 507,352			
2001/02	Actual	TAN \$ 11,300,000	\$ 276,607			
2002/03	Actual	INTERFUND LOAN \$ 11,400,000	(2) \$ 140,000			
2003/04	Actual	TAN \$ 0	\$ 55,800			
2004/05	Actual	INTERFUND LOAN \$ 17,000,000	(3) \$ 40,674			
2005/06	Actual	INTERFUND LOAN \$ 8,200,000	(4) \$ 3,110			
2006/07	Actual	NONE \$	(5) \$ N/A			
2007/08	Actual	NONE \$	(6) \$ N/A			
2008/09	Actual	NONE \$	(7) \$ N/A			

1- For six months only January 1, 2000 to June 30, 2000

2 - Repaid December 2003

3 - This includes 3 different interfund loans \$9,000,000, \$5,000,000, \$3,000,000

4 - This includes 3 different interfund loans \$6,000,000, \$2,000,000, \$200,000

5 - There was no short term borrowing in FY 2006/2007.

6 - There was no short term borrowing in FY 2007/2008.

7 - There was no short term borrowing in FY2008/2009.