COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Pooler, Georgia
For the Year Ended December 31, 2010

Prepared by:
Finance Department


CITY OF POOLER, GA
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1907

City of Pooler, Georgia

Comprehensive Annual Financial Report

Table of Contents

For the Year Ended December 31, 2010

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	A - 1
Principal Officials	A - 6
Organizational Chart	A - 7
Certificate of Achievement for Excellence in Financial Reporting	A - 8
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	B - 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	C - 1
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Assets	D - 1
Statement of Activities	D - 2
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	D - 4
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	D - 5
Statement of Revenues, Expenditures, and Changes in Fund Balances	D - 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D - 7
Proprietary Funds:	
Statement of Net Assets - Water and Sewer Enterprise Fund	D - 8
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Water and Sewer Enterprise Fund.	D - 9
Statement of Cash Flows - Water and Sewer Enterprise Fund	D - 10
Fiduciary Funds:	
Statement of Net Assets	D - 11
NOTES TO THE BASIC FINANCIAL STATEMENTS	D - 12
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:	
Budgetary Comparison Schedule - General Fund	E - 1
Notes to Required Supplementary Information	E - 2
Schedule of Funding Progress - Pension Plan	E - 3
Schedule of Funding Progress - Other Postemployment Benefits Plan	E - 4
SUPPLEMENTARY DATA - Fund Schedules and State Mandated Program Information:	
Budgetary Comparison Schedules - Nonmajor Governmental Funds:	
Special Revenue Funds:	
Hotel - Motel Fund	F - 1
Statement of Changes in Assets and Liabilities - Municipal Court Fund	F - 2
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	F - 3
Schedule of Required Expenditures Generated by the Hotel/Motel Tax	F - 4

City of Pooler, Georgia

Comprehensive Annual Financial Report

Table of Contents

For the Year Ended December 31, 2010

PAGE

STATISTICAL SECTION

FINANCIAL TRENDS:

Net Assets by Component - Last Seven Calendar Years ..... G - 2
Changes in Net Assets - Last Seven Calendar Years ..... G - 3
Fund Balances, Governmental Funds - Last Ten Calendar Years ..... G - 5
Changes in Fund Balances, Governmental Funds - Last Ten Calendar Years ..... G - 6
Schedule of Tax Revenues and Franchise Fees - Last Ten Calendar Years ..... G - 8

REVENUE CAPACITY:

Assessed and Actual Value of Taxable Property - Last Ten Calendar Years ..... G - 9
Direct and Overlapping Property Tax Rates - Last Ten Calendar Years ..... G - 11
Principal Property Taxpayers - Current Year and Eight Years Ago ..... G - 12
Property Tax Levies and Collections - Last Ten Calendar Years ..... G - 13

DEBT CAPACITY:

Ratios of Outstanding Debt by Type - Last Ten Calendar Years ..... G - 14
Ratios of Net General Bonded Debt Outstanding - Last Ten Calendar Years ..... G - 15
Direct and Overlapping Governmental Activities Debt ..... G - 16
Legal Debt Margin Information - Last Ten Calendar Years ..... G - 17

DEMOGRAPHIC AND ECONOMIC INFORMATION:

Demographic and Economic Statistics - Last Ten Calendar Years ..... G - 18
Principal Employers - Current Year and Nine Years Ago ..... G - 19

OPERATING INFORMATION:

Full Time City Employees by Function/Program - Last Ten Calendar Years G-20
Operating Indicators by Function - Last Ten Calendar Years G-21
Capital Asset Statistics by Function - Last Ten Calendar Years G-22

COMPLIANCE SECTION:

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards H-1

INTRODUCTORY SECTION


CITY OF POOLER, GA
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CITY OF POOLER

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Pooler, Georgia 31322
(912) 748-7261
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Mayor
Michael F. Lamb

CITY COUNCIL

Bruce Allen
Rebecca C. Benton
Shannon Black
David M. Burke
Mike Royal
Stevie E. Wall

Robert H. Byrd, Jr. - City Manager

Steve Scheer - City Attorney

April 20, 2011

Honorable Mayor,
Members of Council, and Citizens
City of Pooler

The City Manager's office is pleased to submit the Comprehensive Annual Financial Report for the City of Pooler for the year ended December 31, 2010. The purpose of this report is to provide the Council, management, staff, the public and other interested parties with detailed information reflecting the City's financial condition. This report also satisfies the state law to publish an annual audit within six months of the close of each fiscal year. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the City. To meet these responsibilities management has established a comprehensive framework of internal control. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Karp, Ronning & Tindol, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Pooler's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Government

The City of Pooler is located in Chatham County, Georgia 10 miles west of the City of Savannah. The City encompasses an area of approximately 31 square miles and has a current population of 19,140.

The City Council appoints a City Manager to manage the City on a daily basis and implement the policies and programs enacted by the Council. The City Council also appoints a City Clerk and a Finance Officer.

The City provides a full range of municipal services, including general government, public safety (police and fire), recreation, street and drainage maintenance, code enforcement, solid waste collection and disposal, and water and sewer utilities.

The criteria used by the City for including activities in preparing its financial statements are set forth in GASB Statement No. 14. Based on these criteria, all municipal services listed above are included in the City's financial statements. In addition, the Pooler Development Authority is considered to be a component unit of the City and is treated as such in the City's financial statements.

The City Council adopts and reports annual budgets for its general and special revenue funds as required by state law. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.

Local Economy

Over the past ten years, the City of Pooler has experienced unprecedented growth. In 2000, the US Census Bureau estimated the population of Pooler to be 6,239. As of the 2010 Census, the population more than tripled. Several new communities have been developed in Pooler which has also sparked commercial development and employment opportunities. The geographical location of the City combined with quality of life benefits that Pooler has to offer contributed to the growth.

Although the City is still optimistic about additional growth and development in Pooler, the past three fiscal years have seen a decline in residential development brought about by the current economic downswing that is common throughout the entire country. Over the previous ten years, the City issued an average of 467 residential construction permits and 50 commercial construction permits annually. In 2010, residential permitting was down to 174 permits which was a 16% decline from the 207 permits issued last year for new residential construction. However, the number of commercial construction permits issued increased from 36 in 2009 to 50 in 2010 and is consistent with the previous 10 year average. The City continues to issue permits to office complexes, fast food establishments, medical and dental clinics, and restaurants.

The City of Pooler has 12 hotels to offer the traveling public on Interstate 95. In 2010, the City had an average annual occupancy of 65 percent. The City received $562,207 in hotel excise tax in 2010 which was 6.7% lower than revenue collected in the previous year. The revenue from this tax has been decreasing over the past 5 years, which is another indication of the current economic conditions. The City has also seen declines in Local Option Sales Tax collections. LOST collections in 2010 were $1,847,965 compared to $2,050,733 in 2007, nearly a 10% decrease. However, the City issued 1,218 business licenses in 2010 which is a slight increase (2.7%) from the previous year in which only 1,186 business licenses were issued.

Due to the increase in population over the past few years, the City of Pooler has been attracting several family entertainment-oriented businesses. In 2010, two movie theatres opened in Pooler, and plans scheduled for 2011 include a 14-acre water park to be built near the new bowling alley, as well as a skating rink. The large number of residents moving to Pooler also resulted in a Publix grocery store opening in 2010 along Pooler Parkway. Future plans tentatively include another grocery store, additional restaurants, as well as a nationally recognized drugstore. All of these projects will help to stimulate the economy in Pooler, as well as make the city a more attractive place for families to reside.

In 2009, the State of Georgia decided to sell multiple parcels located at the 1500-acre "Mega Site" along I-16 rather than continue to market to one manufacturing business. The Savannah Economic Development Authority leased a 119-acre parcel on the "Mega Site" to Mitsubishi Power Systems America, Inc. in September of 2009 on which the company intends to build a manufacturing facility for the production of advanced steam and gas turbines and to service turbines and related components for power generation.

Construction of Phase 1 of the facility has already begun, with 2 more phases to be constructed later. In 2011, construction will begin on a rail spur from the CSX line to help facilitate distribution of products manufactured at the new facility. Mitsubishi expects to hire approximately 200 employees in the first 2 years including engineers, skilled tradespeople and administrative staff. By 2015, the company expects to have nearly 500 positions at the facility. Currently, the major employers for the residents of Pooler continue to be Gulfstream Aerospace and International Paper.

Long-term Financial Planning

Adherence to the City's financial planning, revenue, and expenditure policies has allowed the City to maintain a general fund unreserved fund balance of approximately $7.6 million or 71% of the general fund's current expenditures. Management believes this balance will be vital in the financial planning for the future of the City of Pooler.

Major Initiatives

The City has taken necessary steps to assure quality growth. Infrastructure improvements to the water and sewer system have been made to accommodate the influx of new residents. Currently, engineering design work, as well as various construction projects, are underway for the expansion of Pooler's state of the art wastewater treatment plant. This expansion will increase the City's treatment capacity from 2.5 to 3.34 millions of gallons per day.

Effluent from the treatment plant is being pumped through re-use lines to the local golf course and the City's newly constructed recreation complex. The first phase of the complex was opened in April of 2009. At build-out, the complex will be one of the largest recreation facilities in this area and will have the potential to host regional tournaments and bring people from surrounding areas to Pooler. The benefit to our local restaurants and hotels makes this prospect very attractive to the City.

As noted in prior years, City Council has adopted zoning ordinances which encourage planned developments for those property owners of large tracts of land. By professionally planning these projects, the owner can maximize the full potential of their land, and the City can accurately prepare for growth. Currently there are six different planned communities within the City's limits. Savannah Quarters to the south includes a golf community, a retirement village, and a master planned commercial/retail development. The Jabot Tract, also on the south end of town, has been master planned for up-scale single-family, multi-family and commercial developments. The Morgan Tract, located on the north side of Pine Barren Road, has primarily light industrial zoning planned due to its close proximity to the Pooler Parkway, Interstate I-16 and I-95 and the Central of Georgia railroad. Some multi-family and commercial development is also proposed. And Godley Station, located to the north, includes retail shopping developments and single- and multi-family residential developments. Godley Station at build-out will include approximately 1,500 single-family homes. The 589 acre Morgan Lakes PUD is located on the north side of Jimmy DeLoach Parkway and consists of a mixture of single-family and multi-family town homes. Our newest PUD is the 717.5 acre Wynn-Capallo tract located on the north and south side of Jimmy DeLoach Parkway. This mixed-use development includes commercial/retail and approximately 764 developmental units.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Pooler for its comprehensive annual financial report for the year ended December 31, 2009. This was the ninth year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must establish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report could not have been completed without the assistance of the entire administrative staff in various departments of the City. We would like to especially acknowledge the dedicated services and help of the staff members in the Finance Department. The Finance staff members are key components in the maintenance of the City's accounting systems and records, and their contributions are invaluable.

Respectfully submitted,

Robert H. Byrd, Jr.
City Manager

Michelle McNeely
Finance Officer


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City of Pooler, Georgia

List of Principal Officials

December 31, 2010

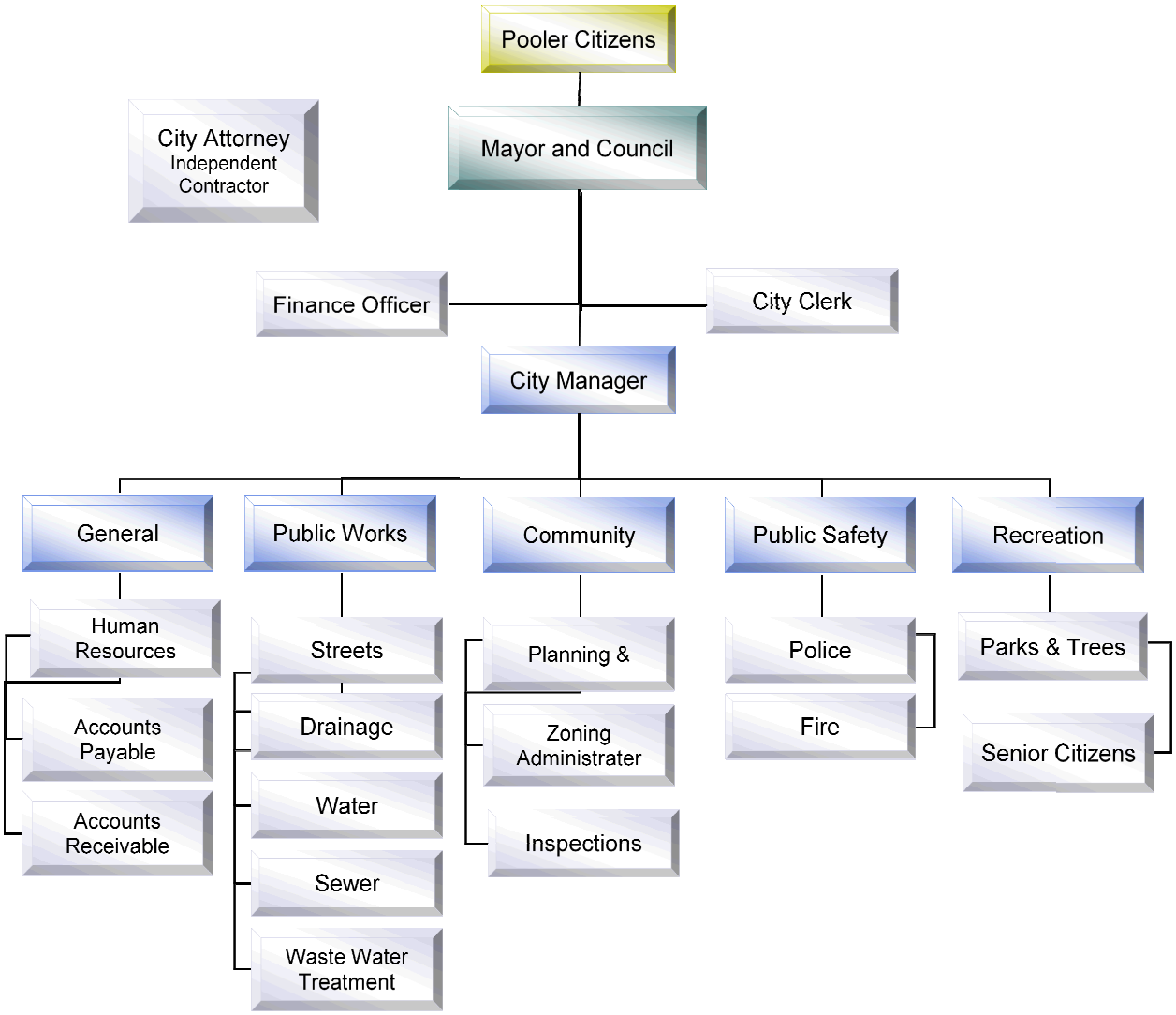
City Hall
(912) 748-7261
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Mayor	Michael F. Lamb
City Manager	Robert H. Byrd, Jr.
City Clerk	Maribeth Lindler
Finance Officer	Michelle McNeely
Chief of Police	Mark Revenew
Chief of Fire	Wade Simmons
Director of Public Works	Matt Saxon
Director of Recreation	Hugh Elton
Director of Human Resources	Julie Moore
City Attorney	Steven E. Scheer

City Council Members

Bruce Allen, Mayor Pro-Tem	Chair - Building and Zoning
Mike Royal	Chair - Public Safety
Rebecca Benton	Chair - Streets and Drainage
Shannon Black	Chair - Recreation
David Burke	Chair - Finance
Stevie E. Wall	Chair - Water and Sewer

City of Pooler, Georgia
Organizational Chart
December 31, 2010



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pooler

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 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.



President

Executive Director


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FINANCIAL SECTION


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KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
City Council
City of Pooler, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of the City of Pooler, Georgia, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pooler, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 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 provides a reasonable basis for our opinions.

In our opinion, 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 discretely presented component unit, each major fund, and the remaining fund information of the City of Pooler, Georgia, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof 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 April 15, 2011 on our consideration of the City of Pooler, Georgia'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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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 basic 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.

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Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Pooler, Georgia's basic financial statements. The introductory section, the supplementary data – fund schedules and state mandated program information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary data – fund schedules and state mandated program information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Karp, Ronning & Tindol, P.C.

April 15, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of the financial performance of the City of Pooler provides an overview of the City's financial activities for the calendar year ended December 31, 2010. The intent of the management discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

The reporting model used by the City of Pooler is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1) Government-wide financial statements including the Statement of Net Assets and the Statement of Activities which provide a broad, long-term overview of the City's finances.

2) Fund financial statements, including the balance sheets, that provide a greater level of detail of revenues and expenditures and focus on how well the City has performed in the short term in the most significant funds, and

3) Notes to the financial statements.

This report presents the financial highlights for 2010 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at December 31, 2010 by $44,104,224 (net assets). Of this amount, $20,560,490 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased $1,697,342 from the previous year. This increase consists of $1,168,855 from Governmental Activities and $528,487 from Business-Type Activities.
- Key factors resulting in the increase include:
    - The net assets of governmental activities increased partly due to a change in the payment schedule of Georgia Power's franchise fees which resulted in an increase in revenues from 2009 to 2010 of nearly $500,000. In addition, the city received just over $800,000 in federal and state funds for improving the city's fire department operations and installing traffic signals, respectively.
    - The increase in net assets of business-type activities was realized due to a 5% increase in water and sewer fees in 2010.
- At December 31, 2010 the City's governmental funds balance sheet reported a combined ending fund balance of $9,432,273, an increase of $394,247 from the previous calendar year. The increase resulted from the intergovernmental funds received that were mentioned previously and an overall reduction in spending realized in 2010. Of the combined fund balance, $9,410,438 remains in the various fund types of the City as unreserved.
- The General Fund reported an unreserved fund balance of $7,603,418, which is an approximate increase over 2009 of $476,401.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled $44.1 million at December 31, 2010.

The following table presents a summary of the City's Net Assets at December 31, 2010:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	$ 11,872,894	$ 11,007,628	13,051,602	$ 14,191,416	$ 24,924,496	$ 25,199,044
Capital assets, net	13,018,234	12,697,686	31,836,859	31,453,777	44,855,093	44,151,463
Total assets	24,891,128	23,705,314	44,888,461	45,645,193	69,779,589	69,350,507
Current liabilities	356,929	391,118	410,283	752,028	767,212	1,143,146
Noncurrent liabilities	6,329,168	6,278,020	18,578,985	19,522,459	24,908,153	25,800,479
Total liabilities	6,686,097	6,669,138	18,989,268	20,274,487	25,675,365	26,943,625
Net assets:						
Invested in capital assets, net of related debt	7,684,621	7,047,370	13,321,328	11,988,584	21,005,949	19,035,954
Restricted	1,804,340	1,881,686	733,445	1,103,235	2,537,785	2,984,921
Unrestricted	8,716,070	8,107,120	11,844,420	12,278,887	20,560,490	20,386,007
Total net assets	$ 18,205,031	$ 17,036,176	$ 25,899,193	$ 25,370,706	$ 44,104,224	$ 42,406,882

The largest portion of the City's net assets (47.6%) represents its investment in capital assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The second largest portion of the City's total net assets (46.6%) reflects unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets. The remaining balance of total net assets contains resources that are subject to external restrictions on how they may be used, such as SPLOST money and contributions from private developers restricted for debt service on GEFA loans.

At the end of the current calendar year, the City is able to report positive balances in all three categories of net assets for the government as a whole. Positive balances are reported for the City's separate governmental and business-type activities.

In the City's business-type activities, net assets invested in capital assets increased approximately $1.3 million due to the installation of sewer infrastructure and the expansion of the Public Works building, as well as the addition of miscellaneous equipment.

The City's total net assets increased nearly $1.7 million from 2009 to 2010. Net assets in governmental activities increased $1,168,855 which accounts for 69% of the increase. This increase is attributable to the increase in franchise fee collections, as well as the addition of a new fire truck along with retirement of other debt in 2010. The remainder of the growth in total net assets resulted from a 5% water and sewer rate increase in the business-type activities fund.

Changes in Net Assets

The following table presents a summary of the changes in net assets for the year ended December 31, 2010:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	$ 2,133,428	$ 1,723,030	$ 4,747,291	$ 4,065,215	$ 6,880,719	$ 5,788,245
Operating grants and contributions	537,167	102,329	-	-	537,167	102,329
Capital grants and contributions	316,245	142,000	1,154,287	1,430,242	1,470,532	1,572,242
General Revenues:						
Property and sales taxes	5,437,911	7,279,847	-	-	5,437,911	7,279,847
Selective sales and use taxes	2,893,335	1,068,824	-	-	2,893,335	1,068,824
Business taxes	555,497	653,599	-	-	555,497	653,599
Other taxes	12,314	-	-	-	12,314	-
Unrestricted grants and contributions	199,578	107,892	-	-	199,578	107,892
Other	85,960	57,425	62,631	76,080	148,591	133,505
Total revenues	12,171,435	11,134,946	5,964,209	5,571,537	18,135,644	16,706,483
Expenses:						
General government	679,957	1,111,240	-	-	679,957	1,111,240
Public safety	4,593,471	4,582,679	-	-	4,593,471	4,582,679
Public works	2,896,229	2,644,005	-	-	2,896,229	2,644,005
Health and welfare	189,957	177,029	-	-	189,957	177,029
Culture and recreation	1,763,580	2,091,260	-	-	1,763,580	2,091,260
Housing and development	649,072	681,187	-	-	649,072	681,187
Interest on long-term debt	230,314	245,443	-	-	230,314	245,443
Water and sewer	-	-	5,435,722	5,899,528	5,435,722	5,899,528
Total expenses	11,002,580	11,532,843	5,435,722	5,899,528	16,438,302	17,432,371
Change in net assets	1,168,855	(397,897)	528,487	(327,991)	1,697,342	(725,888)
Net assets - beginning	17,036,176	17,434,073	25,370,706	25,698,697	42,406,882	43,132,770
Net assets - ending	$ 18,205,031	$ 17,036,176	$ 25,899,193	$ 25,370,706	$ 44,104,224	$ 42,406,882

Approximately 49% of the City's total revenue in 2010 came from taxes and 38% came from user charges, while the remainder resulted from various operating grants and capital contributions. The City's expenses cover a range of services. The largest expenses were for water and sewer, public safety, public works, and culture and recreation. Although the water and sewer departments contributed to the largest portion of expenses in 2010 (33%), these departments had fewer expenses than in 2009 mostly due to attrition and a hiring freeze instituted in 2009. There was no significant change in the costs associated with Public Safety from 2009 to 2010, however, Public Works saw a 10% increase in expenses from $2,644,005 in 2009 to $2,896,229 in 2010 mostly due to rising energy costs as well as a contractual increase in the cost of solid waste removal. Culture and Recreation expenses decreased from $2,091,260 in 2009 to $1,763,580 in 2010 also due to attrition and the hiring freeze, as well as a more efficient approach to managing the various departments that make up the Culture and Recreation function.

The total excess of revenues over expenditures in 2010 totaled $1,697,342. The key factors for the increase in total net assets were discussed earlier in the financial highlights section.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City utilizes 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 available resources. The governmental fund types include the general fund, capital projects (Special Purpose Local Option Sales Tax Fund) fund and a special revenue fund. The General Fund and the Capital Projects Fund are reported as the City's major funds. The remaining fund of the City is presented as an Other Governmental Fund. As of December 31, 2010, the City governmental funds reported a combined fund balance of $9,432,273, an increase of $394,247 from the prior year's combined balance. The General Fund has a reserved total of $21,835 of the fund balance to meet commitments for public safety programs.

Governmental funds are reported on pages D-4 through D-7.

General Fund

The general fund is the chief operating fund of the City. At December 31, 2010 the total fund balance in the general fund was $7,625,253. The total amount of unreserved fund balance for the general fund was $7,603,418.

One measure of the general fund's liquidity is to compare its unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance and total fund balance represents 70.8% and 71% of total general fund expenditures respectively.

The fund balance of the general fund increased $468,913 during the 2010 fiscal year with expenditures remaining consistent from the previous year. Revenue collections also remained consistent from last year, however, the increase in the fund balance resulted primarily from federal grants for fire operations and equipment, as well as state funds for the installation of two traffic signals.

Special Purpose Local Option Sales Tax Fund

The Capital Projects Fund had a total fund balance of $1,807,020 at the end of 2010 which must be used for special purpose local option sales tax projects. The fund balance decreased $74,666 due to various SPLOST-related expenditures for drainage, recreation, and a project to install new sidewalks along Pooler Parkway. An additional expenditure of $166,950 from the SPLOST fund was made in 2010 for debt service on revenue bonds issued in 2007 for the recreation park. The City collected $199,578 in SPLOST revenue from Chatham County towards the end of 2010 after the delayed payment schedule created in the current SPLOST agreement was completed.

Proprietary Funds

Proprietary fund statements provide the same information as in the business activities column of the government-wide statements, only in greater detail. The City currently utilizes only one enterprise fund at this time in the proprietary fund financial statements, the Water and Sewer enterprise fund. An enterprise fund is required to be used to account for the operations for which a fee is charged to external users for goods or services.

At December 31, 2010, total net assets amounted to $25,899,193 for the enterprise fund compared to $25,370,706 at December 31, 2009. The change in net assets (an increase of $528,487) can be attributed to the 5% increase in water and sewer fees in 2010, as well as an overall attempt to reduce expenses.

The enterprise fund is reported on pages D-8 through D-10.

Fiduciary Funds

The City of Pooler operates only one fiduciary fund which represents the Municipal Court function. This fund does not report a fund balance since all of the reportable assets are monies owed to other entities. In the Municipal Court fund, liabilities at year end totaled $144,741 which represents monies owed to other governmental agencies and monies owed to others, such as bond refunds.

The fiduciary fund is reported on page D-11.

CAPITAL ASSETS

The Statement of Net Assets presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. At December 31, 2010, the City's net capital assets for both governmental activities and business-type activities totaled $44,855,093. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital Assets increased $703,630, or 2%, from what was reported at the end of 2009.

Major capital asset events during the year included the following:

- Construction of a sewer force main near I-16 at Savannah Quarters totaling $259,182.
- Installation of a transmission tower for the sewer system totaling $168,565.
- Addition of a Pierce Fire Truck in the amount of $399,502.
- General equipment purchase of approximately $165,000 for the public safety function.
- Installation of 2 new traffic signals on Pooler Parkway totaling $371,665.

Additional information on the City's capital assets can be found in Note 2E on page D-20 to D-21.

DEBT ADMINISTRATION

The long-term liabilities at December 31, 2010 totaled $24,165,892. Of this amount, $5,586,907 represents the governmental activities and $18,578,985 represents the business-type activities.

Overall, long-term liabilities decreased from 2009 by $1,260,392. The only addition to long-term liabilities in 2010 (other than compensated absences) was a lease-purchase agreement in governmental activities for 2 new police cruisers totaling $42,281. Business-type activities realized a reduction of $943,474 in long-term liabilities mostly due to payments being made on GEFA loans using revenue received through the collection of capital cost recovery fees from residential and commercial development.

Additional information on the City's debt can be found in Note 2G on page D-22 and D-24.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary comparison schedule of the General Fund is provided as required supplementary information other than MD&A and can be found on pages E-1 and E-2. Additional budgetary comparison schedules of the special revenue fund can be found within other supplementary information on page F-1. Budget columns are provided for both the original budget adopted for calendar year 2010 as well as the final budget. A column for actual resources (revenues), appropriations (expenditures), and a column for any variance between final budget and actual are also provided. Resources and appropriations are discussed net of transfer in or out.

The overall operations of the City are similar to directing a large multi-million dollar business. Budget amendments are approved throughout the year to more accurately reflect the ongoing changes and to abide by state laws. The original budget was adopted on December 21,2009.

During the year there was a $654,379 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- Installation of 2 traffic signals along Pooler Parkway
- Engineering design costs associated with the development of 3 new fire stations to be constructed in 2011

Total revenue and other financing sources actually recorded for this calendar year were $11,215,299, which is $159,730 more than the final budget amount.

Explanations for individual major category variances in resources are as follows:

- Revenue from property taxes was approximately $50,000 more than what was budgeted. In 2010, the City of Pooler entered into an agreement with Chatham County for property tax billing and collection which made the actual revenue stream more difficult to predict.
- Local Option Sales Tax collections amounted to $36,000 more than the budgeted amount as a result of the changing economy.
- Also as a result of an economy that is very difficult to predict, alcohol beverage licenses, business regulatory fees, and building permits totaled over $14,000 more than the budgeted amount collectively.

The total appropriations (expenditures) actually recorded for the calendar year were $10,746,386. This figure is $309,183 less than the final budgeted figure. Individual major category variances in expenditures and explanations are as follows:

- Police expenditures for salaries and benefits were less than what was budgeted due to administrative changes and employee turnover.
- The Fire department was able to purchase budgeted equipment at a discounted cost and therefore expenditures were less than what was budgeted.
- The Parks and Trees department expended less money than what was budgeted by finding more efficient ways to perform the duties of this department, such as combining general duties with those of the Recreation department.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a general fund budget of $12,722,167 for the calendar year 2011. This budget includes approximate expenditures of $1.5 million to construct 3 new fire stations in an effort to improve the City's ISO rating. Options for funding construction include a low-interest loan from the United States Department of Agriculture or Georgia Municipal Association financing. The City will continually look for new ways in the future to reduce the reliance on one-time revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for the governmental operations of the City of Pooler. It is designed for anyone with an interest in our government's finances and management. Questions concerning any of the information provided in this report or requests for additional information may be addressed to the City of Pooler, Finance Officer, 100 Highway 80 SW, Pooler, Georgia 31322.


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BASIC FINANCIAL STATEMENTS


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GOVERNMENT-WIDE FINANCIAL STATEMENTS


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City of Pooler, Georgia

Statement of Net Assets

December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pooler Development Authority
ASSETS				
Cash and cash equivalents	$ 8,863,674	$ 3,591,102	$ 12,454,776	$ 110,993
Receivables	2,745,144	822,432	3,567,576	-
Internal balances	159,473	(159,473)	-	-
Inventories	-	5,500	5,500	-
Prepaid items	61,729	19,206	80,935	-
Restricted assets				
Cash and cash equivalents	18	8,772,835	8,772,853	-
Bond issuance costs, net of accumulated amortization	42,856	-	42,856	-
Capital assets:				
Land, improvements, and construction in progress	2,185,509	1,428,797	3,614,306	-
Other capital assets, net of depreciation	10,832,725	30,408,062	41,240,787	-
Total assets	24,891,128	44,888,461	69,779,589	110,993
LIABILITIES				
Accounts payable and other current liabilities	285,978	181,948	467,926	-
Accrued interest	59,634	104,923	164,557	-
Unearned revenue	4,500	-	4,500	
Other liabilities	7,867	123,412	131,279	-
Long-term liabilities:				
Due within one year	1,211,546	1,032,059	2,243,605	-
Due in more than one year	4,375,361	17,546,926	21,922,287	-
Net OPEB obligation	741,211	-	741,211	-
Total liabilities	6,686,097	18,989,268	25,675,365	-
NET ASSETS				
Invested in capital assets, net of related debt	7,684,621	13,321,328	21,005,949	-
Restricted for:				
Capital projects	1,804,340	-	1,804,340	-
Debt service	-	733,445	733,445	-
Unrestricted	8,716,070	11,844,420	20,560,490	110,993
Total net assets	$ 18,205,031	$ 25,899,193	$ 44,104,224	$ 110,993

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

City of Pooler, Georgia

Statement of Activities

For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 679,957	$ 385,268	$ 2,725	$ -
Public safety	4,593,471	534,095	523,692	-
Public works	2,896,229	1,067,061	-	316,114
Health and welfare	189,957	4,368	-	-
Culture and recreation	1,763,580	142,636	10,750	131
Housing and development	649,072	-	-	-
Interest on long-term debt	230,314	-	-	-
Total governmental activities	11,002,580	2,133,428	537,167	316,245
Business-type activities:				
Water and Sewer	5,435,722	4,747,291	-	1,154,287
Total business-type activities	5,435,722	4,747,291	-	1,154,287
Total primary government	$ 16,438,302	$ 6,880,719	$ 537,167	$ 1,470,532
Component Unit				
Pooler Development Authority	$ 3,843	$ 24,452	$ -	$ -

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales taxes for general purposes

Selective sales and use taxes

Business taxes

Other taxes

Grants and contributions not restricted to specific programs:

Special Purpose Local Option Sales Tax

Unrestricted investment earnings

Gain on sale of capital assets/insurance recoveries

Miscellaneous

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Pooler Development Authority
$ (291,964)		$ (291,964)	
(3,535,684)		(3,535,684)	
(1,513,054)		(1,513,054)	
(185,589)		(185,589)	
(1,610,063)		(1,610,063)	
(649,072)		(649,072)	
(230,314)		(230,314)	
(8,015,740)		(8,015,740)	
-	$ 465,856	465,856	
-	465,856	465,856	
(8,015,740)	465,856	(7,549,884)	
			$ 20,609
5,437,911	-	5,437,911	-
1,847,966	-	1,847,966	-
1,045,369	-	1,045,369	-
555,497	-	555,497	-
12,314	-	12,314	-
199,578	-	199,578	-
10,319	62,631	72,950	352
44,129	-	44,129	-
31,512	-	31,512	-
9,184,595	62,631	9,247,226	352
1,168,855	528,487	1,697,342	20,961
17,036,176	25,370,706	42,406,882	90,032
$ 18,205,031	$ 25,899,193	$ 44,104,224	$ 110,993


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FUND FINANCIAL STATEMENTS


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City of Pooler, Georgia

Balance Sheet

Governmental Funds

December 31, 2010

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Hotel / Motel	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 7,129,292	1,734,400	$ -	$ 8,863,692
Receivables	2,629,274	80,860	35,010	2,745,144
Due from other funds	176,978	-	-	176,978
Prepaid items	61,729	-	-	61,729
Total assets	$ 9,997,273	$ 1,815,260	$ 35,010	$ 11,847,543
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 212,467	$ 8,240	$ 17,505	$ 238,212
Salaries and wages payable	47,766	-	-	47,766
Due to other funds	-	-	17,505	17,505
Other liabilities	12,367	-	-	12,367
Deferred revenue	2,099,420	-	-	2,099,420
Total liabilities	2,372,020	8,240	35,010	2,415,270
Fund balances:				
Reserved for:				
Public safety	21,835	-	-	21,835
Unreserved, reported in:				
General fund	7,603,418	-	-	7,603,418
Capital projects fund	-	1,807,020	-	1,807,020
Total fund balances	7,625,253	1,807,020	-	9,432,273
Total liabilities and fund balances	$ 9,997,273	$ 1,815,260	$ 35,010	$ 11,847,543

City of Pooler, Georgia

Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities

December 31, 2010

Amounts reported for governmental activities in the statement of net assets are different because:		
Total Governmental Fund Balances		$ 9,432,273
Some receivables are not available to pay for current period expenditures therefore related revenues are deferred in the governmental fund financial statements		2,099,420
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds (net of accumulated depreciation of $5,192,082)		13,018,234
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet:		
Contractual obligations	(4,500,000)	
Unamortized bond issuance costs	42,856	
Capital lease obligations	(833,613)	
Compensated absences	(253,294)	
Accrued interest payable	(59,634)	(5,603,685)
Net OPEB liability not reported in the fund statements		(741,211)
Net Assets of Governmental Activities		$ 18,205,031

City of Pooler, Georgia

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2010

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Fund - Hotel / Motel	Total Governmental Funds
Revenues:				
Taxes	$ 7,773,761	$ -	$ 562,208	$ 8,335,969
Licenses and permits	385,268	-	-	385,268
Intergovernmental	869,064	199,578	-	1,068,642
Charges for services	1,254,534	-	-	1,254,534
Fines and forfeitures	493,626	-	-	493,626
Investment	8,545	2,383	-	10,928
Miscellaneous	62,987	-	-	62,987
Total revenues	10,847,785	201,961	562,208	11,611,954
Expenditures:				
Current:				
General government	641,067	-	-	641,067
Public safety	4,719,860	-	-	4,719,860
Public works	3,123,455	-	-	3,123,455
Health and welfare	178,518	-	-	178,518
Culture and recreation	1,325,487	-	-	1,325,487
Housing and development	346,846	-	281,104	627,950
Capital Outlay	-	109,677	-	109,677
Debt Service:				
Principal	358,983	-	-	358,983
Interest and other charges	52,170	166,950	-	219,120
Total expenditures	10,746,386	276,627	281,104	11,304,117
Excess (deficiency) of revenues over (under) expenditures	101,399	(74,666)	281,104	307,837
Other financing sources (uses):				
Transfers in	281,104	-	-	281,104
Transfers out	-	-	(281,104)	(281,104)
Sale of capital assets/insurance recoveries	44,129	-	-	44,129
Capital leases	42,281	-	-	42,281
Total other financing sources (uses)	367,514	-	(281,104)	86,410
Net Changes in fund balances	468,913	(74,666)	-	394,247
Fund balances at beginning of year	7,156,340	1,881,686	-	9,038,026
Fund balances at end of year	$ 7,625,253	$ 1,807,020	$ -	$ 9,432,273

City of Pooler, 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 December 31, 2010

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 394,247
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 1,144,188	
Depreciation expense	(823,640)	320,548
Change in accrual of interest payable on revenue bonds and capital leases		3,092
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities. This amount is the net effect of these differences in treatment of long-term debt and related items.		
Amortization of bond issuance costs	$ (14,286)	
Capital lease proceeds received	(42,281)	
Capital lease principal payments	358,983	302,416
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds		515,352
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		216
The current year's increase in the net OPEB liability creates a balance sheet item while increasing net expenses of the functions on the government wide statements		(367,016)
Change in Net Assets of Governmental Activities		$ 1,168,855

City of Pooler, Georgia
Statement of Net Assets
Water and Sewer Enterprise Fund
December 31, 2010

ASSETS	
Current assets:	
Cash and cash equivalents	$ 3,472,195
Restricted cash and cash equivalents:	
Customer deposits	118,907
Note and loan accounts	361,143
Accounts receivable - net	822,432
Inventory	5,500
Prepaid items	19,206
Total current assets	4,799,383
Noncurrent assets	
Restricted cash and cash equivalents:	
Note and loan accounts	733,445
Water and sewer system expansion accounts	7,678,247
Capital assets:	
Land, improvements, and construction in progress	1,428,797
Other capital assets, net of depreciation	30,408,062
Total noncurrent assets	40,248,551
Total assets	45,047,934
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	181,923
Due to other funds	159,473
Accrued interest	104,923
Due to developers	4,530
Compensated absences	53,936
Notes and loans payable	563,327
Capital leases payable	53,653
Payable from restricted assets:	
Customer deposits payable	118,907
Notes and loans payable	361,143
Total current liabilities	1,601,815
Noncurrent liabilities:	
Notes and loans payable	17,486,269
Capital lease payable	51,139
Compensated absences	9,518
Total noncurrent liabilities	17,546,926
Total liabilities	19,148,741
NET ASSETS	
Invested in capital assets, net of related debt	13,321,328
Restricted for debt service	733,445
Unrestricted	11,844,420
Total net assets	$ 25,899,193

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

City of Pooler, Georgia

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water and Sewer Enterprise Fund

For the Year Ended December 31, 2010

Operating revenues	
Water fees	$ 2,197,215
Sewer fees	2,550,076
Total operating revenues	4,747,291
Operating expenses	
Water Department	
Personnel services and employee benefits	533,294
Purchased and contracted services	143,189
Supplies	1,138,516
Depreciation	260,020
Total operating expenses - Water	2,075,019
Sewer Department	
Personnel services and employee benefits	399,136
Purchased and contracted services	130,908
Supplies	193,416
Depreciation	517,230
Total operating expenses - Sewer	1,240,690
Wastewater Department	
Personnel services and employee benefits	421,037
Purchased and contracted services	306,862
Supplies	387,087
Depreciation	279,790
Total operating expenses - Sewer	1,394,776
Total operating expenses	4,710,485
Operating income (loss)	36,806
Nonoperating revenues (expenses)	
Interest income	62,631
Interest expense	(669,244)
Loss on disposal of assets	(55,993)
Total nonoperating revenues (expenses)	(662,606)
Income (loss) before capital contributions	(625,800)
Capital contributions:	
Tap fees	217,792
Capital cost recovery charges	936,495
Total capital contributions	1,154,287
Change in net assets	528,487
Net assets, beginning of year	25,370,706
Net assets, end of year	$ 25,899,193

City of Pooler, Georgia

Statement of Cash Flows

Water and Sewer Enterprise Fund

For The Year Ended December 31, 2010

Cash flows from operating activities:	
Cash received from customers	$ 4,640,876
Cash payments to suppliers for goods and services	(2,876,196)
Cash payments to employees for services	(1,374,913)
Net cash provided (used) by operating activities	389,767
Cash flows from capital and related financing activities:	
Principal payments on debt	(949,662)
Interest payments on debt	(675,245)
Tap fees	217,792
Capital cost recovery proceeds	936,495
Acquisitions and construction of capital assets	(1,808,129)
Net cash (used) by capital and related financing activities	(2,278,749)
Cash flows from investing activities:	
Interest earned on cash and investments	62,631
Net cash provided (used) by investing activities	62,631
Net increase (decrease) in cash and cash equivalents	(1,826,351)
Cash and cash equivalents, beginning of year	14,190,288
Cash and cash equivalents, end of year	$ 12,363,937
Operating income (loss)	$ 36,806
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,057,040
Change in assets and liabilities:	
Decrease (increase) in accounts receivables	(127,080)
(Decrease) Increase in prepaid expenses	(7,553)
(Decrease) Increase in accounts payable and accrued liabilities	(74,157)
(Decrease) Increase in interfund payables	(515,954)
(Decrease) increase in customer deposits	20,665
Total adjustments	352,961
Net cash provided (used) by operating activities	$ 389,767

City of Pooler, Georgia

Statement of Net Assets

Fiduciary Fund

December 31, 2010

	Municipal Court Fund
Assets	
Cash and cash equivalents	$ 12,307
Fines receivable	132,434
Total assets	$ 144,741
Liabilities	
Due to others	144,741
Total liabilities	$ 144,741

NOTES TO THE FINANCIAL STATEMENTS


CITY OF POOLER, GA
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Note 1 – Summary of Significant Accounting Policies

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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 Government Accounting Standards Board. 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 City has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government: City of Pooler

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The City's only discretely presented component unit is described below.

Pooler Development Authority (PDA) – The PDA was created on November 24, 2003 for the public purpose of economic development within the city limits of Pooler, Georgia. The PDA was established pursuant to the Development Authorities Law of the State of Georgia (O.C.G.A. 36-62 et seq.) and operates as a separate public body corporate and politic. The PDA's board consists of seven members appointed by the governing body of the City of Pooler, Georgia. Pooler City Council is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City of Pooler.

Revenue of the PDA consists solely of an "issuer's annual administrative fee" pursuant to a loan agreement dated July 1, 2005 between the PDA and Alta Towne Lake, LLC for a $20,000,000 multifamily rental residential development in Pooler, Georgia known as Alta Town Lake Apartments. The fee is equal to 0.125% of the principal amount of bonds outstanding payable annually in arrears on each anniversary date of the issuance of the bonds commencing July 14, 2006. This conduit debt is discussed at Note 2.G.

During the year ended December 31, 2010, the PDA had billed a total of $24,452 in fees.

The PDA does not issue a separate stand-alone financial report.

Note 1 – Summary of Significant Accounting Policies – *continued*

Membership in Regional Development Center

Under Georgia law, the City is a member of the Coastal Georgia Regional Development Center and is required to pay annual dues thereto. During its year ended December 31, 2010, the City paid $9,369 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 RDC Board membership includes five members from the Chatham County governments: the Mayors of the Cities of Savannah, Port Wentworth and Tybee Island and two commissioners of Chatham County, Georgia. Therefore, the City of Pooler has no direct representation on the Board. The total board membership is 37. Other county representation is as follows: Bryan - 3, Bulloch - 5, Camden - 4, Effingham - 4, Glynn - 5, Liberty - 5, Long - 3 and McIntosh - 3. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Management believes that the RDC is currently accumulating sufficient financial resources to meet its financial obligations. 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

Financial information of the City is presented as follows:

Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Basic Financial Statements: Government-wide financial statements consist of a statement of net assets and a statement of activities.

These statements report all of the non-fiduciary activities of the primary government and its component units. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges from services and are usually intended by management to be financially self-sustaining. The fiduciary fund of the primary government is not included in the government-wide financial statements; however separate financial statements are presented.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items, are presented as general revenues.

Fund financial statements consist of a series of statements focusing on information about the City's major governmental and proprietary funds. Separate financial statements are presented for the governmental and proprietary funds.

Note 1 – Summary of Significant Accounting Policies – *continued*

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty days after year-end. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are reported only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Property taxes, sanitation fees, sales tax, grants from other governments, and interest on investments are susceptible to accrual. Revenues from fines, forfeits and penalties, and franchise fees become measurable and available when cash is received by the City and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

The *Special Purpose Local Option Sales Tax Fund* is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with the 1% sales tax proceeds.

The City reports the following major enterprise fund:

The *Water and Sewer Fund* accounts for water and sewer services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Additionally, the City reports the following fund types:

Special Revenue Fund – The Hotel / Motel Fund accounts for proceeds of the lodging tax which are restricted by state and local ordinance for the promotion of convention and tourism.

Agency Fund – The Municipal Court Fund accounts on a temporary basis for fines collected by the municipal court that ultimately are transferred to the general fund.

Note 1 – Summary of Significant Accounting Policies – *continued*

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule are charges for sales and purchases of goods and services between various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues not classified as program revenues are presented as general revenues.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for services provided. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). 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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for uncollectibles.

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 4.500 mills was adopted on July 19, 2010. Tax bills were rendered on November 15, 2010 and are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

Note 1 – Summary of Significant Accounting Policies – *continued*

Inventories and Prepaid Items

All inventories (when significant) are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and investments set aside for repayment of deposits to utility customers, and for future expansion of the water and sewer system.

Capital Assets

General Capital Assets are capital assets, which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide statement of net assets and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their fair market value as of the date received. The City maintains a capitalization threshold of five thousand dollars ($5,000). Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. General infrastructure assets acquired prior to January 1, 2003 are not reported in the basic financial statements.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Building and improvements	20 - 50 years	20 - 50 years
Machinery and equipment	5 - 20 years	5 - 20 years
Vehicles	3 - 8 years	3 - 8 years
Public domain infrastructure	50 years	

Note 1 – Summary of Significant Accounting Policies – *continued*

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay (when material) is accrued when incurred in the government - wide and proprietary 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.

Long-term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Equity Classifications

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

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 improvements of those assets.

Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

Note 2 – Detailed Notes on Funds and Activities

A. Cash and Investments

Deposits

At year-end the carrying amount of the City's deposits was $21,239,936 and the bank balance was $21,181,395. As of December 31, 2010 the entire bank balance was insured and collateralized with securities held by the government or its agent in the entity's name.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The City has no custodial credit risk policy that would require additional collateral requirements.

Reconciliation of financial statements to notes:

Statement of Net Assets	
Cash and cash equivalents	$ 12,454,776
Restricted cash and cash equivalents	8,772,853
	21,227,629
Fiduciary Funds	
Cash and cash equivalents	12,307
Total cash and cash equivalents	$ 21,239,936

B. Accounts Receivable

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

Receivable	General	SPLOST	Water and Sewer	Nonmajor Governmental	Total
Taxes	$ 2,335,870	$ -	$ -	$ 35,010	$ 2,370,880
Accounts	234	-	901,180	-	901,414
Intergovernmental	318,173	80,860	-	-	399,033
Gross receivables	2,654,277	80,860	901,180	35,010	3,671,327
Less: Allowance for uncollectibles	(25,003)	-	(78,748)	-	(103,751)
Net receivables	$ 2,629,274	$ 80,860	$ 822,432	$ 35,010	$ 3,567,576

Note 2 – Detailed Notes on Funds and Activities - *continued*

C. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At December 31, 2010 the various components of deferred revenue reported in the general fund were as follows:

General Fund:	
Property taxes	$ 1,026,923
Franchise taxes	1,072,497
Total deferred revenue	$ 2,099,420

D. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at December 31, 2010 are as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 159,473
General	Nonmajor governmental	17,505
Total interfund receivables and payables		$ 176,978

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 reimbursable 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.

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

Transfer In	Transfer Out	Purpose	Amount
General Fund	Nonmajor governmental funds	Distribution of tax revenue	$ 281,104

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 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. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group.

Note 2 – Detailed Notes on Funds and Activities - *continued*

E. Capital Assets

Changes in governmental activities capital asset for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 2,074,320	$ -	$ -	$ -	$ 2,074,320
Construction in progress	73,681	468,055	-	(430,547)	111,189
Total non-depreciable capital assets	2,148,001	468,055	-	(430,547)	2,185,509
Depreciable Assets:					
Buildings and improvements	7,896,507	-	-	58,882	7,955,389
Machinery, equipment and vehicles	6,835,768	665,647	374,538		7,126,877
Infrastructure	560,390	10,486	-	371,665	942,541
Total depreciable capital assets	15,292,665	676,133	374,538	430,547	16,024,807
Accumulated Depreciation					
Buildings and improvements	(1,235,142)	(202,620)	-	-	(1,437,762)
Machinery, equipment and vehicles	(3,468,686)	(602,169)	(374,538)	-	(3,696,317)
Infrastructure	(39,152)	(18,851)	-	-	(58,003)
Total accumulated depreciation	(4,742,980)	(823,640)	(374,538)	-	(5,192,082)
Total Governmental Activities	$ 12,697,686	$ 320,548	$ -	$ -	13,018,234
Less related long-term debt outstanding					(5,333,613)
Investment in capital assets, net of related debt					$ 7,684,621

Depreciation expense was charged to governmental activities as follows:

General government	34,715
Public safety	289,420
Public works	94,635
Health and welfare	5,045
Culture and recreation	396,036
Housing and development	3,789
Total depreciation expense	$ 823,640

Note 2 – Detailed Notes on Funds and Activities – *continued*

Changes in business-type activities capital asset for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Net Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land	$ 172,139	$ -	$ -	$ -	$ 172,139
Construction in progress	764,169	1,408,575	55,993	(860,093)	1,256,658
Total non-depreciable capital assets	936,308	1,408,575	55,993	(860,093)	1,428,797
Depreciable Assets:					
Buildings and improvements	39,003,597	-	-	852,709	39,856,306
Machinery, equipment and vehicles	1,074,746	87,541	15,529	7,384	1,154,142
Total depreciable capital assets	40,078,343	87,541	15,529	860,093	41,010,448
Accumulated Depreciation					
Buildings and improvements	(8,822,966)	(957,433)		-	(9,780,399)
Machinery, equipment and vehicles	(737,908)	(99,608)	(15,529)	-	(821,987)
Total accumulated depreciation	(9,560,874)	(1,057,041)	(15,529)	-	(10,602,386)
Total Business-type Activities	$ 31,453,777	$ 439,075	$ 55,993	$ -	31,836,859
Less related long-term debt outstanding					(18,515,531)
Investment in capital assets, net of related debt					$ 13,321,328

F. Capital Leases

The City has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental and business-type activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through capital lease are as follows:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	$ 1,761,833	$ 226,129
Less: Accumulated depreciation	(522,032)	(123,252)
Total	$ 1,239,801	$ 102,877

Note 2 – Detailed Notes on Funds and Activities – *continued*

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at December 31, 2010:

Year Ending December 31,	Governmental Activities	Business-type Activities
2011	$ 294,930	$ 57,007
2012	152,444	36,506
2013	91,516	13,101
2014	254,318	3,275
2015	54,802	-
2016 - 2017	109,605	-
Total minimum lease payments.....	957,615	109,889
Less: amount representing interest.....	(124,002)	(5,097)
Present value of minimum lease payments...	$ 833,613	$ 104,792

G. Long -term Debt

Chatham County Recreation Authority Revenue Bonds (City of Pooler Project), Series 2007

In May 2007, The Chatham County Recreation Authority authorized the issuance, delivery and sale of Chatham County Recreation Authority Revenue Bonds (City of Pooler Project), Series 2007. The bonds bear an interest rate of 3.71% with final maturity on April 1, 2014. The bond proceeds were used to finance the construction of the Pooler Recreational Park.

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

Annual debt service requirements to maturity for the contractual obligation are as follows:

Year Ending December 31,	Principal	Interest	Total
2011	$ 750,000	$ 153,037	$ 903,037
2012	1,200,000	116,865	1,316,865
2013	1,250,000	71,418	1,321,418
2014	1,300,000	24,115	1,324,115
Totals.....	$ 4,500,000	$ 365,435	$ 4,865,435

Note 2 – Detailed Notes on Funds and Activities – *continued*

Georgia Environmental Facilities Authority (GEFA) Loans

The City has entered into loan agreements with GEFA, a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. The loan proceeds have been used to finance water and sewer projects to provide water and sewer access to areas of commercial and residential development throughout the City.

The City has entered into water and sewer agreements with land owners (developers) to assist in the repayment of the GEFA loans. Pursuant to the water and sewer agreements, the land owners are required to contemporaneousley provide, with the excecution of the agreement, an irrevocable letter of credit or financial obligation bond (financial guarantee) in the amount of the land owners shared cost of the project. In addition, the agreement authorizes the City to collect a GEFA Loan Cost Recovery Fee from customers connecting to the water and sewer system. The cost recovery fee revenue is restricted to the repayment of the related GEFA loans and reduces the land owners financial guarantee to the project.

The City has the following GEFA loans outstanding at year end:

Contract Number	Original Amount	Interest Rate	Balance 12/31/2010
98-L66WJ	$ 2,497,297	4.67%	$ 1,961,946
02-L33WQ	672,289	4.36%	547,918
CW02-007	12,593,549	3.00%	10,838,018
03-L42WJ	3,103,709	4.16%	2,804,050
05-L23WJ	2,406,407	4.14%	2,258,807
			$ 18,410,739

Annual debt service requirements to maturity for the GEFA Loans are as follows:

Year Ending December 31,	Principal	Interest	Total
2011	$ 924,470	$ 637,058	$ 1,561,528
2012	957,997	603,530	1,561,527
2013	993,062	568,465	1,561,527
2014	1,029,217	532,310	1,561,527
2015	1,066,813	494,714	1,561,527
2016 - 2020	5,901,599	1,857,831	7,759,430
2021 - 2025	5,701,136	845,159	6,546,295
2025 - 2029	1,836,445	74,139	1,910,584
Totals.....	$ 18,410,739	$ 5,613,206	$ 24,023,945

Note 2 – Detailed Notes on Funds and Activities – *continued*

Pooler Development Authority (PDA) – Conduit Debt

On July 1, 2005 the PDA (the "Issuer") agreed to issue its Multifamily Housing Revenue Bonds (Alta Towne Lake Apartments Project), Series 2005 in the aggregate principle amount of $20,000,000 for the purpose of financing the cost of the acquisition, construction and equipping of a multifamily rental residential development in Pooler, Georgia known as Alta Towne Lake Apartments. The proceeds of the bonds were loaned by the issuer to Alta Towne Lake, LLC, a Georgia limited liability company (the "Borrower") pursuant to a loan agreement dated July 1, 2005 between the Issuer and the Borrower. Any obligation of the Issuer created by, arising out of, or entered into in contemplation of the agreement, including the bonds, shall not impose a debt or pecuniary liability upon the Issuer, the State, the City, or any political subdivision thereof or constitute a charge upon the general credit or taxing powers of any of the forgoing. The obligation of the Borrower to make the payments required under the agreement is absolute and unconditional. During the year ended December 31, 2010, the Multifamily Housing Revenue Bonds (Alta Towne Lake Apartments Project), Series 2005 were paid in full.

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Contractual obligations	$ 4,500,000	$ -	$ -	$ 4,500,000	$ 750,000
Capital lease obligations	1,150,315	42,281	358,983	833,613	256,849
Long-term debt	5,650,315	42,281	358,983	5,333,613	1,006,849
Compensated absences	253,510	372,264	372,480	253,294	215,300
Total Governmental Activities	$ 5,903,825	$ 414,545	$ 731,463	$ 5,586,907	$ 1,222,149
Business-Type Activities:					
GEFA loans	$ 19,302,565	$ -	$ 891,826	$ 18,410,739	$ 924,470
Capital lease obligations	162,628	-	57,836	104,792	53,653
Long-term debt	19,465,193	-	949,662	18,515,531	978,123
Compensated absences	57,266	85,624	79,436	63,454	53,936
Total Business-Type Activities	$ 19,522,459	$ 85,624	$ 1,029,098	$ 18,578,985	$ 1,032,059

For the governmental activities, long-term liabilities are generally liquidated by the general fund. For business-type activities, long-term liabilities are liquidated by the water and sewer enterprise fund.

Note 3 – Other Information

A. Employee Pension Plans

Plan Description

The City of Pooler Pension Plan (the Plan) is a defined benefit pension plan covering all employees with 6 months services, officials are not covered. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan adminstered by the Georgia Municipal Association. The Georgia Municipal Association handles all administrative and investment functions relative to the Plan. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

The Plan provides retirement, disability, and death benefits to plan members as well as an annual cost of living adjustment. Benefits are fully vested after 5 years of service. Participants become eligible to retire earlier of 62 with 5 years of service and 55 with 30 years of service. These benefit provisions and all other requirements are established and amended by local ordinance.

As of July 1, 2010, the plan membership included the following categories of participants:

Retired participants and beneficiaries.....	15
Terminated vested participants.....	22
Active participants.....	141
Total participants.....	178

Funding Policy

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The City's policy is to contribute the actuarially determined amount as recommended by GMEBS. The required contribution rate of active plan members is 2%. For 2010, the actuarially determined rate was 18.18% of covered payroll. The City's contributions to the Plan for the years ended December 31, 2010, 2009, and 2008 were $744,755, $670,446, and 550,784 respectively and were equal to the required contributions for each year.

Trend Information

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/2008	$ 550,784	100.0 %	$ -
12/31/2009	670,446	100.0	-
12/31/2010	744,755	100.0	-

Note 3 – Other Information – *continued*

Actuarial Methods and Assumptions

The required contribution was determined as part of the January, 2009 actuarial valuations using the projected unit credit actuarial cost method. The actuarial value of assets is determined by sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value. The actuarial assumptions include (a) 8.0% investment rate of return and (b) projected salary increases of 5.50%, (c) social security wage base increase of 5.50%, and (d) a cost of living adjustments of 2.00%. The period, and related method, for amortizing the unfunded actuarial accrued liability is 30 years from 2008 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Fund Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the actuarial value of assets was $6.3 million; the actuarial accrued liability for benefits was $9.8 million; the unfunded actuarial liability was $3.5 million; the plan was 64.08% funded; the covered payroll (annual payroll of active employees covered by the plan) was $5.2 million; and the ratio of the UAAL to the covered payroll was 68.08%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Other Postemployment Benefits

Plan Description

The City of Pooler Other Postemployment Benefit Plan (Plan) provides PPO and HMO medical and prescription drug benefit plans to all eligible retirees. The City's regular health care benefit provider, Georgia Municipal Association, underwrites the retiree's policy and administers the Plan. The Plan was adopted and established by action of the City Council. The Plan does not issue a separate or stand-alone report. The Plan is reported with the City's governmental activities in the accompanying financial statements.

The City pays 80 percent of the premiums of health care coverage for employees who retire with 25 years of full-time service and who agree to pay the remaining 20 percent of the premium. The City pays 70 percent of these premiums for employees who retire with 20-24 years of full-time service and who agree to pay the remaining 30 percent of the premium. The City pays 50 percent of these premiums for employees who retire with 15-19 years of full-time service and who agree to pay the remaining 50 percent of the premium.

Funding Policy

The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are not required to contribute to the plan. For the year ended December 31, 2010, the City did not make any contributions to advance-fund the plan.

Note 3 – Other Information – *continued*

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last two years are as follows:

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Contribution	Percentage of ARC Contributed	Net Pension Obligation
12/31/2009	$ 398,152	$ 23,957	6.0%	$ 374,195
12/31/2010	398,152	27,973	7.0%	741,211

Funding Progress

For the year ended December 31, 2010, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2009. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty-five years. The current combined ARC is 9.72% of annual covered payroll.

For the year ended December 31, 2010, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB obligation to the plan are as follows:

Annual required contribution	$ 398,152
Interest on net OPEB obligation	14,968
Adjustment to annual required contribution	(18,131)
Annual OPEB cost (expense)	394,989
Contributions made	(27,973)
Increase in net OPEB obligation	367,016
Net OPEB obligation, beginning of year	374,195
Net OPEB obligation, end of year	$ 741,211

Funded Status

As of January 1, 2009, the most recent actuarial valuation date, the actuarial value of assets was zero; the actuarial accrued liability for the benefits was $2.8 million; the unfunded actuarial liability was $2.8 million; the plan was zero percent funded; the covered payroll (annual payroll of active employees covered by the plan) was $4.1 million; and the ratio of the UAAL to the covered payroll was 68.32%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 3 – Other Information – *continued*

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions are as follows:

Actuarial valuation date.....	1/1/2009
Actuarial cost method.....	Projected Unit Credit
Amortization method contributions.....	Level dollar 25 years
Remaining amortization period.....	25
Asset valuation method.....	Market Value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Medical cost trend rate	9.0% graded to 5.0% in 8 years
Drug costs trend rate.....	0.0%

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers compensation for which the City carries the following insurance coverages. There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded coverage in any of the past three fiscal years.

Risk Pools

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year.

The City is unaware of any claims which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2010.

No provisions have been made in the financial statements for the year ended December 31, 2010 for any estimate of potential unpaid claims.

Note 3 – Other Information – *continued*

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

Self Insurance

The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

D. Commitments and Contingencies

The City receives a number of grants that are subject to program compliance audits by the grantors. Noncompliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

Various other claims are pending against the City. The City attorney estimates the potential effects of these claims net of insurance coverage would not be material to in relation to the overall financial statements.

E. Other Agencies

The Volunteer Fire Department maintains a cash account independently from the City's General Fund records. Since this account is not controlled by the City, these transactions are not included in the City's basic financial statements. The City provides some funding directly and indirectly to this agency.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


CITY OF POOLER, GA
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City of Pooler, Georgia

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 7,582,700	$ 7,688,800	$ 7,773,761	$ 84,961
Licenses and permits	298,500	368,500	385,268	16,768
Intergovernmental	313,765	837,190	869,064	31,874
Charges for services	1,221,600	1,223,850	1,254,534	30,684
Fines and forfeitures	600,000	500,000	493,626	(6,374)
Investment income	10,000	10,000	8,545	(1,455)
Miscellaneous	21,207	53,907	62,987	9,080
Total revenues	10,047,772	10,682,247	10,847,785	165,538
EXPENDITURES				
Current:				
General government:				
General administration	781,208	662,545	641,067	21,478
Public safety:				
Police department	2,646,993	2,706,890	2,610,393	96,497
Fire department	1,912,759	2,158,069	2,109,467	48,602
Public works:				
Public works administration	355,201	380,171	370,097	10,074
Street department	959,979	1,404,479	1,397,250	7,229
Drainage department	438,433	429,633	405,016	24,617
Solid waste and recycling	965,000	965,000	951,092	13,908
Health and welfare:				
Senior Citizens Center	154,952	180,442	178,518	1,924
Culture and recreation:				
Recreation	707,039	751,689	742,677	9,012
Parks and trees	693,514	640,814	582,810	58,004
Housing and development:				
Inspections	375,623	364,223	346,846	17,377
Debt service:				
Principal	358,434	358,983	358,983	-
Interest and other charges	52,055	52,631	52,170	461
Total expenditures	10,401,190	11,055,569	10,746,386	309,183
Excess (deficiency) of revenues over (under) expenditures	(353,418)	(373,322)	101,399	474,721
OTHER FINANCING SOURCES (USES)				
Transfers in	310,000	287,662	281,104	(6,558)
Insurance recoveries	-	42,242	44,129	1,887
Capital lease proceeds	43,418	43,418	42,281	(1,137)
Total other financing sources (uses)	353,418	373,322	367,514	(5,808)
Net change in fund balance	-	-	468,913	468,913
Fund balance, beginning	7,156,340	7,156,340	7,156,340	-
Fund balance, ending	$ 7,156,340	$ 7,156,340	$ 7,625,253	$ 468,913

Note 1 – Budgetary Information

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue fund. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level.

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended December 31, 2010, the following supplemental appropriation was approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 10,401,190	$ 845,942	$ 191,563	$ 11,055,569
Special Revenue Fund - Hotel / Motel Tax Fund	620,000	-	50,000	570,000

City of Pooler, Georgia

Schedule of Funding Progress – Pension Plan

December 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability [AAL] (b)	Unfunded AAL [UAAL] (Funding Excess) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll [(b) - (a) / (c)]
1/1/2008	$ 4,380,122	$ 6,919,834	$ 2,539,712	63.30 %	$ 3,681,885	68.98 %
1/1/2009	4,009,864	7,913,329	3,903,465	50.67	4,095,577	95.31
7/1/2010	6,264,747	9,776,174	3,511,427	64.08	5,157,943	68.08

City of Pooler, Georgia

Schedule of Funding Progress – Other Post-employment Benefits Plan

December 31, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
1/1/2009	$ -	$ 2,798,200	$ 2,798,200	0.00% %	$ 4,095,577	68.32 %

SUPPLEMENTARY DATA – FUND SCHEDULES AND STATE MANDATED PROGRAM INFORMATION


CITY OF POOLER, GA
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City of Pooler, Georgia

Hotel – Motel Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 620,000	$ 570,000	$ 562,208	$ (7,792)
Total revenues	620,000	570,000	562,208	(7,792)
Expenditures:				
Current:				
Housing and development	310,000	285,000	281,104	3,896
Total expenditures	310,000	285,000	281,104	3,896
Excess (deficiency) of revenues over (under) expenditures	310,000	285,000	281,104	(3,896)
Other financing sources (uses):				
Transfers out	(310,000)	(285,000)	(281,104)	3,896
Total financing sources (uses)	(310,000)	(285,000)	(281,104)	3,896
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

City of Pooler, Georgia

Municipal Court Fund

Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2010

	Beginning Balance	Additions	Deletions	Ending Balance
Assets				
Cash.....	$ 19,323	$ 750,695	$ 757,711	$ 12,307
Fines receivable...	130,630	1,804	-	132,434
Total assets.....	$ 149,953	$ 752,499	$ 757,711	$ 144,741
Liabilities				
Due to others.....	$ 149,953	$ 752,499	$ 757,711	$ 144,741
Total liabilities.....	$ 149,953	$ 752,499	$ 757,711	$ 144,741

City of Pooler, Georgia

Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds

December 31, 2010

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
Sales Tax III (1998-2003)					
Drainage:	$ 2,000,000	$ 2,048,512			
Simmons Street drainage			$ 4,213	$ -	$ 4,213
Benton Canal			297,361	-	297,361
South Rogers Street			3,974	-	3,974
Massey Street			7,238	-	7,238
Stormwater mapping			28,960	-	28,960
Outfalls			208,192	-	208,192
Miscellaneous drainage projects			320,196	22,086	342,282
Open Space	54,667	59,056	-	-	-
Public Safety:					
Fire truck debt service	266,667	217,140	217,140	-	217,140
Other Capital Outlay:					
Construction of new sidewalks	458,703	421,183	677,746	-	677,746
Pine Barren-Quacco Road Intersection			164,723	-	164,723
Subtotal Sales Tax III	2,780,037	2,745,891	1,929,743	22,086	1,951,829
Sales Tax IV (2003-2008)					
Public Safety:					
Fire truck debt service	200,000	245,815	245,815	-	245,815
Open Space	33,659	44,022	-	2,250	2,250
Other Capital Outlay:	3,779,500	4,201,634			
Recreational park			2,721,780	9,698	2,731,478
Debt service - Recreation Revenue Bonds			333,900	-	333,900
Construction of new sidewalks			10,919	75,642	86,561
Subtotal Sales Tax IV	4,013,159	4,491,471	3,312,414	87,590	3,400,004
Sales Tax IV (2008-2014)					
Other Capital Outlay:					
Debt service - Recreation Revenue Bonds	6,000,000	6,000,000	-	166,950	166,950
Subtotal Sales Tax IV	6,000,000	6,000,000	-	166,950	166,950
Grand totals	$ 12,793,196	$ 13,237,362	$ 5,242,157	$ 276,626	$ 5,518,783

City of Pooler, Georgia

Schedule of Required Expenditures Generated by the Hotel / Motel Tax

For the Year Ended December 31, 2010

Revenue:	
Hotel/Motel taxes	$ 562,208
Expenditures:	
Tourism expenditures	$ 281,104
Percentage of expenditures to revenues	50%

STATISTICAL SECTION

This part of the City of Pooler, Georgia'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 City's overall financial health.

Contents	Page
Financial Trends — These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	G-2
Revenue Capacity — These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue sources, the property tax and the sales tax.	G-9
Debt Capacity — These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	G-14
Demographic and Economic Information — These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	G-18
Operating Information — These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	G-20

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year. The City implemented GASBS 34 in 2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.


CITY OF POOLER, GA
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City of Pooler, Georgia
Net Assets by Component
Last Seven Calendar Years

	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	$ 4,928,185	$ 5,767,150	$ 6,139,198	$ 6,353,905	$ 7,433,483	$ 7,047,370	$ 7,684,621
Restricted	1,956,085	2,371,521	3,081,829	2,807,189	2,467,827	1,881,686	1,804,340
Unrestricted	2,627,462	3,002,495	4,117,675	7,474,027	7,532,763	8,107,120	8,716,070
Total governmental activities net assets	$ 9,511,732	$11,141,166	$13,338,702	$16,635,121	$17,434,073	$17,036,176	$18,205,031
Business-type activities							
Invested in capital assets, net of related debt	$ 5,099,945	$ 4,918,821	$ 5,464,882	$ 6,883,885	$10,759,811	$11,988,584	$13,321,328
Restricted	-	-	-	14,268,649	13,219,635	1,103,235	733,445
Unrestricted	5,938,500	8,508,689	11,539,480	1,732,433	1,314,871	12,278,887	11,844,420
Total business-type activities net assets	$11,038,445	$13,427,510	$17,004,362	$22,884,967	$25,294,317	$25,370,706	$25,899,193
Primary Government							
Invested in capital assets, net of related debt	$10,028,130	$10,685,971	$11,604,080	$13,237,790	$18,193,294	$19,035,954	$21,005,949
Restricted	1,956,085	2,371,521	3,081,829	17,075,838	15,687,462	2,984,921	2,537,785
Unrestricted	8,565,962	11,511,184	15,657,155	9,206,460	8,847,634	20,386,007	20,560,490
Total primary government net assets	$20,550,177	$24,568,676	$30,343,064	$39,520,088	$42,728,390	$42,406,882	$44,104,224

The City of Pooler implemented GASB 34 for the calendar year ended December 31, 2004.
Information prior to the implementation of GASB 34 is not available.

City of Pooler, Georgia
Changes in Net Assets
Last Seven Calendar Years

	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government	$ 969,525	$ 1,002,427	$ 1,256,912	$ 1,547,470	$ 1,546,693	$ 1,111,240	$ 679,957
Public safety	2,225,836	2,707,976	3,107,415	3,393,650	3,883,305	4,582,679	4,593,471
Public works	2,422,748	2,470,765	2,125,679	2,566,199	3,166,924	2,644,005	2,896,229
Health and welfare	82,076	107,704	104,412	140,525	167,869	177,029	189,957
Culture and recreation	416,141	342,222	930,940	1,453,187	1,539,124	2,091,260	1,763,580
Housing and development	513,700	533,939	583,953	554,574	597,580	681,187	649,072
Interest on long-term debt	42,930	37,455	46,268	178,945	216,665	245,443	230,314
Total governmental activities expenses	6,672,956	7,202,488	8,155,579	9,834,550	11,118,160	11,532,843	11,002,580
Business-type activities:							
Water and sewer	3,216,630	3,021,623	3,716,554	5,043,784	5,923,440	5,899,528	5,435,722
Total business-type activities expense	3,216,630	3,021,623	3,716,554	5,043,784	5,923,440	5,899,528	5,435,722
Total primary government expenses	$ 9,889,586	$ 10,224,111	$ 11,872,133	$ 14,878,334	$ 17,041,600	$ 17,432,371	$ 16,438,302
Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 643,227	$ 686,473	$ 781,888	$ 1,038,640	$ 683,765	$ 213,935	$ 385,268
Public safety	470,224	475,618	470,681	712,812	664,769	452,756	534,095
Public works	766,834	816,135	908,002	1,209,568	1,374,763	937,006	1,067,061
Health and welfare	-	-	-	2,926	5,169	4,942	4,368
Culture and recreation	41,581	34,489	62,389	132,138	107,053	114,391	142,636
Operating grants and contributions	47,178	90,282	74,696	63,521	74,324	244,329	537,167
Capital grants and contributions	1,846,195	953,291	1,100,720	64,017	22,339	-	316,245
Total governmental activities program revenues	3,815,239	3,056,288	3,398,376	3,223,622	2,932,182	1,967,359	2,986,840
Business-type activities - water and sewer:							
Charges for services	2,643,935	3,212,285	4,200,773	3,803,287	3,424,339	4,065,215	4,747,291
Capital grants and contributions	2,536,061	2,013,056	2,643,057	6,397,249	2,205,867	1,430,242	1,154,287
Total business type activities program revenues	5,179,996	5,225,341	6,843,830	10,200,536	5,630,206	5,495,457	5,901,578
Total primary government program revenues	$ 8,995,235	$ 8,281,629	$ 10,242,206	$ 13,424,158	$ 8,562,388	$ 7,462,816	$ 8,888,418

	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental activities	$ (2,857,717)	$ (4,146,200)	$ (4,757,203)	$ (6,610,928)	$ (8,185,978)	$ (9,565,484)	$ (8,015,740)
Business-type activities	1,963,366	2,203,718	3,127,276	5,156,752	(293,234)	(404,071)	465,856
Total primary government net expense	$ (894,351)	$ (1,942,482)	$ (1,629,927)	$ (1,454,176)	$ (8,479,212)	$ (9,969,555)	$ (7,549,884)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes	$ 5,047,497	$ 5,704,327	$ 6,831,278	$ 8,229,697	$ 8,673,904	$ 9,002,270	$ 8,899,057
Unrestricted grants, contributions and investment earnings	-	-	-	1,487,699	469,178	119,218	209,897
Other revenue	58,304	71,307	123,461	39,551	36,835	46,099	75,641
Transfers	-	-	-	2,712	(194,987)	-	-
Total governmental activities	5,105,801	5,775,634	6,954,739	9,759,659	8,984,930	9,167,587	9,184,595
Business-type activities - water and sewer:							
Unrestricted grants, contributions and investment earnings	48,525	164,043	436,487	725,011	342,874	65,188	62,631
Miscellaneous income	10,391	21,304	12,728	1,554	30,079	10,892	-
Transfers	-	-	-	(2,712)	194,987	-	-
Total business-type activities	58,916	185,347	449,215	723,853	567,940	76,080	62,631
Total primary government	$ 5,164,717	$ 5,960,981	$ 7,403,954	$ 10,483,512	$ 9,552,870	$ 9,243,667	$ 9,247,226
Change in Net Assets							
Governmental activities	$ 2,248,084	$ 1,629,434	$ 2,197,536	$ 3,148,731	$ 798,952	$ (397,897)	$ 1,168,855
Business-type activities	2,022,282	2,389,065	3,576,491	5,880,605	274,706	(327,991)	528,487
Total primary government	$ 4,270,366	$ 4,018,499	$ 5,774,027	$ 9,029,336	$ 1,073,658	$ (725,888)	$ 1,697,342

The City of Pooler implemented GASB 34 for the calendar year ended December 31, 2004.
Information prior to the implementation of GASB 34 is not available.

City of Pooler, Georgia
Fund Balances, Governmental Funds
Last Ten Calendar Years

	2001	2002	2003	2004	2005
General Fund					
Reserved	$ 1,209,749	$ 28,236	$ 9,277	$ 19,822	$ 10,763
Unreserved	1,613,846	1,857,176	2,100,022	2,201,986	2,389,887
Total general fund	$ 2,823,595	$ 1,885,412	$ 2,109,299	$ 2,221,808	$ 2,400,650
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Capital projects fund	-	1,593,534	1,809,062	1,936,263	2,371,521
Total all other governmental funds	$ -	$ 1,593,534	$ 1,809,062	$ 1,936,263	$ 2,371,521

	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 11,031	$ 29,323	$ 30,716	$ 29,323	$ 21,835
Unreserved	3,449,879	4,917,867	6,593,303	7,127,017	7,603,418
Total general fund	$ 3,460,910	$ 4,947,190	$ 6,624,019	$ 7,156,340	$ 7,625,253
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Capital projects fund	3,081,829	3,771,711	2,467,827	1,881,686	1,807,020
Total all other governmental funds	$ 3,081,829	$ 3,771,711	$ 2,467,827	$ 1,881,686	$ 1,807,020


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City of Pooler, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years

	2001	2002	2003	2004
Revenues				
Property taxes	$ 874,316	$ 1,170,356	$ 1,304,325	$ 1,803,823
Sales tax	991,832	1,005,306	1,600,089	1,645,800
Other taxes	1,336,058	1,631,193	1,687,930	1,826,482
Licenses and permits	151,806	219,895	256,455	284,639
Revenue from other governmental units	722,821	660,671	583,235	823,373
Charges for services	384,231	483,654	725,226	817,693
Fines and fees	655,559	663,497	402,119	556,420
Miscellaneous	205,585	120,070	97,240	58,304
Total revenue	5,322,208	5,954,642	6,656,619	7,816,534
Expenditures				
Current:				
General government	786,455	716,691	719,334	953,149
Public safety	1,239,904	1,574,927	1,666,943	2,467,508
Public works	1,721,191	1,611,742	1,919,863	2,373,655
Health and welfare	-	90,279	92,665	82,076
Culture and recreation	362,451	293,204	301,047	431,234
Housing and development	189,001	423,240	449,274	513,700
Capital outlay	466,902	521,546	1,276,692	555,935
Debt service:				
Principal	-	-	179,157	235,399
Interest and other charges	167,715	274,395	36,714	42,930
Total expenditures	4,933,619	5,506,024	6,641,689	7,655,586
Excess (Deficiency) of revenues over (under) expenditures	388,589	448,618	14,930	160,948
Other Financing sources (uses)				
Debt issuance	97,843	206,733	424,485	78,762
Transfers in	-	1,348,782	263,026	293,748
Transfers out	-	(1,348,782)	(263,026)	(293,748)
Sale of capital assets/insurance recoveries	-	-	-	-
Total other financing sources (uses)	97,843	206,733	424,485	78,762
Net change in fund balances	$ 486,432	$ 655,351	$ 439,415	$ 239,710
Debt service as a percentage of noncapital expenditures	3.75%	5.50%	4.02%	3.92%

Source: *City records*

Notes: Noncapital expenditures are total expenditures less capital outlay.

Housing and development account classifications were added beginning with year end December 31, 2001. Prior to December 31, 2001, housing and development were combined in public works.

2005	2006	2007	2008	2009	2010
$ 1,930,670	$ 2,581,647	$ 2,904,513	$ 4,196,569	$ 4,308,256	$ 3,836,820
1,779,487	2,068,609	2,050,733	1,959,282	1,869,004	1,847,966
1,994,619	2,330,773	2,693,434	2,924,955	2,274,786	2,651,183
487,307	539,812	770,140	394,361	213,935	385,268
1,038,548	1,171,666	1,194,841	413,880	165,698	1,068,642
862,596	983,848	1,396,361	1,543,393	1,101,490	1,254,534
479,186	457,982	639,099	604,222	494,960	493,626
76,333	127,211	435,647	188,796	199,221	73,915
8,648,746	10,261,548	12,084,768	12,225,458	10,627,350	11,611,954
968,759	1,255,820	1,507,524	1,518,529	1,035,720	641,067
2,779,850	3,025,187	3,375,217	3,755,882	4,482,007	4,719,860
2,385,388	2,118,352	2,534,746	3,030,270	2,452,616	3,123,455
107,704	104,412	160,705	162,357	166,244	178,518
757,349	961,931	1,420,464	1,553,582	1,776,898	1,325,487
533,939	583,953	569,730	592,310	654,731	627,950
530,298	436,023	4,723,387	1,472,159	268,839	109,677
196,234	257,406	342,658	301,776	508,863	358,983
37,455	46,268	215,404	197,730	222,335	219,120
8,296,976	8,789,352	14,849,835	12,584,595	11,568,253	11,304,117
351,770	1,472,196	(2,765,067)	(359,137)	(940,903)	307,837
262,330	298,372	4,793,541	250,114	877,778	42,281
299,901	352,344	346,707	327,838	301,311	281,104
(299,901)	(352,344)	(346,707)	(327,838)	(301,311)	(281,104)
-	-	-	-	9,305	44,129
262,330	298,372	4,793,541	250,114	887,083	86,410
$ 614,100	$ 1,770,568	$ 2,028,474	$ (109,023)	$ (53,820)	$ 394,247
3.01%	3.79%	5.68%	4.57%	6.79%	5.69%

City of Pooler, Georgia

Schedule of Tax Revenues and Franchise Fees

Last Ten Calendar Years

Calendar Year Ending December 31,	Property Tax	Local Option Sales Tax	Insurance Premium Tax	Occupational Tax	Malt and Alcohol Beverage Tax	Lodging Tax	Utility Franchise Fee	Annual Totals
2001	$ 874,316	$ 991,832	$ 226,626	$ 149,146	$ 193,836	$ 378,002	$ 388,448	$ 3,202,206
2002	1,170,356	1,005,306	248,660	154,508	214,912	484,203	528,910	3,806,855
2003	1,304,325	1,600,089	267,997	160,253	232,431	526,052	501,197	4,592,344
2004	1,803,823	1,645,800	290,436	185,585	245,276	587,496	517,689	5,276,105
2005	1,930,670	1,779,487	312,471	199,166	264,880	601,136	616,966	5,704,776
2006	2,581,647	2,068,609	326,923	242,076	315,086	704,688	742,000	6,981,029
2007	2,904,513	2,050,733	341,017	268,500	410,803	693,414	979,700	7,648,680
2008	4,196,569	1,959,282	349,186	289,404	460,411	655,860	1,170,094	9,080,806
2009	4,308,256	1,869,004	345,910	307,689	466,200	602,624	552,363 [1]	8,452,046
2010	3,836,730	1,847,966	335,857	219,640	483,161	562,208	1,050,407	8,335,969

Source: *City records*

Table includes general fund and special revenue fund revenues.

[1] The City's franchise fee agreement with Georgia Power was amended in 2009 and the payment schedule changed from quarterly to annually. The City received the 2009 first quarter payment in April of 2009 and did not receive another payment until March 2010. The March 2010 payment represented the last three quarters of calendar year 2009.


CITY OF POOLER, GA
PRIDE
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City of Pooler, Georgia

Assessed and Actual Value of Taxable Property

Last Ten Calendar Years

(In thousands of dollars)

	Real Property		Personal Property		Utilities and Other Property	
Calendar Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2001	$ 168,724	$ 421,810	$ 55,856	$ 139,640	$ 1,236	$ 3,090
2002	212,138	530,345	76,668	191,670	1,514	3,785
2003	301,457	753,643	71,431	178,578	1,515	3,788
2004	338,435	846,088	78,522	196,305	1,748	4,370
2005	419,499	1,048,748	88,793	221,983	1,831	4,578
2006	527,258	1,318,145	97,774	244,435	1,982	4,955
2007	670,918	1,677,295	117,386	293,465	1,583	3,958
2008	788,988	1,972,470	130,563	326,408	4,046	10,115
2009	821,471	2,053,678	149,589	373,973	4,681	11,703
2010	808,755	2,021,888	147,231	368,078	5,257	13,143

Source: *Georgia Department of Revenue - Consolidation and Evaluation of Digest*

Note: The ratio of total assessed to total estimated value is set at 40% by state law.

Tax rates are per $1,000 net assessed value.

Total		Ratio of Total Assessed to Total Estimated Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value		
$ 225,816	$ 564,540	40.00%	4.000
290,320	725,800	40.00%	3.910
374,403	936,009	40.00%	3.669
418,705	1,046,763	40.00%	4.250
510,123	1,275,309	40.00%	4.071
627,014	1,567,535	40.00%	4.500
789,887	1,974,718	40.00%	4.392
923,597	2,308,993	40.00%	4.500
975,741	2,439,354	40.00%	4.500
961,243	2,403,109	40.00%	4.500

City of Pooler, Georgia

Direct and Overlapping Property Tax Rates

Last Ten Calendar Years

	City of Pooler	Overlapping Rates			
Tax Year	Operating	School District	County	State	Total
2001	4.000	18.576	10.367	0.250	33.193
2002	3.910	17.550	10.367	0.250	32.077
2003	3.669	17.680	10.367	0.250	31.966
2004	4.250	17.600	10.367	0.250	32.467
2005	4.071	17.277	11.037	0.250	32.635
2006	4.500	14.642	10.837	0.250	30.229
2007	4.392	13.795	10.537	0.250	28.974
2008	4.500	13.404	10.537	0.250	28.691
2009	4.500	13.404	10.537	0.250	28.691
2010	4.500	14.131	10.537	0.250	29.418

Source: Department of Revenue - *Tax Digest Millage Rates*

[a] Overlapping rates are those of local and county governments that apply to property owners within the City of Pooler.

City of Pooler, Georgia

Principal Property Taxpayers

Current and Eight Years Ago

Taxpayer	2010 Taxable Assessed Value	2010 Rank	2010 % of Total District Net Assessed Value	2002 [a] Taxable Assessed Value	2002 [a] Rank	2002 [a] % of Total District Net Assessed Value
HASBRO, Inc.	$ 12,281,467	1	1.26%			
Courtney Station LLC	10,155,600	2	1.04%			
JCB USA, Inc	9,644,767	3	0.99%	$ 8,007,862	2	2.76%
A & B Properties Inc.	9,637,592	4	0.99%			
Alta Towne Lake LLC	9,534,000	5	0.98%			
Savannah Housing Partners II	8,816,480	6	0.90%			
Spanos Corporation	8,386,560	7	0.86%			
Godley Station Apartments LP	6,240,960	8	0.64%	6,130,200	3	2.11%
JCB Manufacturing, Inc.	5,704,286	9	0.59%	5,196,047	6	1.79%
Rolls-Royce North America, Inc.	5,648,388	10	0.58%			
Sams East Inc				13,266,438	1	4.57%
Southwest Quadrant Development				5,786,000	4	1.99%
Robert B. Baker				5,618,400	5	1.94%
Jabot Investments, NV				3,505,400	7	1.21%
Walmart Stores, Inc #2860				3,226,963	8	1.11%
Walmart Stores, Inc #1-02860				3,195,600	9	1.10%
Foxfield Company				2,782,400	10	0.96%
Totals	$ 86,050,100		8.83%	$ 56,715,310		19.54%

Source: *Chatham County Board of Assessors*

[a] Information prior to 2002 is not readily available

City of Pooler, Georgia

Property Tax Levies and Collections

Last Ten Calendar Years

Calendar Year [1]	Total Tax Levy [2]	Collected within the Calendar Year of the Levy		Collections for subsequent years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$ 777,862	$ 671,023	86.27%	$ 105,594	$ 776,617	99.84%
2002	934,126	755,649	80.89%	177,368	933,017	99.88%
2003	1,119,214	931,708	83.25%	185,696	1,117,404	99.84%
2004	1,475,079	1,324,285	89.78%	149,501	1,473,786	99.91%
2005	1,639,817	1,536,648	93.71%	94,926	1,631,574	99.50%
2006	2,388,944	1,984,407	83.07%	399,657	2,384,064	99.80%
2007	2,881,516	1,229,403 [3]	42.67%	1,635,172	2,864,575	99.41%
2008	3,592,498	2,952,303	82.18%	485,723	3,438,026	95.70%
2009	3,844,880	3,251,769	84.57%	431,399	3,683,168	95.79%
2010	3,862,638	2,960,033	76.63%	-	2,960,033	76.63%

Source: *City records.*

[1] Taxes are assessed for the calendar year beginning January 1.

[2] The total tax levy includes real property, industrial area, personal property and public utilities. The total tax levy is the original state approved levy after adjustments for cancelations, releases, errors and additions.

[3] Collections decreased due to a two week delay in rendering tax bills.

City of Pooler, Georgia

Ratios of Outstanding Debt by Type

Last Ten Calendar Years

Calendar Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
	Contractual Obligations	Capital Leases	Revenue Bonds	GEFA Loans	Capital Leases			
2001	$ -	$ 685,063	$ 79,500	$ 4,659,873	$ -	$ 5,424,436	3.61%	$ 714
2002	-	686,425	47,500	4,847,338	-	5,581,263	3.47%	698
2003	-	931,754	-	7,837,609	199,686	8,969,049	5.15%	1,055
2004	-	775,117	-	14,804,691	159,066	15,738,874	7.32%	1,674
2005	-	841,213	-	19,965,404	159,090	20,965,707	8.50%	2,055
2006	-	882,179	-	21,727,035	100,755	22,709,969	8.24%	2,103
2007	4,500,000	833,062	-	21,846,550	170,227	27,349,839	7.82%	2,022
2008	4,500,000	781,400	-	19,915,439	108,405	25,305,244	7.15%	1,874
2009	4,500,000	1,150,315	-	19,302,565	162,628	25,115,508	7.02%	1,860
2010	4,500,000	833,613	-	18,410,739	104,792	23,849,144	4.62%	1,246

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a] See the Schedule of Demographic and Economic Statistics on page G-18 for personal income and population data.

City of Pooler, Georgia

Ratios of Net General Bonded Debt Outstanding

Last Ten Calendar Years

Calendar Year	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2001	$ -	$ -	$ -	0.00%	$ -
2002	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-

City of Pooler, Georgia

Direct and Overlapping Governmental Activities Debt

As of December 31, 2010

	Debt Outstanding	Estimated Percentage Applicable [(a)]	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005	$ 15,265,000	8.30%	$ 1,266,995
Chatham County Public Health Facilities Projects	645,000	8.30%	53,535
DSA Chatham County Projects Series 2005A	5,940,000	8.30%	493,020
DSA Union Mission Series 2009	2,400,000	8.30%	199,200
Mosquito Control	4,166,343	8.30%	345,806
Chatham-Savannah School Board:			
General Obligation Bonded Debt	77,230,000	8.30%	6,410,090
DSA (Improvement Project)	1,650,000	8.30%	136,950
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	693,169	7.45%	51,641
Savannah-Chatham County School Board	5,648,967	8.12%	458,696
Subtotal, overlapping debt			9,415,934
City of Pooler direct debt			5,333,613
Total direct and overlapping debt			$ 14,749,547

Sources: *Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Taxation. Debt outstanding data provided by each governmental unit.*

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pooler. This process recognizes that, when considering the city's ability to issue and repay long-term-debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

[(a)] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the city's boundaries and dividing it by each unit's total taxable value. For overlapping other debt (County), the percentage of overlapping applicable is estimated using the city's population and dividing it by the county's population. For overlapping other debt (School), the percentage of overlapping applicable is estimated using the city's school enrollment and dividing it by the school district's total enrollment.

City of Pooler, Georgia

Legal Debt Margin Information

Last Ten Calendar Years

	2001	2002	2003	2004	2005
Total assessed value of taxable property	$ 225,817,012	$ 290,319,757	$ 374,402,618	$ 418,705,433	$ 510,123,606
Less exemptions for bond purposes	1,257,333	1,933,221	1,681,838	2,036,066	2,385,817
Net assessed value for bond purposes	$ 224,559,679	$ 288,386,536	$ 372,720,780	$ 416,669,367	$ 507,737,789
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 22,455,968	$ 28,838,654	$ 37,272,078	$ 41,666,937	$ 50,773,779
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 22,455,968	$ 28,838,654	$ 37,272,078	$ 41,666,937	$ 50,773,779
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2006	2007	2008	2009	2010
Total assessed value of taxable property	$ 627,014,291	$ 789,886,671	$ 923,596,537	$ 975,740,676	$ 961,243,027
Less exemptions for bond purposes	3,083,620	9,765,842	9,872,720	59,624,888	49,495,073
Net assessed value for bond purposes	$ 623,930,671	$ 780,120,829	$ 913,723,817	$ 916,115,788	$ 911,747,954
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 62,393,067	$ 78,012,083	$ 91,372,382	$ 91,611,579	$ 91,174,795
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 62,393,067	$ 78,012,083	$ 91,372,382	$ 91,611,579	$ 91,174,795
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

The present constitutional limit on direct general obligation bonds for the City of Pooler is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service (bond) purposes.

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

City of Pooler, Georgia

Demographic and Economic Statistics

Last Ten Calendar Years

Year	Population	Personal Income [2]	Per Capita Personal Income [1]	Unemployment Rate [3]
2001	7,600	$ 150,168,400	$ 19,759	3.9%
2002	8,000	160,896,000	20,112	4.3%
2003	8,500	174,020,500	20,473	4.1%
2004	9,400	214,912,200	22,863	3.8%
2005	10,200	246,666,600	24,183	4.6%
2006	10,800	275,529,600	25,512	4.1%
2007	13,526	349,836,464	25,864	4.4%
2008	13,500	353,956,500	26,219	5.4%
2009	13,500	357,591,274	26,488	8.5%
2010	19,141	516,098,783	26,963	9.2%

Sources:

[1] *www.city-data.com/city/Pooler-Georgia.html*

[2] *Personal income has been estimated based upon the municipal population and per capita personal income presented.*

[3] *State Department of Labor*

City of Pooler, Georgia

Principal Employers

Current Year and Nine Years Ago

	2010			1999		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace	6,000	1	4.70%	5,000	1	4.39%
Ft. Stweart/Hunter Army Airfield	5,109	2	4.00%	5,000	2	4.39%
Memorial Health	4,643	3	3.64%	4,500	4	3.95%
Savannah-Chatham Bd of Ed.	4,093	4	3.21%	4,578	3	4.02%
St Joseph's Candler Hospital	3,304	5	2.59%	3,700	6	3.25%
Wal-Mart	2,935	6	2.30%			
City of Savannah	2,500	7	1.96%	2,000	9	1.75%
Momentum Resources II, Inc.	1,703	8	1.33%			
Savannah College of Art & Design	1,500	9	1.18%			
Chatham County	1,500	10	1.18%	1,600	10	1.40%
Savannah Intenational Airport				3,600	7	3.16%
State of Georgia				3,750	5	3.29%
International Paper				2,400	8	2.11%
Total	33,287		26.08%	36,128		31.69%

Source: *Savannah Economic Development Authority.*

Note: This data includes employer and employee information for the Savannah Metropolitan Service Area.

City of Pooler, Georgia
Full Time City Employees by Function/Program
Last Ten Calendar Years

Function/Program	2001	2002	2003	2004	2005
General government	10	13	14	14	14
Public safety	32	35	38	42	45
Public works	25	26	30	29	29
Culture and recreation	6	6	6	6	5
Water and sewer services	12	15	17	18	19
Total	85	95	105	109	112

Function/Program	2006	2007	2008	2009	2010
General government	16	19	13	10	10
Public safety	51	54	55	63	69
Public works	32	39	40	35	28
Culture and recreation	6	10	10	8	13
Water and sewer services	19	19	23	26	19
Total	124	141	141	142	139

Source: *City Personnel Records*

City of Pooler, Georgia

Operating Indicators by Function

Last Ten Calendar Years

	2001	2002	2003	2004	2005
Police:					
Arrests	478	581	698	705	960
Fire:					
Number of emergency calls	585	631	651	1,079	1,168
Inspections	-	-	-	-	13
Public works:					
Street resurfacing (miles)	3.330	0.229	3.665	2.105	2.086
Water:					
New connections	unav	unav	368	380	436
Average daily consumption (thousands of gallons)	670,000	757,000	705,129	688,000	628,749
Sewer:					
New connections	unav	unav	368	380	436
Average daily sewage treatment (thousands of gallons)	920,000	890,000	975,000	1,110,000	1,210,000

	2006	2007	2008	2009	2010
Police:					
Arrests	1,060	1,143	415	641	601
Fire:					
Number of emergency calls	1,547	1,754	1,843	2,002	2,241
Inspections	166	256	- [b]	213	724
Public works:					
Street resurfacing (miles)	1.193	1.000	1.820	0.700	-
Water:					
New connections	778	701	362	243	262
Average daily consumption (thousands of gallons)	676,390	1,755,345 [a]	1,951,355	2,117,587	2,058,684
Sewer:					
New connections	778	676	361	243	262
Average daily sewage treatment (thousands of gallons)	1,300,000	1,700,000	1,750,000	1,750,000	1,617,000

Sources: *City records*

unav - This information is not available.

[a] Began including water purchased from the City of Savannah in 2007.

[b] In 2008 management used a contractor to preform inspections.

City of Pooler, Georgia
Capital Asset Statistics by Function
Last Ten Calendar Years

	2001	2002	2003	2004	2005
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	1	2	2
Public works:					
Streets (miles)	unav	unav	unav	unav	55.7
Traffic signals	-	2	2	2	2
Parks and recreation:					
Parks	1	1	1	1	1
Community centers	1	1	1	1	1
Water:					
Maximum daily capacity (thousands of gallons)	1,020,000	998,000	1,010,000	1,092,000	1,100,000
Wastewater:					
Maximum daily treatment capacity (thousands of gallons)	980,000	998,000	998,000	2,500,000	2,500,000

	2006	2007	2008	2009	2010
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	71.6	80	80	81	87
Traffic signals	3	3	3	5	7
Parks and recreation:					
Parks	1	2	5	5	5
Community centers	1	1	1	1	1
Water:					
Maximum daily capacity (thousands of gallons)	1,114,000	3,960,000 [a]	3,900,000	3,900,000	3,697,000
Wastewater:					
Maximum daily treatment capacity (thousands of gallons)	2,500,000	3,000,000	2,500,000	2,500,000	2,500,000

Sources: *City records and Georgia Department of Transportation, Office of Transportation*

unav - This information is not available.

[a] Began including water purchased from the City of Savannah in 2007.


CITY OF POOLER, GA
FAMILY
PRIDE
HONOR
1907

COMPLIANCE SECTION


CITY OF POOLER, GA
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KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the
City Council
City of Pooler, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of the City of Pooler, Georgia (City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 15, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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We noted certain matters that we reported to management of the City in a separate letter dated April 15, 2011.

This report is intended solely for the information and use of management and City Council and is not intended to be and should not be used by anyone other than these specified parties.

Kaye, Ronning & Tindol, P.C.

April 15, 2011

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