COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Pooler, Georgia
For the Year Ended December 31, 2011

Prepared by:
Finance Department


CITY OF POOLER, GA
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City of Pooler, Georgia

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION


CITY OF POOLER, GA
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CITY OF POOLER

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Pooler, Georgia 31322
(912) 748-7261
Fax: (912) 330-0987
www.pooler-ga.us

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

May 11, 2012

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, 2011. 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, 2011. 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 19,391.

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.

While development over the past four years has been declining due to a poor economy, 2011 saw an increase in building permits for both residential and commercial development. The trend in residential permits is shifting to multi-family units as opposed to single family. Over the previous ten years, the City issued an average of 456 residential construction permits and 61 commercial construction permits annually. In 2011, 220 residential permits were issued which is an increase of 26% from 2010. Commercial construction permits issued increased a second year in a row from 50 in 2010 to 100 in 2011 which is significantly higher than the 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 2011, the City had an average annual occupancy of 65 percent. The City received $562,892 in hotel excise tax in 2011. The revenue from this tax had been decreasing in the previous 5 years, however, it remained relatively consistent from 2010 to 2011 which is a hopeful indicator of the economy improving. The City also saw an increase in Local Option Sales Tax collections from 2010 in the amount of $88,933 which is a 5% increase. This is another good sign of improving economic conditions since LOST revenue declined nearly 10% between 2007 and 2010. In 2011, the City issued 1,319 business licenses which is an 8% increase from the previous year in which only 1,218 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 2011, the City received notice that one of the new cinemas in Pooler intended to expand to include an IMAX theatre. In addition, plans are still underway for a 14-acre water park to be built near the new bowling alley just off of Pooler Parkway near I-95. Future commercial development plans tentatively include a new 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 has built a manufacturing facility for the production of advanced steam and gas turbines and to service turbines and related components for power generation. Mitsubishi is continuing plans to expand the facility in future phases and currently employs more than 50 people, not including independent contractors. 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 spendable fund balance of approximately $9.6 million or 85% 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 in Pooler. Infrastructure improvements to the water and sewer system have been made to accommodate the influx of new residents. In 2011, the City of Pooler completed

approximately $3,000,000 worth of improvements to the wastewater treatment plant in order to be prepared for future expansion. The current treatment capacity of the plant is 2.5 million gallons per day. Within five years the City expects to expand the treatment capacity to 3.34 million 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, 2010. This was the tenth 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, 2011

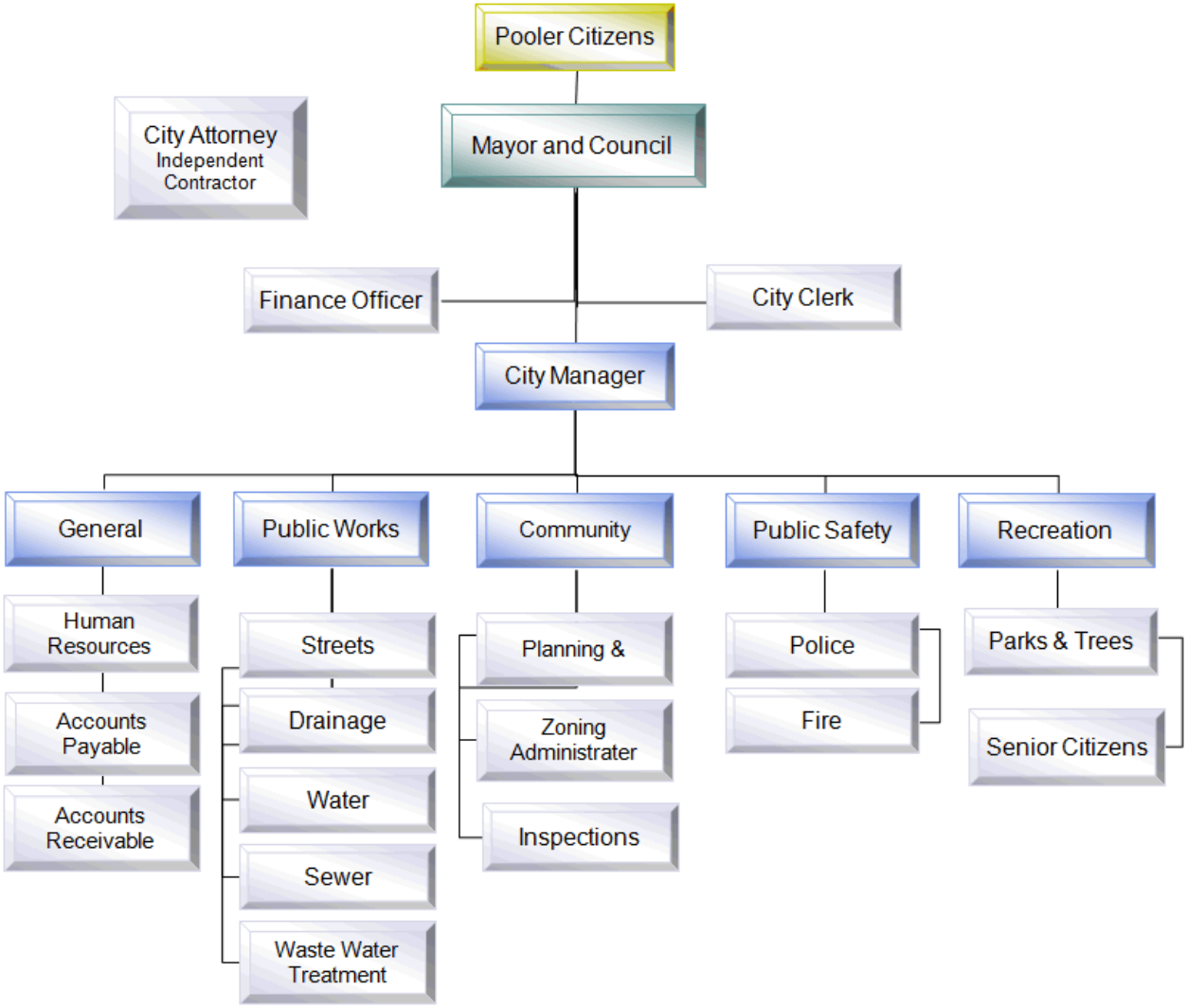
City Hall
(912) 748-7261
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Mayor	Michael F. Lamb
City Manager	Robert H. Byrd, Jr.
City Clerk	Maribeth Lindler
Finance Officer	Michelle McNeely
Chief of Police	Mark Revenew
Chief of Fire	Wade Simmons
Director of Public Works	Matt Saxon
Director of Recreation	Hugh Elton
Director of Human Resources	Deborah Gould
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, 2011



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, 2010

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.



Linda C. Davidson

President

Jeffrey L. Esser

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, 2011, 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, 2011, 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 May 11, 2012 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.

May 11, 2012

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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, 2011. 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 2011 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at December 31, 2011 by $59,938,725 (net assets). Of this amount, $20,574,284 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased $16,035,501 from the previous year. The majority of the increase is from Governmental Activities in the amount of $15,618,556. Business-Type Activities net assets increased $416,945 from the previous year.
- Key factors resulting in the increase of net assets include:
    - Ownership and maintenance of Pooler Parkway which was completed in early 2004 was transferred from Chatham County to the City of Pooler. Pooler Parkway was booked as a capital donation based on the estimated cost of replacement at the time the road was accepted in the amount of $10,688,000 which was based on total replacement measurements of 13.36 miles. This highway is a 4-lane divided highway that runs approximately 5 miles through the northwest quadrant of the intersection of Interstate 95 and Interstate 16.
    - Other capital donations contributing to the increase in governmental net assets include the acquisition of 3 parcels of land dedicated for new fire stations to be constructed in 2012.The total value of these three tracts of land is $439,800. The City of Pooler also accepted a new traffic signal valued at $200,523 located at the intersection of Benton Boulevard and Towne Center Drive.
    - Additional increases in governmental net assets occurred due to unexpected increases in revenue sources such as insurance premium tax, taxable personal property, and increases in the City's schedule of fines.

- The increase in net assets of business-type activities was realized due to a 10% increase in water and sewer fees in 2011.

- At December 31, 2011 the City's governmental funds balance sheet reported a combined ending fund balance of $11,422,167 which is an increase of $1,989,894 from the previous calendar year. As mentioned previously, the majority of the increase resulted from additional Insurance Premium tax revenue that was a direct result of Pooler's population growth reported in the 2010 census, property tax revenue that was billed and received by Chatham County in 2010 but not paid to the City of Pooler until 2011 due to the transition of property tax billing from the City to Chatham County, and additional fine revenue that resulted from increases in the City's schedule of fines.
- The General Fund reported an unrestricted fund balance of $9,580,805 which is an increase from 2010 of $2,017,006. Because of the increases in revenue described previously, the City was able to commit $2,500,000 of the fund balance of the General Fund for the purpose of constructing a new Municipal Complex which is expected to be completed in the next 5-7 years.

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 $59.9 million at December 31, 2011.

The following table presents a summary of the City's net assets at December 31, 2011:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	$ 13,561,175	$ 11,872,894	12,092,966	$ 13,051,602	$ 25,654,141	$ 24,924,496
Capital assets, net	26,017,742	13,018,234	33,031,715	31,635,859	59,049,457	44,654,093
Total assets	39,578,917	24,891,128	45,124,681	44,687,461	84,703,598	69,578,589
Current liabilities	339,946	356,929	1,151,905	410,283	1,491,851	767,212
Noncurrent liabilities	5,415,384	6,329,168	17,857,638	18,578,985	23,273,022	24,908,153
Total liabilities	5,755,330	6,686,097	19,009,543	18,989,268	24,764,873	25,675,365
Net assets:						
Invested in capital assets, net of related debt	21,645,967	7,684,621	15,221,175	13,120,328	36,867,142	20,804,949
Restricted	1,779,908	1,804,340	717,391	733,445	2,497,299	2,537,785
Unrestricted	10,397,712	8,716,070	10,176,572	11,844,420	20,574,284	20,560,490
Total net assets	$ 33,823,587	$ 18,205,031	$ 26,115,138	$ 25,698,193	$ 59,938,725	$ 43,903,224

The largest portion of the City's net assets (62%) represents its investment in capital assets such as land, buildings, and equipment, less any related debt used to acquire those assets and 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 (34%) 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 revenue 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 $2.1 million mostly due to projects related to expansion of the wastewater treatment plant. In 2011, these projects included installation of new membranes, fine screen replacements, as well as a new pump station located at the plant. The wastewater plant's current treatment capacity is 2.5 million gallons. Since the growth in Pooler has slowed down due to the declining economy, expansion of the treatment plant has been extended to a 5 year work plan. When completed, the capacity of the treatment plant will be increased to 3.3 million gallons.

The City's total net assets increased over $16 million from 2010 to 2011. Almost the majority of the increase in net assets came from governmental activities in the amount of $15,618,556. As mentioned previously in the financial highlights section, the acceptance of Pooler Parkway resulted in an increase to net assets of nearly $10.1 million. Other donated capital asset additions include 3 properties within Pooler for the purpose of constructing 3 new fire stations as part of an overall plan to improve the City's ISO rating. One of the properties is located on Quacco Road near Savannah Quarters, another is on Barrow Drive near the "megasite" which is located at the intersection of I-95 and I-16, and the third property is on Triple B Trail. The total value of the 3 properties is $439,800. All 3 stations are expected to be constructed in 2012 partially with the aid of long-term financing through Georgia Municipal Association's Bricks and Mortar program. The rest of the project will be funded by a transfer of fund balance from the general fund to the capital projects fund in the amount of $720,000. Total project cost for the 3 fire stations is estimated to be $1.6 million.

Other increases to net assets in governmental activities resulted from an increase in property tax revenue in the amount of $476,992 over the budgeted amount in part due to an increase in the property tax base, mostly attributable to commercial growth, as well as improved collection rates since the Chatham County Tax Commissioner began billing and collecting the City's real and personal property taxes in 2010. Additional increases in tax revenues in 2011 resulted from a new pro rata distribution of the State of Georgia's insurance premium tax due to the 2010 census data. The City's share increased almost 300% from previous years. The City also received additional sales tax revenue from LOST as well as motor vehicle taxes. 2011 revenues also included an additional $176,000 over budget due to an across-the-board increase in the police fine schedule. The remainder of the growth in total net assets resulted from a 10% 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, 2011:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	$ 2,693,857	$ 2,133,428	$ 5,219,905	$ 4,747,291	$ 7,913,762	$ 6,880,719
Operating grants/contributions	308,606	537,167	-	-	308,606	537,167
Capital grants/contributions	13,754,586	517,597	854,238	1,154,287	14,608,824	1,671,884
General Revenues:						
Property and sales taxes	6,007,113	5,437,911	-	-	6,007,113	5,437,911
Selective sales and use taxes	3,004,242	2,893,335	-	-	3,004,242	2,893,335
Business taxes	1,131,469	555,497	-	-	1,131,469	555,497
Other taxes	18,598	12,314	-	-	18,598	12,314
Other	82,088	84,186	25,586	62,631	107,674	146,817
Total revenues	27,000,559	12,171,435	6,099,729	5,964,209	33,100,288	18,135,644
Expenses:						
General government	540,463	679,957	-	-	540,463	679,957
Public safety	4,657,420	4,593,471	-	-	4,657,420	4,593,471
Public works	3,865,511	2,896,229	-	-	3,865,511	2,896,229
Health and welfare	189,121	189,957	-	-	189,121	189,957
Culture and recreation	1,292,268	1,763,580	-	-	1,292,268	1,763,580
Housing and development	642,942	649,072	-	-	642,942	649,072
Interest on long-term debt	194,278	230,314	-	-	194,278	230,314
Water and sewer	-	-	5,682,784	5,588,402	5,682,784	5,588,402
Total expenses	11,382,003	11,002,580	5,682,784	5,588,402	17,064,787	16,590,982
Change in net assets	15,618,556	1,168,855	416,945	375,807	16,035,501	1,544,662
Net assets - beginning	18,205,031	17,036,176	25,698,193	25,322,386	43,903,224	42,358,562
Net assets - ending	$ 33,823,587	$ 18,205,031	$ 26,115,138	$ 25,698,193	$ 59,938,725	$ 43,903,224

For purposes of calculating government-wide net assets, approximately 44% of the City's total revenue in 2011 came from capital grants and contributions. The City expects this to be a one-time occurrence because of the addition of Pooler Parkway. Various taxes represented 31% of total revenue in 2011 while charges for services resulted in 24% of the total revenue. 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. Overall, the City of Pooler's expenses remained relatively stable from 2010, however, a restructuring of departments shifted approximately $500,000 in expenses from culture and recreation to public works.

The total excess of revenues over expenditures in 2011 totaled $16,035,501. It is important to keep in mind that over $14 million of the increase resulted from capital contributions which are either invested in infrastructure and therefore non-spendable or restricted for certain expenditures other than general operations. 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 two special revenue funds. The General Fund and the Capital Projects Fund are reported as the City's major funds. The Hotel/Motel Tax Fund and Confiscated Assets Fund are presented together as Other Governmental Funds. As of December 31, 2011, the City governmental funds reported a combined fund balance of $11,422,167, an increase of $1,989,894 from the prior year's combined balance. In accordance with GASB Statement No. 54, the fund balance of governmental fund types is now reported in a manner to indicate the extent of the constraints on government resources. Unassigned Fund Balance in the General Fund reports available resources for spending that are not subject to constraints. The resources of Special Revenue funds, by their nature, are subject to constraints as to how they may be spent, therefore, these funds will never report a positive unassigned fund balance. For conversational purposes, unrestricted fund balance represents the total of Committed, Assigned, and Unassigned Fund Balances.

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, 2011 the total fund balance in the general fund was $9,642,259. The total amount of unrestricted fund balance in the general fund was $9,580,805, the unassigned portion was $6,879,213.

One measure of the general fund's liquidity is to compare its unrestricted fund balance to total fund expenditures. Committed, assigned, and unassigned fund balances collectively (unrestricted fund balance) represent 85% of total general fund expenditures. The unassigned portion of fund balance represents 61% of total general fund expenditures. The City of Pooler's Fund Balance Policy requires a minimum unrestricted fund balance policy of 4-6 months of operating expenditures, or 33–50%. The requirements of this policy have been satisfied and no corrective action is necessary.

The fund balance of the general fund increased $2,017,006 during the 2011 fiscal year with expenditures remaining consistent from the previous year. Revenue collections increased significantly this year due to items mention previously in the financial highlights such as increased property tax revenue, insurance premium tax revenue, as well as a slight increase in Local Option Sales Tax.

Special Purpose Local Option Sales Tax Fund

The Capital Projects Fund had a total fund balance of $1,750,000 at the end of 2011 which must be used for special purpose local option sales tax projects. Although revenue from the 2008 SPLOST began coming in late 2010 and through 2011 after the delayed payment schedule in the agreement was completed, the fund balance decreased $56,850 due to various SPLOST-related expenditures. Most significantly, the City of Pooler began making principal payments on the debt issuance for construction of the recreation facility on Pooler Parkway in 2011. Additionally, the City began plans for the Pooler Pedestrian Park located on Highway 80 at Pooler Parkway which ties into the sidewalk extension that was completed in 2011. Design plans for a road

realignment and traffic signal at Highway 80 and Pine Barren Road also were started in 2011 and construction is expected to begin in 2012 and be completed in 2013.

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, 2011, total net assets amounted to $26,115,138 for the enterprise fund compared to $25,698,193 at December 31, 2010. The change in net assets (an increase of $416,945) can be attributed to the 10% increase in water and sewer fees in 2011, 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 $203,257 which represents monies owed to the General Fund for uncollected fine revenue, 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, 2011, the City's net capital assets for both governmental activities and business-type activities totaled $59,079,457. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital Assets increased $14,395,364, or 32%, from what was reported at the end of 2010.

Major capital asset events during the year included the following:

- Acceptance of Pooler Parkway from Chatham County. Estimated cost for construction at the time of acceptance was $10,688,000.
- The City completed the initial phase of its plans to upgrade the wastewater treatment plant. Total upgrades completed in 2011 are valued at approximately $3,000,000.
- Completion of the sidewalk extension along Highway 80 leading up to Pooler Parkway in the amount of $218,639.
- Donation of a traffic signal located at Benton Boulevard and Towne Center Drive which is valued at $200,524.
- The Fire Department purchased two used fire vehicles with a combined value of $230,000.

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, 2011 totaled $22,531,724. Of this amount, $4,674,086 represents the governmental activities and $17,857,638 represents the business-type activities.

Overall, long-term liabilities decreased from 2010 by $1,634,168. The first of two additions to long-term liabilities in 2011 (other than compensated absences) was a lease-purchase agreement in governmental activities for 4 new police cruisers totaling $89,800. Business-Type activities added a liability of $273,560 for a GEFA loan for water improvements in the I-16/Pooler Parkway area. This project is expected to be completed in 2012, and the total approved GEFA loan is $992,000. Reductions in long-term liabilities in governmental activities came from principal payments beginning in 2011 on the recreation revenue bond, as well as payments made on previous lease purchases for capital. In business-type activities, reductions in long-term liabilities resulted from payments on previous GEFA loans using revenue received through the collection of Capital Cost Recovery fees from residential and commercial development in addition to capital lease payments.

Additional information on the City's debt can be found in Note 2G on page D-22 through 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 beginning on page F-1. Budget columns are provided for both the original budget adopted for calendar year 2011 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 20, 2010.

During the year there was a $974,944 decrease in appropriations between the original and final amended budget. The City budgeted for partial construction of 3 fire stations in 2011, however, delays in the bidding process caused the project to be scheduled for 2012.

Total revenue and other financing sources actually recorded for this calendar year were $13,335,271 which is $1,609,883 more than the final budget amount.

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

- Revenue from property taxes was approximately $476,992 more than what was budgeted due to an increase in the property tax base, mostly attributable to commercial growth, as well as improved collection rates since the Chatham County Tax Commissioner began billing and collecting the City's real and personal property taxes in 2010.
- Fine revenue was approximately $176,000 more than what was budgeted for due to an across-the-board increase to the fine schedule.
- Collections for Local Option Sales Tax and the Insurance Premium Tax each were in excess of the budget due to improvements in the economy and increased population. The total combined excess amount was $229,444.

The total appropriations (expenditures) actually recorded for the calendar year were $11,318,265. The variance in budget to actual is approximately 4% in excess of the final budgeted amount and is spread out among departments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a general fund budget of $13,364,368 for the calendar year 2012. This budget includes approximate expenditures of $1.6 million to construct 3 new fire stations in an effort to improve the City's ISO rating. Approximately half of this amount will be financed through the Georgia Municipal Association's Bricks and Mortar program. The remainder will be funded through the General Fund. 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.

BASIC FINANCIAL STATEMENTS


CITY OF POOLER, GA
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GOVERNMENT-WIDE FINANCIAL STATEMENTS


CITY OF POOLER, GA
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City of Pooler, Georgia

Statement of Net Assets

December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pooler Development Authority
ASSETS				
Cash and cash equivalents	$ 10,825,919	$ 4,637,045	$ 15,462,964	$ 111,310
Receivables	2,330,109	926,853	3,256,962	-
Internal balances	285,123	(285,123)	-	-
Inventories	-	5,500	5,500	-
Prepaid items	61,454	20,052	81,506	-
Restricted assets				
Cash and cash equivalents	-	6,788,639	6,788,639	-
Bond issuance costs, net of accumulated amortization	28,570	-	28,570	-
Capital assets:				
Land, improvements, and construction in progress	2,774,361	835,898	3,610,259	-
Other capital assets, net of depreciation	23,273,381	32,195,817	55,469,198	-
Total assets	39,578,917	45,124,681	84,703,598	111,310
LIABILITIES				
Accounts payable and other current liabilities	273,075	276,151	549,226	-
Contracts and retainage payable	-	634,070	634,070	-
Accrued interest	47,029	102,985	150,014	-
Other liabilities	19,842	138,699	158,541	-
Long-term liabilities:				
Due within one year	1,585,903	1,033,229	2,619,132	-
Due in more than one year	3,088,183	16,824,409	19,912,592	-
Net OPEB obligation	741,298	-	741,298	-
Total liabilities	5,755,330	19,009,543	24,764,873	-
NET ASSETS				
Invested in capital assets, net of related debt	21,645,967	15,221,175	36,867,142	-
Restricted for:				
Capital projects	1,750,170	-	1,750,170	-
Public safety	29,738	-	29,738	-
Debt service	-	717,391	717,391	-
Unrestricted	10,397,712	10,176,572	20,574,284	111,310
Total net assets	$ 33,823,587	$ 26,115,138	$ 59,938,725	$ 111,310

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, 2011

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	$ 540,463	$ 346,547	$ -	$ -
Public safety	4,657,420	951,699	302,189	-
Public works	3,865,511	1,242,437	-	12,680,709
Health and welfare	189,121	5,166	-	-
Culture and recreation	1,292,268	148,008	6,417	1,073,877
Housing and development	642,942	-	-	-
Interest on long-term debt	194,278	-	-	-
Total governmental activities	11,382,003	2,693,857	308,606	13,754,586
Business-type activities:				
Water and Sewer	5,682,784	5,219,905	-	854,238
Total business-type activities	5,682,784	5,219,905	-	854,238
Total primary government	$ 17,064,787	$ 7,913,762	$ 308,606	$ 14,608,824
Component Unit				
Pooler Development Authority	$ -	$ -	$ -	$ -

General revenues:

Taxes:

Property taxes, levied for general purposes

Sales taxes for general purposes

Selective sales and use taxes

Business taxes

Other taxes

Unrestricted investment earnings

Gain (loss) on disposition of capital assets

Miscellaneous

Total general revenues and transfers

Change in net assets

Net assets - beginning (restated)

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
$ (193,916)		$ (193,916)	
(3,403,532)		(3,403,532)	
10,057,635		10,057,635	
(183,955)		(183,955)	
(63,966)		(63,966)	
(642,942)		(642,942)	
(194,278)		(194,278)	
5,375,046		5,375,046	
-	$ 391,359	391,359	
-	391,359	391,359	
5,375,046	391,359	5,766,405	
			$ -
6,007,113	-	6,007,113	-
1,936,899	-	1,936,899	-
1,067,343	-	1,067,343	-
1,131,469	-	1,131,469	-
18,598	-	18,598	-
4,467	21,859	26,326	317
6,311	-	6,311	-
71,310	3,727	75,037	-
10,243,510	25,586	10,269,096	317
15,618,556	416,945	16,035,501	317
18,205,031	25,698,193	43,903,224	110,993
$ 33,823,587	$ 26,115,138	$ 59,938,725	$ 111,310


CITY OF POOLER, GA
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FUND FINANCIAL STATEMENTS


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City of Pooler, Georgia

Balance Sheet

Governmental Funds

December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 9,127,879	1,668,302	$ 29,738	$ 10,825,919
Receivables	2,211,125	82,918	36,066	2,330,109
Due from other funds	304,206	-	-	304,206
Prepaid items	61,454	-	-	61,454
Total assets	$ 11,704,664	$ 1,751,220	$ 65,804	$ 13,521,688
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 194,059	$ -	$ 18,033	$ 212,092
Salaries and wages payable	60,983	-	-	60,983
Due to other funds	-	1,050	18,033	19,083
Other liabilities	19,842	-	-	19,842
Deferred revenue	1,787,521	-	-	1,787,521
Total liabilities	2,062,405	1,050	36,066	2,099,521
Fund balances:				
Nonspendable	61,454	-	-	61,454
Restricted	-	1,750,170	29,738	1,779,908
Committed	2,500,000	-	-	2,500,000
Assigned	201,592	-	-	201,592
Unassigned	6,879,213	-	-	6,879,213
Total fund balances	9,642,259	1,750,170	29,738	11,422,167
Total liabilities and fund balances	$ 11,704,664	$ 1,751,220	$ 65,804	$ 13,521,688

City of Pooler, Georgia

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

December 31, 2011

Amounts reported for governmental activities in the statement of net assets are different because:		
Total Governmental Fund Balances		$ 11,422,167
Some receivables are not available to pay for current period expenditures therefore related revenues are deferred in the governmental fund financial statements		1,787,521
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 $6,290,106)		26,047,742
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	(3,750,000)	
Unamortized bond issuance costs	28,570	
Capital lease obligations	(651,775)	
Compensated absences	(272,311)	
Accrued interest payable	(47,029)	(4,692,545)
Net OPEB liability not reported in the fund statements		(741,298)
Net Assets of Governmental Activities		$ 33,823,587

City of Pooler, Georgia

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 9,891,831	$ -	$ 562,892	$ 10,454,723
Licenses and permits	346,547	-	-	346,547
Intergovernmental	327,589	1,073,877	-	1,401,466
Charges for services	1,485,890	-	-	1,485,890
Fines and forfeitures	845,513	-	15,907	861,420
Investment	4,452	907	15	5,374
Miscellaneous	77,727	-	-	77,727
Total revenues	12,979,549	1,074,784	578,814	14,633,147
EXPENDITURES				
Current:				
General government	525,664	-	-	525,664
Public safety	5,326,396	-	8,019	5,334,415
Public works	3,645,751	-	-	3,645,751
Health and welfare	186,770	-	-	186,770
Culture and recreation	965,203	-	-	965,203
Housing and development	357,284	-	281,446	638,730
Capital Outlay	-	228,596	-	228,596
Debt Service:				
Principal	271,638	750,000	-	1,021,638
Interest and other charges	39,559	153,038	-	192,597
Total expenditures	11,318,265	1,131,634	289,465	12,739,364
Excess (deficiency) of revenues over (under) expenditures	1,661,284	(56,850)	289,349	1,893,783
OTHER FINANCING SOURCES (USES)				
Transfers in	281,446	-	21,835	303,281
Transfers out	(21,835)	-	(281,446)	(303,281)
Sale of capital assets/insurance recoveries	6,311	-	-	6,311
Capital leases	89,800	-	-	89,800
Total other financing sources (uses)	355,722	-	(259,611)	96,111
Net Changes in fund balances	2,017,006	(56,850)	29,738	1,989,894
Fund balances at beginning of year	7,625,253	1,807,020	-	9,432,273
Fund balances at end of year	$ 9,642,259	$ 1,750,170	$ 29,738	$ 11,422,167

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, 2011

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,989,894
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	$ 1,500,157	
Depreciation expense	(1,143,649)	356,508
The net effect of various miscellaneous transactions involving capital assets (i.e., transfers and donations) is to increase net assets		12,673,000
Change in accrual of interest payable on revenue bonds and capital leases		12,605
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	(89,800)	
Bond principal payments	750,000	
Capital lease principal payments	271,638	917,552
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds		(311,899)
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		(19,017)
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		(87)
Change in Net Assets of Governmental Activities		$ 15,618,556

City of Pooler, Georgia
Statement of Net Assets
Water and Sewer Enterprise Fund
December 31, 2011

ASSETS	
Current assets:	
Cash and cash equivalents	$ 4,637,045
Restricted cash and cash equivalents:	
Customer deposits	132,857
Note and loan accounts	377,204
Accounts receivable - net	926,853
Inventory	5,500
Prepaid items	20,052
Total current assets	6,099,511
Noncurrent assets	
Restricted cash and cash equivalents:	
Note and loan accounts	340,187
Water and sewer system expansion accounts	5,938,391
Capital assets:	
Land, improvements, and construction in progress	835,898
Other capital assets, net of depreciation	32,195,817
Total noncurrent assets	39,310,293
Total assets	45,409,804
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	276,523
Contracts and retainage payable	634,070
Due to other funds	285,123
Accrued interest	102,985
Due to developers	5,470
Compensated absences	40,033
Notes and loans payable	580,793
Capital leases payable	35,199
Payable from restricted assets:	
Customer deposits payable	132,857
Notes and loans payable	377,204
Total current liabilities	2,470,257
Noncurrent liabilities:	
Notes and loans payable	16,801,415
Capital lease payable	15,929
Compensated absences	7,065
Total noncurrent liabilities	16,824,409
Total liabilities	19,294,666
NET ASSETS	
Invested in capital assets, net of related debt	15,221,175
Restricted for debt service	717,391
Unrestricted	10,176,572
Total net assets	$ 26,115,138

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, 2011

OPERATING REVENUES	
Water fees	$ 2,360,150
Sewer fees	2,863,482
Total operating revenues	5,223,632
OPERATING EXPENSES	
Water	
Personnel services and employee benefits	515,361
Purchased and contracted services	194,229
Supplies	1,218,395
Depreciation	241,290
Total operating expenses - Water	2,169,275
Sewer	
Personnel services and employee benefits	359,717
Purchased and contracted services	149,816
Supplies	213,397
Depreciation	519,927
Total operating expenses - Sewer	1,242,857
Wastewater Treatment Plant	
Personnel services and employee benefits	378,579
Purchased and contracted services	337,650
Supplies	395,097
Depreciation	521,111
Total operating expenses - Wastewater Treatment Plant	1,632,437
Total operating expenses	5,044,569
Operating income (loss)	179,063
NONOPERATING REVENUES (EXPENSES)	
Interest income	21,859
Interest expense	(638,215)
Total nonoperating revenues (expenses)	(616,356)
Income (loss) before capital contributions	(437,293)
Capital contributions:	
Tap fees	229,342
Capital cost recovery charges	624,896
Total capital contributions	854,238
Change in net assets	416,945
Net assets, beginning of year (restated)	25,698,193
Net assets, end of year	$ 26,115,138

City of Pooler, Georgia

Statement of Cash Flows

Water and Sewer Enterprise Fund

For The Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 5,136,181
Cash payments to suppliers for goods and services	(2,256,655)
Cash payments to employees for services	(1,265,168)
Net cash provided (used) by operating activities	1,614,358
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt issued	273,560
Principal payments on debt	(978,094)
Interest payments on debt	(640,153)
Tap fees	229,342
Capital cost recovery proceeds	624,896
Acquisitions and construction of capital assets	(2,084,021)
Net cash (used) by capital and related financing activities	(2,574,470)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on cash and investments	21,859
Net cash provided (used) by investing activities	21,859
Net increase (decrease) in cash and cash equivalents	(938,253)
Cash and cash equivalents, beginning of year	12,363,937
Cash and cash equivalents, end of year	$ 11,425,684
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 179,063
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,282,328
Change in assets and liabilities:	
Decrease (increase) in accounts receivables	(104,421)
(Decrease) Increase in prepaid expenses	(846)
(Decrease) Increase in accounts payable and accrued liabilities	115,614
(Decrease) Increase in interfund payables	125,650
(Decrease) increase in customer deposits	16,970
Total adjustments	1,435,295
Net cash provided (used) by operating activities	$ 1,614,358

City of Pooler, Georgia

Statement of Fiduciary Assets and Liabilities

Fiduciary Fund

December 31, 2011

	Municipal Court Fund
ASSETS	
Cash and cash equivalents	$ 53,546
Fines receivable	149,711
Total assets	$ 203,257
LIABILITIES	
Due to others	203,257
Total liabilities	$ 203,257

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.

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

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

Membership in Regional Commission

Under Georgia law, the City is a member of the Coastal Regional Commission and is required to pay annual dues thereto. During its year ended December 31, 2011, the City paid $9,369 in such dues. Membership in an CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an CRC. Management believes that the CRC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from:

Coastal Regional Commission
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 – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Agency Fund – used to account for, on a temporary basis, 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.

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 18, 2011. Tax bills were rendered on September 15, 2011 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	

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off. The entire accrued balance is payable at the time of employment termination unless the employee is discharged for cause. All paid time off (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.

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

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 aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance reflects the amounts constrained by the city's "intent" to be used for specific purposes, but are neither restricted or committed. The city council and city manager have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the city's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

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.

Implementation of New Accounting Standards

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the use of the resources reported in the governmental funds as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

New Special Revenue Fund

The confiscated asset fund was established to account for the receipt of condemned monies awarded to the City by court order and expenditure of these funds by the City's police department.

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 $22,305,149 and the bank balance was $22,844,865. As of December 31, 2011 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	$ 15,462,964
Restricted cash and cash equivalents	6,788,639
	22,251,603
Fiduciary Funds	
Cash and cash equivalents	53,546
Total cash and cash equivalents	$ 22,305,149

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

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	$ 1,930,901	$ -	$ -	$ 36,066	$ 1,966,967
Accounts	342	-	1,035,601	-	1,035,943
Intergovernmental	294,202	82,918	-	-	377,120
Gross receivables	2,225,445	82,918	1,035,601	36,066	3,380,030
Less: Allowance for uncollectibles	(14,320)	-	(108,748)	-	(123,068)
Net receivables	$ 2,211,125	$ 82,918	$ 926,853	$ 36,066	$ 3,256,962

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, 2011 the various components of deferred revenue reported in the general fund were as follows:

General Fund:	
Property taxes	$ 579,440
Franchise taxes	1,208,081
Total deferred revenue	$ 1,787,521

D. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at December 31, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 285,123
General	SPLOST Fund	1,050
General	Nonmajor governmental	18,033
Total interfund receivables and payables		$ 304,206

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.

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

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	$ 281,446
Nonmajor governmental funds	General Fund	Establish new fund	21,835
			$ 303,281

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.

E. Capital Assets

Changes in governmental activities capital asset for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 2,074,320	$ 439,800	$ -	$ -	$ 2,514,120
Construction in progress	111,189	411,856	-	(262,804)	260,241
Total non-depreciable capital assets	2,185,509	851,656	-	(262,804)	2,774,361
Depreciable Assets:					
Buildings and improvements	7,955,389	67,736	-	-	8,023,125
Machinery, equipment and vehicles	7,126,877	580,765	45,625	-	7,662,017
Infrastructure	942,541	12,673,000	-	262,804	13,878,345
Total depreciable capital assets	16,024,807	13,321,501	45,625	262,804	29,563,487
Accumulated Depreciation					
Buildings and improvements	(1,437,762)	(204,878)	-	-	(1,642,640)
Machinery, equipment and vehicles	(3,696,317)	(644,631)	(45,625)	-	(4,295,323)
Infrastructure	(58,003)	(294,140)	-	-	(352,143)
Total accumulated depreciation	(5,192,082)	(1,143,649)	(45,625)	-	(6,290,106)
Total Governmental Activities	$ 13,018,234	$ 13,029,508	$ -	$ -	26,047,742
Less related long-term debt outstanding					(4,401,775)
Investment in capital assets, net of related debt					$ 21,645,967

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

Depreciation expense was charged to governmental activities as follows:

General government	31,587
Public safety	335,031
Public works	376,581
Health and welfare	5,045
Culture and recreation	391,616
Housing and development	3,789
Total depreciation expense	$ 1,143,649

Changes in business-type activities capital asset for the year ended December 31, 2011 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	1,055,658	2,297,782	-	(2,689,681)	663,759
Total non-depreciable capital assets	1,227,797	2,297,782	-	(2,689,681)	835,898
Depreciable Assets:					
Buildings and improvements	39,856,306	351,855	-	2,689,681	42,897,842
Machinery, equipment and vehicles	1,154,142	28,547	-	-	1,182,689
Total depreciable capital assets	41,010,448	380,402	-	2,689,681	44,080,531
Accumulated Depreciation					
Buildings and improvements	(9,780,399)	(1,198,463)	-	-	(10,978,862)
Machinery, equipment and vehicles	(821,987)	(83,865)	-	-	(905,852)
Total accumulated depreciation	(10,602,386)	(1,282,328)	-	-	(11,884,714)
Total Business-type Activities	$ 31,635,859	$ 1,395,856	$ -	$ -	33,031,715
Less related long-term debt outstanding					(17,810,540)
Investment in capital assets, net of related debt					$ 15,221,175

Adjustment to Beginning Balance

The beginning balance of construction in progress reported in the Water and Sewer fund has been adjusted by $201,000. In 2011, management identified certain project costs that did not meet the criteria for capitalization and should not have been accumulated and reported in construction in progress at December 31, 2010.

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.

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

The assets acquired through capital lease are as follows:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	$ 1,623,423	$ 226,129
Less: Accumulated depreciation	(597,109)	(162,477)
Total	$ 1,026,314	$ 63,652

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, 2011:

Year Ending December 31,	Governmental Activities	Business-type Activities
2012	$ 183,683	$ 36,506
2013	122,755	13,101
2014	269,938	3,264
2015	54,802	-
2016	54,802	-
2017	54,802	-
Total minimum lease payments	740,782	52,871
Less: amount representing interest	(89,007)	(1,743)
Present value of minimum lease payments	$ 651,775	$ 51,128

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 $4,500,000 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
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	$ 3,750,000	$ 212,398	$ 3,962,398

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 12/31/2011
98-L66WJ	$ 2,497,297	4.67%	$ 1,800,408
02-L33WQ	672,289	4.36%	520,840
CW02-007	12,593,549	3.00%	10,301,325
03-L42WJ	3,103,709	4.16%	2,689,687
05-L23WJ	2,406,407	4.14%	2,173,592
11-L11WJ	**not closed**		273,560
Total GEFA loans payable at December 31, 2011			17,759,412
Less: GEFA loans not requiring debt service			(273,560)
GEFA loans requiring debt service at December 31, 2011			$ 17,485,852

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

Year Ending December 31,	Principal	Interest	Total
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	1,105,757	455,770	1,561,527
2017 - 2021	5,862,855	1,646,844	7,509,699
2022 - 2026	5,845,360	650,501	6,495,861
2027 - 2029	624,791	24,013	648,804
Totals.....	$ 17,485,852	$ 4,976,147	$ 22,461,999

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

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Contractual obligations	$ 4,500,000	$ -	$ 750,000	$ 3,750,000	$ 1,200,000
Capital lease obligations	833,613	89,800	271,638	651,775	154,438
Long-term debt	5,333,613	89,800	1,021,638	4,401,775	1,354,438
Compensated absences	253,294	371,945	352,928	272,311	231,465
Total Governmental Activities	$ 5,586,907	$ 461,745	$ 1,374,566	$ 4,674,086	$ 1,585,903
Business-Type Activities:					
GEFA loans	$ 18,410,739	$ 273,560	$ 924,887	$ 17,759,412	$ 957,997
Capital lease obligations	104,792	-	53,664	51,128	35,199
Long-term debt	18,515,531	273,560	978,551	17,810,540	993,196
Compensated absences	63,454	79,952	96,308	47,098	40,033
Total Business-Type Activities	$ 18,578,985	$ 353,512	$ 1,074,859	$ 17,857,638	$ 1,033,229

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.

H. Fund Balance Classifications

Amounts for specific purposes by fund and fund classifications for the year ended December 31, 2011, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund	Prepaid items	$ 61,454
Restricted		
Special Purpose Sales Tax fund	Capital projects	1,750,170
Confiscated Asset fund	Public safety	29,738
Committed		
General fund	Construction of new city hall	2,500,000
Assigned		
General fund	Appropriation of fund balance	200,000
General fund	Senior citizen programs	1,592
Unassigned		
General fund		6,879,213
Total fund balance		$ 11,422,167

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, 2011, the plan membership included the following categories of participants:

Retired participants and beneficiaries.....	17
Terminated vested participants.....	23
Active participants.....	139
Total participants.....	179

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 2011, the actuarially determined rate was 14.78% of covered payroll. The City's contributions to the Plan for the years ended December 31, 2011, 2010, and 2009 were $775,581, $744,755, and 607,466 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
12/31/2009	$ 670,446	100.0 %	$ -
12/31/2010	744,755	100.0	-
12/31/2011	775,581	100.0	-

Note 3 – Other Information – *continued*

Actuarial Methods and Assumptions

Valuation Date	7/1/2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Method	Remaining amortization period varies for the bases, with a net effective amortization period of 16 years.
Asset Valuation Method	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 the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of the market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.50% pluse age and service based merit increases
Social Security Wage Base Increase	3.50%
Inflation	3.50%
Cost of Living Adjustments	2.00%

Fund Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the actuarial value of assets was $7.2 million; the actuarial accrued liability for benefits was $10.7 million; the unfunded actuarial liability was $3.6 million; the plan was 66.81% 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 68.48%.

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

Note 3 – Other Information – *continued*

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, 2011, the City did not make any contributions to advance-fund the plan.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three 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
12/31/2011	261,353	251,058	96.1%	741,298

Funding Progress

For the year ended December 31, 2011, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of July 1, 2011. 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 5.12% of annual covered payroll.

For the year ended December 31, 2011, 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	$ 261,353
Interest on net OPEB obligation	57,444
Adjustment to annual required contribution	(67,652)
Annual OPEB cost (expense)	251,145
Contributions made	251,058
Increase in net OPEB obligation	87
Net OPEB obligation, beginning of year	741,211
Net OPEB obligation, end of year	$ 741,298

Funded Status

As of July 1, 2011, the most recent actuarial valuation date, the actuarial value of assets was $60,676; the actuarial accrued liability for the benefits was $1.7 million; the unfunded actuarial liability was $1.6 million; the plan was 3.6% funded; the covered payroll (annual payroll of active employees covered by the plan) was $5.1 million; and the ratio of the UAAL to the covered payroll was 32.1%.

Note 3 – Other Information – *continued*

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.

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	7/1/2011
Actuarial cost method	Pojected Unit Credit
Amortization method	Level dollar closed 25 years
Remaining amortization period	23 years as of December 31, 2011
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%
Salary growth	3.50%
Medical cost trend rate	8.50% graded to 5.00% in 7 years
Inflation	0.00%
Plan membership:	
Current retirees, beneficiaries, and dependents	8
Current active participants	139
Total membership	147

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.

Note 3 – Other Information – *continued*

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, 2011.

No provisions have been made in the financial statements for the year ended December 31, 2011 for any estimate of potential unpaid claims.

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.

F. Restatement of Net Assets

Beginning net assets for business-type activities and the water and sewer fund have been restated (reduced) by $201,000. In 2011 management identified the accumulation of certain project costs that did not meet the criteria for capitalization and should not have been accumulated and reported in construction in progress through December 31, 2010.

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 8,029,500	$ 8,669,405	$ 9,891,831	$ 1,222,426
Licenses and permits	325,000	325,000	346,547	21,547
Intergovernmental	317,000	317,000	327,589	10,589
Charges for services	1,274,261	1,329,742	1,485,890	156,148
Fines and forfeitures	625,000	668,900	845,513	176,613
Investment income	5,000	5,000	4,452	(548)
Miscellaneous	22,000	42,705	77,727	35,022
Total revenues	10,597,761	11,357,752	12,979,549	1,621,797
EXPENDITURES				
Current:				
General government:				
General administration	696,883	597,628	525,664	71,964
Public safety:				
Police department	2,860,245	2,979,315	2,851,309	128,006
Fire department	3,712,307	2,515,762	2,475,087	40,675
Public works:				
Public works administration	238,560	261,505	259,988	1,517
Street department	1,051,409	1,267,189	1,255,580	11,609
Drainage department	481,275	504,754	500,563	4,191
Solid waste and recycling	1,054,505	1,044,505	1,036,005	8,500
Maintenance and shop	687,691	625,391	593,615	31,776
Health and welfare:				
Senior Citizens Center	196,631	202,531	186,770	15,761
Culture and recreation:				
Recreation	949,336	993,226	965,203	28,023
Housing and development:				
Inspections	358,194	363,524	357,284	6,240
Debt service:				
Principal	322,687	308,136	271,638	36,498
Interest and other charges	112,444	83,757	39,559	44,198
Total expenditures	12,722,167	11,747,223	11,318,265	428,958
Excess (deficiency) of revenues over (under) expenditures	(2,124,406)	(389,471)	1,661,284	2,050,755
OTHER FINANCING SOURCES (USES)				
Transfers in	287,570	293,410	281,446	(11,964)
Transfer out	(21,835)	(21,835)	(21,835)	-
Insurance recoveries	-	6,261	6,311	50
Capital lease proceeds	1,836,836	89,800	89,800	-
Total other financing sources (uses)	2,102,571	367,636	355,722	(11,914)
Net change in fund balance	(21,835)	(21,835)	2,017,006	2,038,841
Fund balance, beginning	7,625,253	7,625,253	7,625,253	-
Fund balance, ending	$ 7,603,418	$ 7,603,418	$ 9,642,259	$ 2,038,841

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, 2011, the following supplemental appropriation was approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 12,744,002	$ 436,394	$ 1,411,338	$ 11,769,058
Special Revenue Funds -				
Confiscated Assets Fund	-	15,906	-	15,906
Hotel / Motel Tax Fund	560,000	2,900	-	562,900

City of Pooler, Georgia

Schedule of Funding Progress – Pension Plan

December 31, 2011

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)]
1/1/2009	$ 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
7/1/2011	7,162,288	10,719,620	3,557,332	66.81	5,194,708	68.48

City of Pooler, Georgia

Schedule of Funding Progress – Other Post-employment Benefits Plan

December 31, 2011

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 %
7/1/2011	60,676	1,700,304	1,639,628	3.57	5,106,119	32.11

SUPPLEMENTARY DATA
COMBINING FUND FINANCIAL STATEMENTS, SCHEDULES AND STATE MANDATED PROGRAM INFORMATION


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Nonmajor Governmental Funds

Special Revenue Funds

The special revenue funds are used to account for proceeds of specific revenues that are legally restricted to expenditure for particular purposes.

Confiscated Assets Fund – this fund is used to account for the receipt and disbursement of condemned monies awarded to the City by court order that are restricted to certain public safety expenditures.

Hotel / Motel Tax Fund – this fund is used to account for the City's lodging tax revenue that is restricted to the promotion of tourism.


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City of Pooler, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Confiscated Asset Fund	Hotel / Motel Tax Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 29,738	$ -	$ 29,738
Receivables	-	36,066	36,066
Total assets	$ 29,738	$ 36,066	$ 65,804
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ -	$ 18,033	$ 18,033
Due to other funds	-	18,033	18,033
Total liabilities	-	36,066	36,066
Fund balances:			
Restricted	29,738	-	29,738
Total fund balances	29,738	-	29,738
Total liabilities and fund balances	$ 29,738	$ 36,066	$ 65,804

City of Pooler, Georgia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2011

	Confiscated Asset Fund	Hotel / Motel Tax Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ -	$ 562,892	$ 562,892
Fines and forfeitures	15,907	-	15,907
Investment	15	-	15
Total revenues	15,922	562,892	578,814
EXPENDITURES			
Current:			
Public safety	8,019	-	8,019
Housing and development	-	281,446	281,446
Total expenditures	8,019	281,446	289,465
Excess (deficiency) of revenues over (under) expenditures	7,903	281,446	289,349
OTHER FINANCING SOURCES (USES)			
Transfers in	21,835	-	21,835
Transfers out	-	(281,446)	(281,446)
Total other financing sources (uses)	21,835	(281,446)	(259,611)
Net Changes in fund balances	29,738	-	29,738
Fund balances at beginning of year	-	-	-
Fund balances at end of year	$ 29,738	$ -	$ 29,738

City of Pooler, Georgia
Confiscated Asset Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	$ -	$ 15,906	$ 15,907	$ 1
Total revenues	-	15,906	15,907	1
EXPENDITURES				
Current:				
Public Safety	-	15,906	8,019	7,887
Total expenditures	-	15,906	8,019	7,887
Excess (deficiency) of revenues over (under) expenditures	-	-	7,888	7,888
OTHER FINANCING SOURCES (USES)				
Transfer in	-	21,835	21,835	-
Total financing sources (uses)	-	21,835	21,835	-
Net change in fund balance	-	21,835	29,723	7,888
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 21,835	$ 29,723	$ 7,888

City of Pooler, Georgia
Hotel / Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 560,000	$ 562,900	$ 562,892	$ (8)
Total revenues	560,000	562,900	562,892	(8)
EXPENDITURES				
Current:				
Housing and development	280,000	281,450	281,446	4
Total expenditures	280,000	281,450	281,446	4
Excess (deficiency) of revenues over (under) expenditures	280,000	281,450	281,446	(4)
OTHER FINANCING SOURCES (USES)				
Transfers out	(280,000)	(281,450)	(281,446)	4
Total financing sources (uses)	(280,000)	(281,450)	(281,446)	4
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, 2011

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash.....	$ 12,307	$ 1,381,198	$ 1,339,959	$ 53,546
Fines receivable...	132,434	17,277	-	149,711
Total assets.....	$ 144,741	$ 1,398,475	$ 1,339,959	$ 203,257
LIABILITIES				
Due to others.....	$ 144,741	$ 1,398,475	$ 1,339,959	$ 203,257
Total liabilities.....	$ 144,741	$ 1,398,475	$ 1,339,959	$ 203,257

City of Pooler, Georgia

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

December 31, 2011

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			342,282	-	342,282
Open Space	54,667	59,056	-	44,719	44,719
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	1,951,829	44,719	1,996,548
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			2,731,478		2,731,478
Debt service - Recreation Revenue Bonds			333,900		333,900
Construction of new sidewalks			86,561	164,177	250,738
Traffic signals			-	19,700	19,700
Subtotal Sales Tax IV	4,013,159	4,491,471	3,400,004	183,877	3,583,881
Sales Tax IV (2008-2014)					
Other Capital Outlay:					
Debt service - Recreation Revenue Bonds	6,000,000	6,000,000	166,950	903,038	1,069,988
Subtotal Sales Tax IV	6,000,000	6,000,000	166,950	903,038	1,069,988
Grand totals	$12,793,196	$13,237,362	$ 5,518,783	$ 1,131,634	$ 6,650,417

City of Pooler, Georgia

Schedule of Required Expenditures Generated by the Hotel / Motel Tax

For the Year Ended December 31, 2011

REVENUES	
Hotel/Motel taxes	$ 562,892
EXPENDITURES	
Tourism expenditures	$ 281,446
Percentage of expenditures to revenues	50%


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COMPONENT UNIT


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City of Pooler, Georgia
Balance Sheet
Pooler Development Authority
December 31, 2011

ASSETS	
Cash and cash equivalents.....	$ 111,310
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable.....	$ -
Fund balance	
Assigned - housing and development.....	111,310
Total liabilities and fund balance.....	$ 111,310

City of Pooler, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Pooler Development Authority
For the Year Ended December 31, 2011

REVENUES	
Investment earnings	$ 317
EXPENDITURES	
Current	
Housing and development	-
Net change in fund balance	317
Fund balance at beginning of year	110,993
Fund balance at end of year	$ 111,310

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.


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City of Pooler, Georgia
Net Assets by Component
Last Eight Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 21,645,967
Restricted	1,956,085	2,371,521	3,081,829	2,807,189	2,467,827	1,881,686	1,804,340	1,779,908
Unrestricted	2,627,462	3,002,495	4,117,675	7,474,027	7,532,763	8,107,120	8,716,070	10,397,712
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	$ 33,823,587
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	$ 15,221,175
Restricted	-	-	-	14,268,649	13,219,635	1,103,235	733,445	717,391
Unrestricted	5,938,500	8,508,689	11,539,480	1,732,433	1,314,871	12,278,887	11,844,420	10,176,572
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	$ 26,115,138
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	$ 36,867,142
Restricted	1,956,085	2,371,521	3,081,829	17,075,838	15,687,462	2,984,921	2,537,785	2,497,299
Unrestricted	8,565,962	11,511,184	15,657,155	9,206,460	8,847,634	20,386,007	20,560,490	20,574,284
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	$ 59,938,725

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 Eight Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities:								
General government	$ 969,525	$ 1,002,427	$ 1,256,912	$ 1,547,470	$ 1,546,693	$ 1,111,240	$ 679,957	$ 540,463
Public safety	2,225,836	2,707,976	3,107,415	3,393,650	3,883,305	4,582,679	4,593,471	4,657,420
Public works	2,422,748	2,470,765	2,125,679	2,566,199	3,166,924	2,644,005	2,896,229	3,865,511
Health and welfare	82,076	107,704	104,412	140,525	167,869	177,029	189,957	189,121
Culture and recreation	416,141	342,222	930,940	1,453,187	1,539,124	2,091,260	1,763,580	1,292,268
Housing and development	513,700	533,939	583,953	554,574	597,580	681,187	649,072	642,942
Interest on long-term debt	42,930	37,455	46,268	178,945	216,665	245,443	230,314	194,278
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	11,382,003
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	5,682,784
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	5,682,784
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	$ 17,064,787
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 643,227	$ 686,473	$ 781,888	$ 1,038,640	$ 683,765	$ 213,935	$ 385,268	$ 346,547
Public safety	470,224	475,618	470,681	712,812	664,769	452,756	534,095	951,699
Public works	766,834	816,135	908,002	1,209,568	1,374,763	937,006	1,067,061	1,242,437
Health and welfare	-	-	-	2,926	5,169	4,942	4,368	5,166
Culture and recreation	41,581	34,489	62,389	132,138	107,053	114,391	142,636	148,008
Operating grants and contributions	47,178	90,282	74,696	63,521	74,324	244,329	537,167	308,606
Capital grants and contributions	1,846,195	953,291	1,100,720	64,017	22,339	-	316,245	13,754,586
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	16,757,049
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	5,219,905
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	854,238
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	6,074,143
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	$ 22,831,192

(continued)

	2004	2005	2006	2007	2008	2009	2010	2011
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)	$ 5,375,046
Business-type activities	1,963,366	2,203,718	3,127,276	5,156,752	(293,234)	(404,071)	465,856	391,359
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)	$ 5,766,405
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	$ 10,161,422
Unrestricted grants, contributions and investment earnings	-	-	-	1,487,699	469,178	119,218	209,897	4,467
Other revenue	58,304	71,307	123,461	39,551	36,835	46,099	75,641	77,621
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	10,243,510
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	21,859
Miscellaneous income	10,391	21,304	12,728	1,554	30,079	10,892	-	3,727
Transfers	-	-	-	(2,712)	194,987	-	-	-
Total business-type activities	58,916	185,347	449,215	723,853	567,940	76,080	62,631	25,586
Total primary government	$ 5,164,717	$ 5,960,981	$ 7,403,954	$ 10,483,512	$ 9,552,870	$ 9,243,667	$ 9,247,226	$ 10,269,096
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	$ 15,618,556
Business-type activities	2,022,282	2,389,065	3,576,491	5,880,605	274,706	(327,991)	528,487	416,945
Total primary government	$ 4,270,366	$ 4,018,499	$ 5,774,027	$ 9,029,336	$ 1,073,658	$ (725,888)	$ 1,697,342	$ 16,035,501

(concluded)

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

	2002	2003	2004	2005	2006
General Fund					
Reserved	$ 28,236	$ 9,277	$ 19,822	$ 10,763	$ 11,031
Unreserved	1,857,176	2,100,022	2,201,986	2,389,887	3,449,879
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	$ 1,885,412	$ 2,109,299	$ 2,221,808	$ 2,400,650	$ 3,460,910
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Capital projects fund	1,593,534	1,809,062	1,936,263	2,371,521	3,081,829
Restricted	-	-	-	-	-
Total all other governmental funds	$ 1,593,534	$ 1,809,062	$ 1,936,263	$ 2,371,521	$ 3,081,829

	2007	2008	2009	2010	2011
General Fund					
Reserved	$ 29,323	$ 30,716	$ 29,323	$ 21,835	$ -
Unreserved	4,917,867	6,593,303	7,127,017	7,603,418	-
Nonspendable	-	-	-	-	61,454
Committed	-	-	-	-	2,500,000
Assigned	-	-	-	-	201,592
Unassigned	-	-	-	-	6,879,213
Total general fund	$ 4,947,190	$ 6,624,019	$ 7,156,340	$ 7,625,253	$ 9,642,259
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Capital projects fund	3,771,711	2,467,827	1,881,686	1,807,020	-
Restricted	-	-	-	-	1,779,908
Total all other governmental funds	$ 3,771,711	$ 2,467,827	$ 1,881,686	$ 1,807,020	$ 1,779,908

The City implemented GASBS No. 54 in 2011.


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

	2002	2003	2004	2005
Revenues				
Property taxes	$ 1,170,356	$ 1,304,325	$ 1,803,823	$ 1,930,670
Sales tax	1,005,306	1,600,089	1,645,800	1,779,487
Other taxes	1,631,193	1,687,930	1,826,482	1,994,619
Licenses and permits	219,895	256,455	284,639	487,307
Revenue from other governmental units	660,671	583,235	823,373	1,038,548
Charges for services	483,654	725,226	817,693	862,596
Fines and fees	663,497	402,119	556,420	479,186
Miscellaneous	120,070	97,240	58,304	76,333
Total revenue	5,954,642	6,656,619	7,816,534	8,648,746
Expenditures				
Current:				
General government	716,691	719,334	953,149	968,759
Public safety	1,574,927	1,666,943	2,467,508	2,779,850
Public works	1,611,742	1,919,863	2,373,655	2,385,388
Health and welfare	90,279	92,665	82,076	107,704
Culture and recreation	293,204	301,047	431,234	757,349
Housing and development	423,240	449,274	513,700	533,939
Capital outlay	521,546	1,276,692	555,935	530,298
Debt service:				
Principal	-	179,157	235,399	196,234
Interest and other charges	274,395	36,714	42,930	37,455
Total expenditures	5,506,024	6,641,689	7,655,586	8,296,976
Excess (Deficiency) of revenues over (under) expenditures	448,618	14,930	160,948	351,770
Other Financing sources (uses)				
Debt issuance	206,733	424,485	78,762	262,330
Transfers in	1,348,782	263,026	293,748	299,901
Transfers out	(1,348,782)	(263,026)	(293,748)	(299,901)
Sale of capital assets/insurance recoveries	-	-	-	-
Total other financing sources (uses)	206,733	424,485	78,762	262,330
Net change in fund balances	$ 655,351	$ 439,415	$ 239,710	$ 614,100
Debt service as a percentage of noncapital expenditures	5.50%	4.02%	3.92%	3.01%

Source: *City records*

Notes: Noncapital expenditures are total expenditures less capital outlay.

2006	2007	2008	2009	2010	2011
$ 2,581,647	$ 2,904,513	$ 4,196,569	$ 4,308,256	$ 3,836,820	$ 5,029,345
2,068,609	2,050,733	1,959,282	1,869,004	1,847,966	1,936,899
2,330,773	2,693,434	2,924,955	2,274,786	2,651,183	3,488,479
539,812	770,140	394,361	213,935	385,268	346,547
1,171,666	1,194,841	413,880	165,698	1,068,642	1,401,466
983,848	1,396,361	1,543,393	1,101,490	1,254,534	1,485,890
457,982	639,099	604,222	494,960	493,626	861,420
127,211	435,647	188,796	199,221	73,915	83,101
10,261,548	12,084,768	12,225,458	10,627,350	11,611,954	14,633,147
1,255,820	1,507,524	1,518,529	1,035,720	641,067	525,664
3,025,187	3,375,217	3,755,882	4,482,007	4,719,860	5,334,415
2,118,352	2,534,746	3,030,270	2,452,616	3,123,455	3,645,751
104,412	160,705	162,357	166,244	178,518	186,770
961,931	1,420,464	1,553,582	1,776,898	1,325,487	965,203
583,953	569,730	592,310	654,731	627,950	638,730
436,023	4,723,387	1,472,159	268,839	109,677	228,596
257,406	342,658	301,776	508,863	358,983	1,021,638
46,268	215,404	197,730	222,335	219,120	192,597
8,789,352	14,849,835	12,584,595	11,568,253	11,304,117	12,739,364
1,472,196	(2,765,067)	(359,137)	(940,903)	307,837	1,893,783
298,372	4,793,541	250,114	877,778	42,281	89,800
352,344	346,707	327,838	301,311	281,104	303,281
(352,344)	(346,707)	(327,838)	(301,311)	(281,104)	(303,281)
-	-	-	9,305	44,129	6,311
298,372	4,793,541	250,114	887,083	86,410	96,111
$ 1,770,568	$ 2,028,474	$ (109,023)	$ (53,820)	$ 394,247	$ 1,989,894
3.79%	5.68%	4.57%	6.79%	5.69%	10.80%

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
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
2011	5,029,345	1,936,899	897,746	233,723	504,451	562,892	1,289,667	10,454,723

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.


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City of Pooler, Georgia

Assessed and Actual Value of Taxable Property

Last Ten Calendar Years

(In thousands of dollars)

Calendar Year	Real Property		Personal Property		Utilities and Other Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2011	777,266	1,943,165	180,030	450,075	5,604	14,010

Source: *Chatham County Board of Assessors - 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		
$ 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
962,900	2,407,250	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
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
2011	4.500	14.631	11.109	0.250	30.490

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 Nine Years Ago

Taxpayer	2011 Taxable Assessed Value	2011 Rank	2011 % of Total District Net Assessed Value	2002 Taxable Assessed Value	2002 Rank	2002 % of Total District Net Assessed Value
HASBRO, Inc.	$ 19,554,240	1	2.00%			
A & B Properties Inc.	9,637,592	2	0.99%			
Courtney Station LLC	9,600,000	3	0.98%			
Towne Lake Investors LLC	9,534,000	4	0.98%			
Savannah Housing Partners II	8,589,200	5	0.88%			
JCB USA, Inc	8,192,415	6	0.84%	$ 8,007,862	2	2.76%
Spanos Corporation	7,680,000	7	0.79%			
Rolls-Royce North America, Inc.	7,108,959	8	0.73%			
Mitsubishi Power Systems Americas	6,304,250	9	0.64%			
Sixteen West Savannah LLC	5,595,800	10	0.57%			
Godley Station Apartments LP	5,442,200	11	0.56%	6,130,200	3	2.11%
JCB Manufacturing, Inc.	5,279,157	12	0.54%	5,196,047	6	1.79%
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	$ 102,517,813		10.49%	$ 56,715,310		19.54%

Source: *Chatham County Board of Assessors*

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
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%	95,171	1,631,819	99.51%
2006	2,388,944	1,984,407	83.07%	401,421	2,385,828	99.87%
2007	2,881,516	1,229,403 [3]	42.67%	1,637,556	2,866,959	99.49%
2008	3,592,498	2,952,303	82.18%	520,336	3,472,639	96.66%
2009	3,844,880	3,251,769	84.57%	507,892	3,759,661	97.78%
2010	3,862,638	2,960,033	76.63%	874,283	3,834,316	99.27%
2011	3,925,882	3,468,972	88.36%	-	3,468,972	88.36%

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.


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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			
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	6.90%	1,860
2010	4,500,000	833,613	-	18,410,739	104,792	23,849,144	6.31%	1,246
2011	3,750,000	651,775	-	17,759,412	51,128	22,212,315	5.87%	1,160

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
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%	-
2011	-	-	-	0.00%	-

City of Pooler, Georgia

Direct and Overlapping Governmental Activities Debt

As of December 31, 2011

	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	$ 12,135,000	9.15%	$ 1,110,353
Chatham County Public Health Facilities Projects	495,000	9.15%	45,293
DSA Chatham County Projects Series 2005A	5,455,000	9.15%	499,133
DSA Union Mission Series 2009	2,310,000	9.15%	211,365
Mosquito Control	3,996,247	9.15%	365,657
Chatham-Savannah School Board:			
General Obligation Bonded Debt	65,855,000	9.15%	6,025,733
DSA (Improvement Project)	1,650,000	9.15%	150,975
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	367,797	7.45%	27,401
Savannah-Chatham County School Board	11,038,939	6.29%	694,349
Subtotal, overlapping debt			9,130,257
City of Pooler direct debt			4,401,775
Total direct and overlapping debt			$ 13,532,032

Sources: *Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Assessors; 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

	2002	2003	2004	2005	2006
Total assessed value of taxable property	$ 290,319,757	$ 374,402,618	$ 418,705,433	$ 510,123,606	$ 627,014,291
Less exemptions for bond purposes	1,933,221	1,681,838	2,036,066	2,385,817	3,083,620
Net assessed value for bond purposes	$ 288,386,536	$ 372,720,780	$ 416,669,367	$ 507,737,789	$ 623,930,671
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 28,838,654	$ 37,272,078	$ 41,666,937	$ 50,773,779	$ 62,393,067
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 28,838,654	$ 37,272,078	$ 41,666,937	$ 50,773,779	$ 62,393,067
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2007	2008	2009	2010	2011
Total assessed value of taxable property	$ 789,886,671	$ 923,596,537	$ 975,740,676	$ 961,243,027	$ 962,899,635
Less exemptions for bond purposes	9,765,842	9,872,720	59,624,888	49,495,073	44,586,615
Net assessed value for bond purposes	$ 780,120,829	$ 913,723,817	$ 916,115,788	$ 911,747,954	$ 918,313,020
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 78,012,083	$ 91,372,382	$ 91,611,579	$ 91,174,795	$ 91,831,302
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 78,012,083	$ 91,372,382	$ 91,611,579	$ 91,174,795	$ 91,831,302
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]
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	364,000,500	26,963	8.5%
2010	19,141	378,207,019	19,759	9.2%
2011	19,391	396,991,943	20,473	8.7%

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 Four Years Ago

Employer	2011 Employees	2011 Rank	2011 Percentage of Total City Employment	2007 Employees	2007 Rank	2007 Percentage of Total City Employment
Wal-Mart	433	1	6.85%	518	1	9.06%
JCB, Inc.	240	2	3.80%	240	2	4.20%
Sam's Club	146	3	2.31%	122	5	2.13%
City of Pooler	139	4	2.20%	141	3	2.47%
Home Depot	132	5	2.09%	132	4	2.31%
Cracker Barrel	123	6	1.95%	115	6	2.01%
Publix	116	7	1.84%			
Dorsey Tire Company, Inc	112	8	1.77%			
The Place at Pooler	106	9	1.68%	108	8	1.89%
Lowe's	104	10	1.65%			
William Bros. Lumber				110	7	1.92%
Piggly Wiggly, Inc.				101	9	1.77%
Longhorn Steakhouse				83	10	1.45%
Total	1,651		26.13%	1,670		29.22%

Source: City records

Beginning in 2011, information presented above is specific to the City of Pooler, Georgia and not the Savannah Metropolitan Service Area as reported prior to 2011. Statistics prior to 2007 are not available.

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

Function/Program	2002	2003	2004	2005	2006
General government	13	14	14	14	16
Public safety	35	38	42	45	51
Public works	26	30	29	29	32
Culture and recreation	6	6	6	5	6
Water and sewer services	15	17	18	19	19
Total	95	105	109	112	124

Function/Program	2007	2008	2009	2010	2011
General government	19	13	10	10	13
Public safety	54	55	63	69	70
Public works	39	40	35	28	24
Culture and recreation	10	10	8	13	11
Water and sewer services	19	23	26	19	21
Total	141	141	142	139	139

Source: *City Personnel Records*

City of Pooler, Georgia

Operating Indicators by Function

Last Ten Calendar Years

	2002	2003	2004	2005	2006
Police:					
Arrests	581	698	705	960	1,060
Fire:					
Number of emergency calls	631	651	1,079	1,168	1,547
Inspections	-	-	-	13	166
Public works:					
Street resurfacing (miles)	0.229	3.665	2.105	2.086	1.193
Water:					
New connections	unav	368	380	436	778
Average daily consumption (gallons)	757,000	705,129	688,000	628,749	676,390
Sewer:					
New connections	unav	368	380	436	778
Average daily sewage treatment (gallons)	890,000	975,000	1,110,000	1,210,000	1,300,000

	2007	2008	2009	2010	2011
Police:					
Arrests	1,143	415	641	601	845
Fire:					
Number of emergency calls	1,754	1,843	2,002	2,241	2,391
Inspections	256	- [b]	213	724	895
Public works:					
Street resurfacing (miles)	1.000	1.820	0.700	-	1.000
Water:					
New connections	701	362	243	262	272
Average daily consumption (gallons)	1,755,345 [a]	1,951,355	2,117,587	2,058,684	2,168,287
Sewer:					
New connections	676	361	243	262	272
Average daily sewage treatment (gallons)	1,700,000	1,750,000	1,750,000	1,617,000	1,401,000

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

	2002	2003	2004	2005	2006
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	1	1	2	2	2
Public works:					
Streets (miles)	unav	unav	unav	55.7	71.6
Traffic signals	2	2	2	2	3
Parks and recreation:					
Parks	1	1	1	1	1
Community centers	1	1	1	1	1
Water:					
Maximum daily capacity (gallons)	998,000	1,010,000	1,092,000	1,100,000	1,114,000
Wastewater:					
Maximum daily treatment capacity (gallons)	998,000	998,000	2,500,000	2,500,000	2,500,000

	2007	2008	2009	2010	2011
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	80	80	81	87	102
Traffic signals	3	3	5	7	8
Parks and recreation:					
Parks	2	5	5	5	5
Community centers	1	1	1	1	1
Water:					
Maximum daily capacity (gallons)	3,960,000 [a]	3,900,000	3,900,000	3,697,000	3,697,000
Wastewater:					
Maximum daily treatment capacity (gallons)	3,000,000	2,500,000	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.

COMPLIANCE SECTION


CITY OF POOLER, GA
PRIDE
FAMILY
HONOR
1907

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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 11, 2012. 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

Management of the City is responsible for establishing and maintaining effective 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 opinions 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 previously.

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 May 11, 2012.

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.

Karp, Ronning & Tindol, P.C.

May 11, 2012

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