# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Pooler, Georgia
For the Year Ended December 31, 2013

*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

100 Southwest Highway 80
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**

June 19, 2014

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, 2013. 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, 2013. 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 21,187.

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 current census estimates, 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 began to decline in 2008 due to a poor economy, the number of construction permits began to go up again in 2011. However, compared to last year, the City issued about half of the number of permits in 2013 due to the fact that two multi-family residential developments were permitted in 2012. The number of single family residential permits remained relatively stable into 2013, and commercial permits increased by 16% from 153 in 2012 to 177 in 2013. Over the previous ten years, the City issued an average of 500 residential construction permits and 74 commercial construction permits annually. In 2013, 340 residential permits were issued. 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. One additional hotel will begin construction in 2014, and another one is preliminarily planned for 2015. In 2013, the City had an average annual occupancy of 76 percent. The City received $658,987 in hotel excise tax in 2013. The revenue from this tax had been decreasing in previous, however, it increased 9.4% from 2011 to 2012 and 7% from 2012 to 2013 which is a positive indicator of in improved economy. In 2013, the City issued 1,610 business licenses which is a 5% increase from the previous year in which 1,528 business licenses were issued.

In 2012, all of the municipalities of Chatham County along with the County itself began negotiations for the new Local Option Sales Tax (LOST) distribution. Due to the significant population increase in Pooler since the last LOST negotiation period, the City's allocation of LOST was increased from 3.19% to 8.84% of all Chatham County LOST collections. The new distribution became effective April 1, 2013 and is expected to increase city revenues by approximately $3,000,000 annually. The additional revenue will be used to construct new public facilities, hire additional staff, and increase the administration's technological resources to provide new and more efficient services to the citizens of Pooler.

Due to the increase in population over the past few years, the City of Pooler has been attracting several family entertainment-oriented businesses, as well as additional restaurants and retail shopping establishments. In 2013, the Savannah Economic Development Authority announced plans for a 507,000 square foot outlet mall with an additional 600,000 square feet of available outparcel development off of Pooler Parkway near I-95. The Master site plan was approved in May of 2013, and council will consider additional construction site plans as well as proposed traffic improvements in the following year. The mall is expected to open in spring of 2015. In addition, construction of a 14-acre water park will begin in 2014 and will be built near the new bowling alley and skating rink 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 balance of $14,167,851 or 107% of the general fund's current expenditures. Management believes this balance will be vital to improving the city's ability to deliver services to the growing population 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. Recently 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 recreation complex on Pooler Parkway. 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. Planning for the park expansion will begin in 2014. SPLOST proceeds from the new referendum approved in 2013 will be used for the additional construction. The benefit to our local restaurants and hotels makes the prospect of expanding the recreation complex 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 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, 2012. This was the twelfth 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
Ass't City Manager/Finance Officer


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# City of Pooler, Georgia

## List of Principal Officials

December 31, 2013

City Hall
(912) 748-7261
Fax (912) 748-0157

| | |
|---|---|
| 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 | Andrea Anderson |
| City Attorney | Steven E. Scheer |

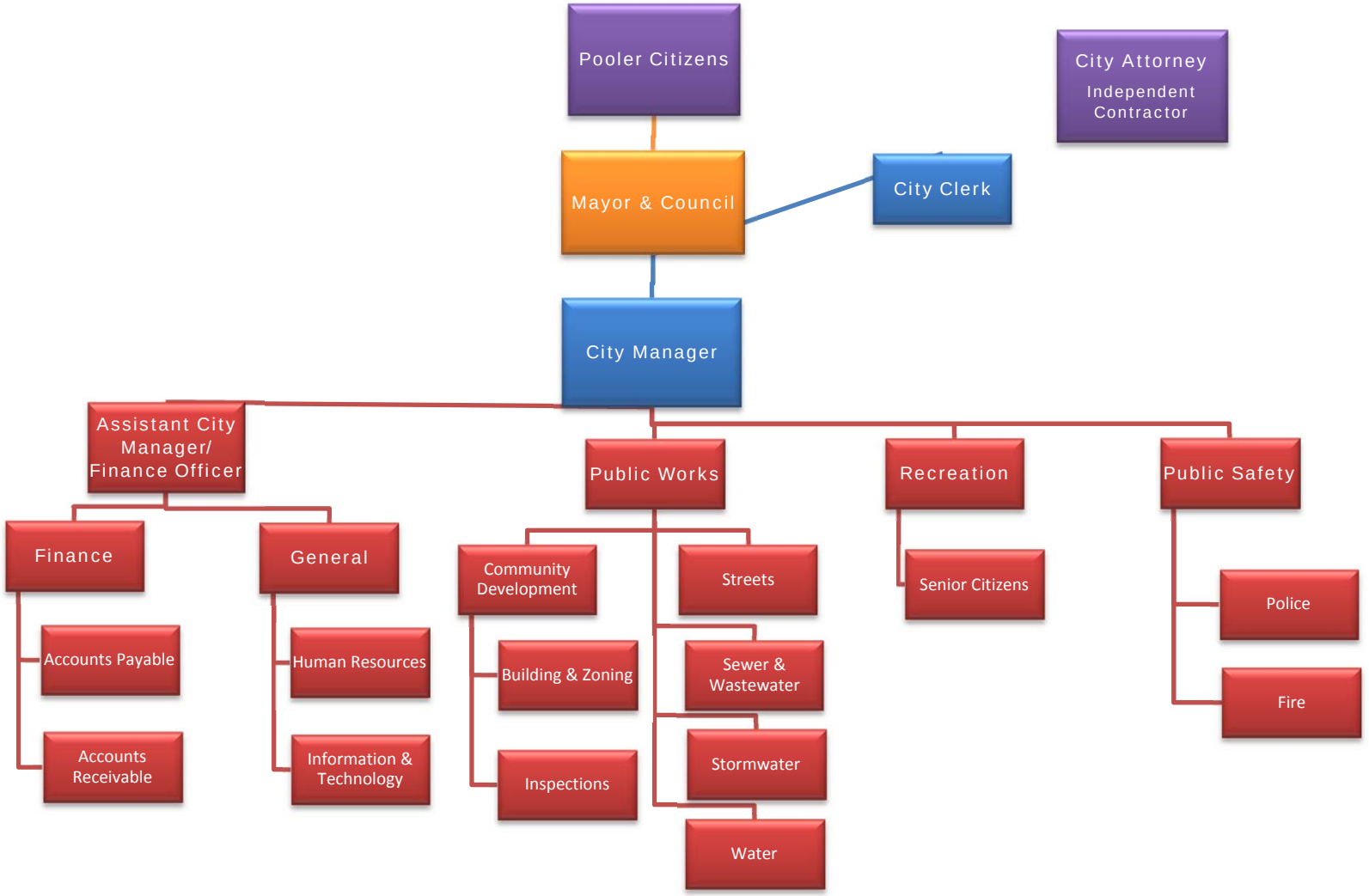
City Council Members

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

**City of Pooler, Georgia**

Organizational Chart

December 31, 2013



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

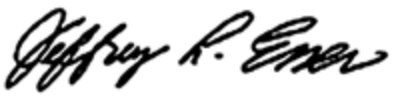
Presented to

## City of Pooler

## Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**December 31, 2012**



Executive Director/CEO


CITY OF POOLER, GA
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# FINANCIAL SECTION


CITY OF POOLER, GA
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# Independent Auditor's Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pooler, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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***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, each major fund, and the aggregate remaining fund information of the City of Pooler, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pooler, Georgia's basic financial statements. The supplementary data, combining fund financial statements and schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data, combining fund financial statements and schedules, listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data, combining fund financial statements and schedules, listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014 on our consideration of the City of Pooler, Georgia's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pooler, Georgia's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.
Savannah, Georgia
June 18, 2014



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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, 2013. 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 2013 and contains other supplementary information.

## FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at December 31, 2013 by $73,450,603 (net position). Of this amount, $28,500,375 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased $6,884,257 from the previous year. The majority of the increase is from Governmental Activities in the amount of $4,835,543. Business-Type Activities increased its net position by $2,048,714 from the previous year.
- Key factors resulting in the increase of net position include:
    - Sales tax revenue increased by 89% in 2013 to total $6,036,467 which resulted from an increase to the city's Local Option Sales Tax allocation that became effective in March of 2013. Due to the City's population increase from approximately 6,000 in the year 2000 to over 19,000 in 2010, Pooler was able to negotiate a much larger share of Chatham County's LOST revenue.
    - The City of Pooler acquired two parcels of land in 2013; one valued at $1,251,200 and the other at $301,041. Both properties are located within the same block as City Hall. In addition to a parcel of land purchased in 2012, these properties were acquired in order to develop a Municipal Complex including a new City Hall building, renovations to the existing building which will house the police department, as well as new construction of a building to be used for Municipal Court.
    - Two new fire stations were completed in 2013 to address ISO concerns. Fire Station #3 on Barrow Drive was constructed for $699,386 and Fire Station #4 on Quacco Road was constructed for $926,506.

- The City acquired $343,274 worth of water/sewer infrastructure from private developers, in addition to constructing nearly $450,000 worth of water and sewer lines to serve one of the new fire stations and the industrial area surrounding it.

- At December 31, 2013 the City's governmental funds balance sheet reported a combined ending fund balance of $14,862,521 which is an increase of $1,503,977 from the previous calendar year. The increase in the combined fund balance is due to activities in the General Fund that include a nearly 30% overall increase in tax revenue which is attributed to the change in the LOST allocation mentioned previously.
- The General Fund reported a spendable fund balance of $14,109,950, an increase from 2012 of $2,554,440, which is due to the increase in revenues described previously. Some of the General Fund's committed fund balance was used in 2013 for the purpose of purchasing property for the new Municipal Complex. By the end of 2013, City Council voted to commit additional fund balance towards this project, resulting in a commitment of $2,238,501. Additional fund balance may be committed in the future as needed for the project to move forward.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Assets

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled $73.4 million at December 31, 2013.

The following table presents a summary of the City's net assets at December 31, 2013:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current assets | $ 17,439,028 | $ 15,643,892 | 15,953,199 | 14,704,639 | $ 33,392,227 | $ 30,348,531 |
| Capital assets, net | 29,678,647 | 27,140,719 | 32,921,608 | 33,160,673 | 62,600,255 | 60,301,392 |
| Total assets | 47,117,675 | 42,784,611 | 48,874,807 | 47,865,312 | 95,992,482 | 90,649,923 |
| Current liabilities | 1,033,213 | 697,238 | 713,726 | 704,797 | 1,746,939 | 1,402,035 |
| Noncurrent liabilities | 4,351,638 | 5,190,092 | 16,443,302 | 17,491,450 | 20,794,940 | 22,681,542 |
| Total liabilities | 5,384,851 | 5,887,330 | 17,157,028 | 18,196,247 | 22,541,879 | 24,083,577 |
| Net position: | | | | | | |
| Net investment in capital assets | 26,439,001 | 22,995,624 | 16,524,638 | 15,715,267 | 42,963,639 | 38,710,891 |
| Restricted | 681,733 | 1,431,855 | 1,304,856 | 1,506,768 | 1,986,589 | 2,938,623 |
| Unrestricted | 14,612,090 | 12,469,802 | 13,888,285 | 12,447,030 | 28,500,375 | 24,916,832 |
| Total net position | $ 41,732,824 | $ 36,897,281 | $ 31,717,779 | $ 29,669,065 | $ 73,450,603 | $ 66,566,346 |

The largest portion of the City's net position (58%) represents its investment in capital assets such as land, buildings, and equipment, less any related outstanding debt used to acquire those assets. 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 position (39%) reflects unrestricted 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 position. The remaining balance of total net position 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 position for the government as a whole. Positive balances are reported for the City's separate governmental and business-type activities.

Net investment in capital assets increased in Governmental Activities by $3,443,377 or 15% due to the acquisition of properties for the planned Municipal Complex, as well as construction of two new fire stations in Pooler. Unrestricted assets also increased in Governmental Activities significantly by $2,142,288 or 17% as a result of the increase in LOST revenue in 2013. Total Net Position for Governmental Activities increased by $4,835,543 or 13%.

In the City's business-type activities, net investment in capital assets increased approximately $809,371 due to capital contributions from developers related to water and sewer infrastructure, as well as city-constructed infrastructure to serve the city's industrial area and one of the new fire stations. Donated infrastructure in 2013 includes water and sewer lines in Phase 3A of the Hunt Club residential area and a water main that services development on SH Morgan Parkway. Total Net Position for Business-Like Activities increased in 2013 by $2,048,714 or 7%.

## Changes in Net Position

The following table presents a summary of the changes in net position for the year ended December 31, 2013:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| **Revenues:** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | $ 3,206,280 | $ 3,137,359 | $ 5,690,369 | $ 5,453,942 | $ 8,896,649 | $ 8,591,301 |
| Operating grants/contributions | 239,727 | 272,515 | - | - | 239,727 | 272,515 |
| Capital grants/contributions | 1,221,548 | 1,131,865 | 2,123,141 | 3,715,051 | 3,344,689 | 4,846,916 |
| General Revenues: | | | | | | |
| Property taxes | 4,976,630 | 4,765,124 | - | - | 4,976,630 | 4,765,124 |
| Sales and use taxes | 6,036,467 | 3,194,963 | - | - | 6,036,467 | 3,194,963 |
| Franchise fees | 1,456,547 | 1,399,787 | - | - | 1,456,547 | 1,399,787 |
| Business taxes | 1,231,956 | 1,185,327 | - | - | 1,231,956 | 1,185,327 |
| Other | 74,382 | 104,437 | 18,154 | 12,087 | 92,536 | 116,524 |
| Total revenues | 18,443,537 | 15,191,377 | 7,831,664 | 9,181,080 | 26,275,201 | 24,372,457 |
| **Expenses:** | | | | | | |
| General government | 748,377 | 566,316 | - | - | 748,377 | 566,316 |
| Public safety | 6,587,767 | 5,457,742 | - | - | 6,587,767 | 5,457,742 |
| Public works | 3,907,512 | 3,771,731 | - | - | 3,907,512 | 3,771,731 |
| Health and welfare | 113,466 | 130,926 | - | - | 113,466 | 130,926 |
| Culture and recreation | 1,343,641 | 1,327,503 | - | - | 1,343,641 | 1,327,503 |
| Housing and development | 776,033 | 685,368 | - | - | 776,033 | 685,368 |
| Interest on long-term debt | 131,198 | 178,097 | - | - | 131,198 | 178,097 |
| Water and sewer | - | - | 5,782,950 | 5,627,153 | 5,782,950 | 5,627,153 |
| Total expenses | 13,607,994 | 12,117,683 | 5,782,950 | 5,627,153 | 19,390,944 | 17,744,836 |
| Change in net position | 4,835,543 | 3,073,694 | 2,048,714 | 3,553,927 | 6,884,257 | 6,627,621 |
| Net position - beginning | 36,897,281 | 33,823,587 | 29,669,065 | 26,115,138 | 66,566,346 | 59,938,725 |
| Net position - ending | $ 41,732,824 | $ 36,897,281 | $ 31,717,779 | $ 29,669,065 | $ 73,450,603 | $ 66,566,346 |

Approximately 34% of the City's total revenue in 2013 came from charges for services including water and sewer fees, solid waste collection fees, and police fine revenue. The second largest source of revenue was sales tax which represented 23% of total revenue, and the third largest revenue source was property taxes at 19% of total revenue. Excluding capital grants and contributions, City revenues increased approximately 17% from 2012. As mentioned previously, this significant increase in revenue can mostly be attributed to the City's increased share of LOST 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 increased by 12% since 2012. Expenses in Public Safety increased 21% due to the need to expand both the fire and police departments to serve the increasing population in Pooler. Both departments hired additional staff in 2013 which creates expenses for salaries, benefits, as well as necessary equipment for new personnel. The exponential growth in the City of Pooler has created a need to enhance public safety services for our residents and our business owners. An additional staff member was also necessary in Housing and Development in order to manage the additional permitting and inspection functions resulting from the increase in residential and commercial growth. General Government administration experienced a 32% increase in expenditures in 2013 due to a one time need for additional legal advice during the LOST negotiations.

The total excess of revenues over expenses in 2013 totaled $6,884,257. It is important to keep in mind that over $3 million of this excess resulted from capital grants and/or contributions which are either invested in infrastructure, and therefore non-spendable, or are non-reoccurring revenue sources. 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 utilized by the City of Pooler include the general fund, two capital projects funds, and two special revenue funds. The General Fund and the two capital projects funds 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, 2013, the City governmental funds reported a combined fund balance of $14,862,521, an increase of $1,503,977 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, spendable 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, 2013 the total fund balance in the general fund was $14,167,851. The total amount of spendable fund balance in the general fund was $14,109,950; the unassigned portion was $9,141,363.

One measure of the general fund's liquidity is to compare its spendable fund balance to total fund expenditures. Committed, assigned, and unassigned fund balances collectively represent 106% of total general fund expenditures. The committed portion of spendable fund balance (16%) represents Council's intention to set money aside for the development of a new municipal complex. Council may want to consider committing additional spendable fund balance for this project. The unassigned portion of fund balance represents 69% of total general fund expenditures. The City of Pooler's Fund Balance Policy requires a minimum spendable fund balance 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 $2,552,012 during the 2013 fiscal year. Revenue collections increased significantly this year due to the increase in LOST revenue mentioned previously in the financial highlights, as well as an increase in fine revenue and intergovernmental revenue from the State of Georgia's LMIG program for road resurfacing. Expenditures in 2013 increased from the previous year in the amount of $2,065,479 mostly due to the need to expand the public safety departments to serve the increasing population in Pooler.

**Special Purpose Local Option Sales Tax Fund**

The SPLOST Capital Projects Fund had a total fund balance of $667,092 at the end of 2013 which must be used for special purpose local option sales tax projects. All of the SPLOST revenue received in 2013 plus additional fund balance was used for debt service on the recreation facility on Pooler Parkway. The remaining fund balance and additional revenue received in 2014 will be used for final payoff of the recreations bonds, improvements to the new Pooler Pedestrian Park located on Highway 80 at Pooler Parkway, sidewalks along Pooler Parkway, and a traffic signal and road realignment at Highway 80 and Pine Barren Road. A transfer from the General Fund will be necessary to complete these projects due to a shortfall in SPLOST revenue caused by the downturn in the economy during this SPLOST collection period.

**Capital Projects Fund**

In 2012, the City of Pooler began accounting for non-SPLOST construction projects in a Capital Projects Fund separate from the General Fund in an effort to isolate maintenance and operation expenditures for reporting purposes. The Capital Projects Fund received a transfer from the General Fund in the amount of $1,845,123 in order to purchase property for the development of a Municipal Complex, as well as to construct a new gymnasium at the Rogers Street Recreation Park and to begin plans on intersection improvements along Pooler Parkway. The City also completed construction on the 2 fire stations that began in 2012.

***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, 2013, total net position amounted to $31,717,779 for the enterprise fund compared to $29,669,065 at December 31, 2012. The increase in net assets of $2,048,714 is mostly attributable to capital contributions resulting from residential and commercial growth in 2013.

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 $230,745 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 Position 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, 2013, the City's net capital assets for both governmental activities and business-type activities totaled $62,600,255. Capital assets include assets donated and purchased, land, buildings, system improvements and machinery and equipment. Capital Assets increased $2,298,863 from what was reported at the end of 2012.

Major capital asset events during the year included the following:

- The City purchased two additional properties in order to construct a Municipal Complex inside the same city block that City Hall currently exists. Total costs for both of these properties were approximately $1.5 million dollars.
- Completion of a new fire station on Quacco Road near I-16 and another fire station located at the Mega-Site at the intersection of I-95 and I-16. Total project cost for both stations was $1,625,891.97.
- Purchase of new public safety vehicles including a fire truck for $429,178 and 13 new patrol vehicles totaling $328,048 to outfit new police officers and to replace aging vehicles
- The City of Pooler installed water and sewer infrastructure in the amount of $449,383 to service one of the new fire stations and the surrounding industrial area.

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

## DEBT ADMINISTRATION

The long-term liabilities at December 31, 2013 totaled $20,007,590. Of this amount, $3,564,288 represents the governmental activities and $16,443,302 represents the business-type activities.

Overall, long-term liabilities decreased from 2012 by $1,910,878. Reductions in long-term liabilities in governmental activities came from principal payments 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. Other than compensated absences, the only additions to long-term liabilities in

2013 occurred in Governmental Activities with the lease-purchase of the new fire truck and the police patrol vehicles mentioned in the previous section.

Additional information on the City's debt can be found in Note 2F on pages 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 funds can be found within other supplementary information beginning on page F-3. Budget columns are provided for both the original budget adopted for calendar year 2013 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 17, 2012.

During the year there was a $2,326,759 increase in appropriations between the original and final amended budgets for the General Fund. Approximately $1,350,000 of this increase was due to the need to transfer money into the Capital Projects Fund for purchasing properties for the purpose of developing the Municipal Complex mentioned in previous sections. Total revenue and other financing sources actually recorded for this calendar year were $17,686,629 which is $1,635,989 more than the final budget amount.

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

- Due to the poor economy over the past few years, the City has budgeted conservatively when estimating tax revenue. In 2013, the City lowered its millage rate, yet revenue slightly exceeded the budgeted amount by $187,994, a 5% increase.
- At the time the 2013 budget was approved by council, the Local Option Sales Tax negotiations had stalled, therefore, the city could not accurately predict when the new distribution arrangement would be approved. It was finally passed and the increased allocation began in April 2013, and an additional $254,533 was collected over the budgeted amount.
- Additional revenue was received in the Charges for Services category over what was budgeted due to increased sanitation fees collected from new residents.

The total appropriations (expenditures) actually recorded for the calendar year were $13,289,494. The variance in budget to actual is approximately 6% less than the final budgeted amount and is spread out among departments, but mostly concentrated in public safety. Due to the high need for expansion of the police and fire departments as our population grows, it can be difficult to predict how much these departments will be able to achieve during the year. Relocation of the police department required for the new Municipal Complex project was expected to take place in 2013, yet was postponed to 2014 due to delays in obtaining the property. Items budgeted in 2013 for relocation will be added to the 2014 budget.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a general fund budget of $18,172,791 for the calendar year 2014. This budget includes an approximate increase in public safety expenditures of 25% in order to expand both the police and fire departments. Both departments will have increased operating costs due to additional building space, personnel, and equipment. In addition, the public safety has included capital outlay expenses for 11 new patrol vehicles in the police department and a new ladder truck in the fire department. The Public Works budget increased 9% from last year due to capital outlay expenditures for machinery and equipment. Expenditure levels within all other departments remain relatively steady from 2013 to 2014. 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.


CITY OF POOLER, GA
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# 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 Position

December 31, 2013

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Pooler Development Authority |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 14,172,144 | $ 9,066,316 | $ 23,238,460 | $ 111,812 |
| Receivables | 2,516,823 | 1,340,153 | 3,856,976 | - |
| Internal balances | 560,340 | (560,340) | - | - |
| Inventories | - | 5,500 | 5,500 | - |
| Prepaid | 57,901 | 154,702 | 212,603 | - |
| Restricted assets | | | | |
| Cash and cash equivalents | 131,820 | 5,946,868 | 6,078,688 | - |
| Capital assets | | | | |
| Land and construction in progress | 5,350,312 | 685,676 | 6,035,988 | - |
| Other capital assets, net of depreciation | 24,328,335 | 32,235,932 | 56,564,267 | - |
| Total assets | 47,117,675 | 48,874,807 | 95,992,482 | 111,812 |
| **LIABILITIES** | | | | |
| Accounts payable and other accrued liablities | 983,903 | 421,810 | 1,405,713 | - |
| Contracts and retainage payable | - | 10,887 | 10,887 | - |
| Accrued interest | 21,384 | 94,004 | 115,388 | - |
| Deposits payable | 27,926 | 187,025 | 214,951 | - |
| Long-term liabilities | | | | |
| Due within one year | 2,035,631 | 1,120,057 | 3,155,688 | - |
| Due in more than one year | 1,528,657 | 15,323,245 | 16,851,902 | - |
| Net OPEB obligation | 787,350 | - | 787,350 | - |
| Total liabilities | 5,384,851 | 17,157,028 | 22,541,879 | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 26,439,001 | 16,524,638 | 42,963,639 | - |
| Restricted for | | | | |
| Capital projects | 667,092 | - | 667,092 | - |
| Public safety | 14,641 | - | 14,641 | - |
| Debt service | - | 1,304,856 | 1,304,856 | - |
| Unrestricted | 14,612,090 | 13,888,285 | 28,500,375 | 111,812 |
| Total net position | $ 41,732,824 | $ 31,717,779 | $ 73,450,603 | $ 111,812 |

*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, 2013

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| Governmental activities: | | | | |
| General government | $ 748,377 | $ 753,780 | $ - | $ - |
| Public safety | 6,587,767 | 1,025,201 | 233,554 | 13,145 |
| Public works | 3,907,512 | 1,235,094 | - | 428,289 |
| Health and welfare | 113,466 | 10,425 | - | - |
| Culture and recreation | 1,343,641 | 181,780 | 6,173 | 780,114 |
| Housing and development | 776,033 | - | - | - |
| Interest on long-term debt | 131,198 | - | - | - |
| Total governmental activities | 13,607,994 | 3,206,280 | 239,727 | 1,221,548 |
| Business-type activities: | | | | |
| Water and sewer | 5,782,950 | 5,690,369 | - | 2,123,141 |
| Total business-type activities | 5,782,950 | 5,690,369 | - | 2,123,141 |
| Total | $ 19,390,944 | $ 8,896,649 | $ 239,727 | $ 3,344,689 |
| **Component Unit** | | | | |
| Pooler Development Authority | $ - | $ - | $ - | $ - |

General revenues:

Taxes:

Property taxes

Sales and use taxes

Selective sales and use taxes

Franchise fees

Business taxes

Unrestricted investment earnings

Miscellaneous

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-Type Activities | Total | Pooler Development Authority |
| $ 5,403 | $ - | $ 5,403 | |
| (5,315,867) | - | (5,315,867) | |
| (2,244,129) | - | (2,244,129) | |
| (103,041) | - | (103,041) | |
| (375,574) | - | (375,574) | |
| (776,033) | - | (776,033) | |
| (131,198) | - | (131,198) | |
| (8,940,439) | - | (8,940,439) | |
| - | 2,030,560 | 2,030,560 | |
| - | 2,030,560 | 2,030,560 | |
| (8,940,439) | 2,030,560 | (6,909,879) | |
| | | | $ - |
| 4,976,630 | - | 4,976,630 | - |
| 4,813,162 | - | 4,813,162 | - |
| 1,223,305 | - | 1,223,305 | - |
| 1,456,547 | - | 1,456,547 | - |
| 1,231,956 | - | 1,231,956 | - |
| 8,606 | 18,154 | 26,760 | 223 |
| 65,776 | - | 65,776 | - |
| 13,775,982 | 18,154 | 13,794,136 | 223 |
| 4,835,543 | 2,048,714 | 6,884,257 | 223 |
| 36,897,281 | 29,669,065 | 66,566,346 | 111,589 |
| $ 41,732,824 | $ 31,717,779 | $ 73,450,603 | $ 111,812 |


CITY OF POOLER, GA
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# FUND FINANCIAL STATEMENTS


CITY OF POOLER, GA
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City of Pooler, Georgia

Balance Sheet

Governmental Funds

December 31, 2013

| | General | Special Purpose Local Option Sales Tax Fund | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 13,535,518 | $ 608,273 | $ 13,712 | $ 14,641 | $ 14,172,144 |
| Receivables | 2,383,213 | 84,994 | - | 48,616 | 2,516,823 |
| Due from other funds | 584,647 | - | - | - | 584,647 |
| Prepaid items | 57,901 | - | - | - | 57,901 |
| Restricted cash and cash equivalents | - | - | 131,820 | - | 131,820 |
| Total assets | $ 16,561,279 | $ 693,267 | $ 145,532 | $ 63,257 | $ 17,463,335 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | |
| Liabilities | | | | | |
| Accounts payable | $ 649,167 | $ 26,175 | $ 132,595 | $ 24,309 | $ 832,246 |
| Salaries and wages payable | 151,657 | - | - | - | 151,657 |
| Due to other funds | - | - | - | 24,307 | 24,307 |
| Customer deposits payable | 27,926 | - | - | - | 27,926 |
| Total liabilities | 828,750 | 26,175 | 132,595 | 48,616 | 1,036,136 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue - property taxes | 406,606 | - | - | - | 406,606 |
| Unavailable revenue - franchise fees | 1,158,072 | - | - | - | 1,158,072 |
| Total deferred inflows of resources | 1,564,678 | - | - | - | 1,564,678 |
| Combined liabilities and deferred inflows of resources | 2,393,428 | 26,175 | 132,595 | 48,616 | 2,600,814 |
| Fund balances | | | | | |
| Nonspendable | 57,901 | - | - | - | 57,901 |
| Restricted | - | 667,092 | - | 14,641 | 681,733 |
| Committed | 2,238,501 | - | - | - | 2,238,501 |
| Assigned | 2,730,086 | - | 12,937 | - | 2,743,023 |
| Unassigned | 9,141,363 | - | - | - | 9,141,363 |
| Total fund balances | 14,167,851 | 667,092 | 12,937 | 14,641 | 14,862,521 |
| Total liabilities, deferred inflows of resources and fund balances | $ 16,561,279 | $ 693,267 | $ 145,532 | $ 63,257 | $ 17,463,335 |

City of Pooler, Georgia

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

December 31, 2013

| | | |
|---|---|---|
| Total Governmental Fund Balances | | $ 14,862,521 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense. | | |
| Cost of capital assets | $ 37,991,616 | |
| Less: accumulated depreciation | (8,312,969) | 29,678,647 |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet. | | |
| Franchise taxes | 1,564,678 | 1,564,678 |
| 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 | (1,300,000) | |
| Notes payable | (817,965) | |
| Capital leases | (1,121,681) | |
| Compensated absences | (324,642) | |
| Accrued interest payable | (21,384) | (3,585,672) |
| Net OPEB liability not reported in the fund financial statements | | (787,350) |
| Net Position of Governmental Activities | | $ 41,732,824 |

City of Pooler, Georgia

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2013

| | General | Special Purpose Local Option Sales Tax Fund | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | $ 13,067,153 | $ - | $ - | $ 658,987 | $ 13,726,140 |
| Licenses and permits | 580,252 | - | - | - | 580,252 |
| Intergovernmental | 394,026 | 1,080,490 | - | - | 1,474,516 |
| Charges for services | 1,533,877 | - | - | - | 1,533,877 |
| Fines and forfeitures | 1,025,201 | - | - | - | 1,025,201 |
| Investment earnings | 7,005 | 483 | 1,109 | 9 | 8,606 |
| Miscellaneous | 104,384 | - | - | - | 104,384 |
| Total revenues | 16,711,898 | 1,080,973 | 1,109 | 658,996 | 18,452,976 |
| **EXPENDITURES** | | | | | |
| Current | | | | | |
| General government | 680,595 | - | - | - | 680,595 |
| Public safety | 6,966,088 | - | - | - | 6,966,088 |
| Public works | 3,763,562 | - | - | - | 3,763,562 |
| Health and welfare | 110,821 | - | - | - | 110,821 |
| Culture and recreation | 999,994 | - | - | - | 999,994 |
| Housing and development | 443,342 | - | - | 329,495 | 772,837 |
| Capital Outlay | - | 509,687 | 2,144,145 | - | 2,653,832 |
| Debt Service | | | | | |
| Principal | 266,173 | 1,250,000 | - | - | 1,516,173 |
| Interest | 58,919 | 71,417 | - | - | 130,336 |
| Total expenditures | 13,289,494 | 1,831,104 | 2,144,145 | 329,495 | 17,594,238 |
| Excess (deficiency) of revenues over (under) expenditures | 3,422,404 | (750,131) | (2,143,036) | 329,501 | 858,738 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | 329,492 | - | 1,845,123 | - | 2,174,615 |
| Transfers out | (1,845,123) | - | - | (329,492) | (2,174,615) |
| Capital lease | 610,724 | - | - | - | 610,724 |
| Insurance recoveries | 34,515 | - | - | - | 34,515 |
| Total other financing sources (uses) | (870,392) | - | 1,845,123 | (329,492) | 645,239 |
| Net changes in fund balances | 2,552,012 | (750,131) | (297,913) | 9 | 1,503,977 |
| Fund balances at beginning of year | 11,615,839 | 1,417,223 | 310,850 | 14,632 | 13,358,544 |
| Fund balances at end of year | $ 14,167,851 | $ 667,092 | $ 12,937 | $ 14,641 | $ 14,862,521 |

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

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, 2013

| | | |
|---|---|---|
| Net change in Fund Balances - Total Governmental Funds | | $ 1,503,977 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| 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 | $ 3,752,301 | |
| Depreciation expense | (1,214,373) | 2,537,928 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Deferred inflows of resources at December 31, 2013 | 1,564,678 | |
| Deferred inflows of resources at December 31, 2012 | 1,608,632 | (43,954) |
| Governmental funds report debt proceeds as an other financing source. However, in the statement of activities, debt proceeds are recognized as a long-term liability. | | |
| Capital leases | | (610,724) |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Capital leases | | 266,173 |
| Note payable | | 1,250,000 |
| 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. | | |
| Bond issuance costs | | (14,285) |
| Compensated absences | | (42,719) |
| Accrued interest | | 13,423 |
| Increase in the net OPEB liability | | (24,276) |
| Change in Net Position of Governmental Activities | | $ 4,835,543 |

City of Pooler, Georgia
Statement of Net Position
Water and Sewer Enterprise Fund
December 31, 2013

| | |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | $ 8,495,474 |
| Restricted cash and cash equivalents: | |
| Customer deposits | 159,032 |
| Note and loan accounts | 411,810 |
| Accounts receivable - net | 1,340,153 |
| Inventory | 5,500 |
| Prepaid items | 154,702 |
| Total current assets | 10,566,671 |
| Noncurrent assets | |
| Restricted cash and cash equivalents: | |
| Note and loan accounts | 893,046 |
| Water and sewer system expansion accounts | 5,053,822 |
| Capital assets: | |
| Land, improvements, and construction in progress | 685,676 |
| Other capital assets, net of depreciation | 32,235,932 |
| Total noncurrent assets | 38,868,476 |
| Total assets | 49,435,147 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | 421,810 |
| Contracts and retainage payable | 10,887 |
| Due to other funds | 560,340 |
| Accrued interest | 94,004 |
| Due to developers | 27,993 |
| Compensated absences | 39,382 |
| Notes and loans payable | 665,626 |
| Capital leases payable | 3,239 |
| Payable from restricted assets: | |
| Customer deposits payable | 159,032 |
| Notes and loans payable | 411,810 |
| Total current liabilities | 2,394,123 |
| Noncurrent liabilities: | |
| Notes and loans payable | 15,316,295 |
| Compensated absences | 6,950 |
| Total noncurrent liabilities | 15,323,245 |
| Total liabilities | 17,717,368 |
| **NET POSITION** | |
| Net investment in capital assets | 16,524,638 |
| Restricted for debt service | 1,304,856 |
| Unrestricted | 13,888,285 |
| Total net position | $ 31,717,779 |

City of Pooler, Georgia

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

Water and Sewer Enterprise Fund

For the Year Ended December 31, 2013

| | |
|---|---|
| **OPERATING REVENUES** | |
| Water fees | $ 2,704,940 |
| Sewer fees | 2,985,429 |
| Total operating revenues | 5,690,369 |
| **OPERATING EXPENSES** | |
| Water | |
| Personnel services and employee benefits | 519,008 |
| Purchased and contracted services | 172,209 |
| Supplies | 1,197,399 |
| Depreciation | 271,766 |
| Total operating expenses - Water | 2,160,382 |
| Sewer | |
| Personnel services and employee benefits | 341,176 |
| Purchased and contracted services | 230,653 |
| Supplies | 316,189 |
| Depreciation | 488,491 |
| Total operating expenses - Sewer | 1,376,509 |
| Wastewater Treatment Plant | |
| Personnel services and employee benefits | 391,710 |
| Purchased and contracted services | 382,409 |
| Supplies | 354,045 |
| Depreciation | 521,773 |
| Total operating expenses - Wastewater Treatment Plant | 1,649,937 |
| Total operating expenses | 5,186,828 |
| Operating income (loss) | 503,541 |
| **NONOPERATING REVENUES (EXPENSES)** | |
| Interest income | 18,154 |
| Interest expense | (596,122) |
| Total nonoperating revenues (expenses) | (577,968) |
| Income (loss) before capital contributions | (74,427) |
| **CAPITAL CONTRIBUTIONS** | |
| Tap fees | 594,945 |
| Donated infrastructure | 343,274 |
| Capital cost recovery charges | 1,184,922 |
| Total capital contributions | 2,123,141 |
| Change in net position | 2,048,714 |
| Net position, beginning of year | 29,669,065 |
| Net position, end of year | $ 31,717,779 |

City of Pooler, Georgia

Statement of Cash Flows

Water and Sewer Enterprise Fund

For The Year Ended December 31, 2013

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers | $ 5,550,178 |
| Cash payments to suppliers for goods and services | (2,868,854) |
| Cash payments to employees for services | (1,251,606) |
| Net cash provided (used) by operating activities | 1,429,718 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Principal payments on debt | (1,048,436) |
| Interest payments on debt | (599,478) |
| Tap fees | 600,594 |
| Capital cost recovery proceeds | 1,184,922 |
| Acquisitions and construction of capital assets | (812,871) |
| Net cash (used) by capital and related financing activities | (675,269) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest earned on cash and investments | 18,154 |
| Net cash provided (used) by investing activities | 18,154 |
| Net increase (decrease) in cash and cash equivalents | 772,603 |
| Cash and cash equivalents, beginning of year | 14,240,581 |
| Cash and cash equivalents, end of year | $ 15,013,184 |
| **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | |
| Operating income (loss) | $ 503,541 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 1,282,030 |
| Change in assets and liabilities: | |
| Decrease (increase) in accounts receivables | (157,091) |
| (Decrease) Increase in prepaid expenses | (127,033) |
| (Decrease) Increase in accounts payable and accrued liabilities | 103,204 |
| (Decrease) Increase in interfund payable | (191,833) |
| (Decrease) increase in customer deposits payable | 16,900 |
| Total adjustments | 926,177 |
| Net cash provided (used) by operating activities | $ 1,429,718 |
| **Noncash investing, capital, and financing activities:** | |
| Capital contributions - Hunt Club water and sewer lines | $ 343,274 |

City of Pooler, Georgia

Statement of Fiduciary Assets and Liabilities

Fiduciary Fund

December 31, 2013

| | Municpal Court Fund |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 63,503 |
| Fines receivable | 167,242 |
| Total assets | $ 230,745 |
| **LIABILITIES** | |
| Due to others | $ 230,745 |
| Total liabilities | $ 230,745 |

# NOTES TO THE FINANCIAL STATEMENTS


CITY OF POOLER, GA
PRIDE
FAMILY
HONOR
1907

# I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

## B. Reporting Entity

The City of Pooler, Georgia (government) is a municipal corporation governed by an elected mayor and six-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Currently, the City has no blended component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Discretely presented component unit** – Pooler Development Authority (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.

## C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The government participates in the following joint venture:

*Coastal Regional Commission* – Under Georgia law, the City, in conjunction with other governments in the region, is a member of the Coastal Regional Commission (RC) is required to pay annual dues thereto. During its year ended December 31, 2013, the City paid $19,160 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of an RC in Georgia. The RC 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 the RC. Management believes that the RC 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

## D. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while the business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Pooler Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and programs revenues reported for the various functions concerned.

## E. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *special purpose local option sales tax (SPLOST) fund* is used to account for 1% sales tax proceeds restricted for the acquisition or construction of specific capital projects as authorized by local referendum.

The *capital projects fund* is used to account for the acquisition or construction of major capital facilities financed with non-SPLOST resources.

The government reports the following major enterprise fund:

The *water and sewer fund* accounts for water and sewer services provided to the residents of the government. 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 government 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included

in governmental activities (i.e. governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities (i.e. enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## F. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded 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 (30) days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, sanitation fees, and interest associated with the current fiscal period are susceptible to accrual. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period (within 30 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

## G. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balance

### *1. Cash and Cash Equivalents*

The government'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 government 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.

### *2. Receivables*

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, franchise fees, 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. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for uncollectibles.

### *3. 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.

### *4. 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, for debt service and for future expansion of the water and sewer system.

### *5. Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years.

General infrastructure assets (i.e. those reported by governmental activities), acquired prior to January 1, 2003 are not reported in the basic financial statements. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amount spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

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. During the year ended December 31, 2013, there was no interest capitalized by the government's business-type activities relating to the construction of capital assets.

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 |
| Infrastructure | 50 years | |

***6. Compensated Absences***

It is the government'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.

***7. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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.

***8. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) as so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***9. Equity Classifications***

Equity is classified as net position and displayed in three components in the government-wide financial statements and in the proprietary fund type in the fund financial statements.

*Net investment in capital assets* 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 position* consist of net position 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 position* consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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 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 nor committed. The city's fund balance policy provides city council the authority to assign amount to be used for specific purposes. The authority for assigned fund balance may be delegated to some other body or official other than city council. 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.

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

***10. Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as *restricted net position* and *unrestricted net position* in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### *11. Fund Balance Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### *12. 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.

### H. Revenues and Expenditures/Expenses

#### *1. Program Revenues*

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

#### *2. Property Taxes*

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 4.250 mills was adopted on July 15, 2013. Tax bills were rendered on September 13, 2013 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.

#### *3. Proprietary Funds Operating and Nonoperating Revenues and Expenses*

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.

# II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

## A. Cash Deposits with Financial Institutions

At year-end the carrying amount of the government's deposits was $29,380,651 and the bank balance was $27,116,587. As of December 31, 2013 the entire bank balance was insured and collateralized with securities held by the government or its agent in the government's name.

*Custodial credit risk* is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. 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 government has no custodial credit risk policy that would require additional collateral requirements.

## B. Receivables

Amounts are aggregated into a single receivable (net of allowance for uncollectible accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, SPLOST fund and the nonmajor governmental funds in the aggregate, including the applicable allowance for uncollectible accounts:

| Receivable | General | SPLOST | Nonmajor Governmental | Total |
|---|---|---|---|---|
| Franchise fees | $ 1,213,489 | $ - | $ - | $ 1,213,489 |
| Property taxes | 457,085 | - | - | 457,085 |
| Sales taxes | 517,295 | - | - | 517,295 |
| Lodging taxes | - | - | 48,616 | 48,616 |
| Intergovernmental | 204,097 | 84,994 | - | 289,091 |
| Other | 389 | - | - | 389 |
| Gross receivables | 2,392,355 | 84,994 | 48,616 | 2,525,965 |
| Less: Allowance for uncollectibles | (9,142) | - | - | (9,142) |
| Net receivables | $ 2,383,213 | $ 84,994 | $ 48,616 | $ 2,516,823 |

Accounts receivable reported in the water and sewer fund represents uncollected charges for water and sewer services provided to customers. The allowance for uncollectible accounts at year end was $107,311.

## C. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| *Non-Depreciable Assets:* | | | | | |
| Land | $ 2,684,120 | $ 1,552,241 | $ - | $ - | $ 4,236,361 |
| Construction in progress | 1,558,870 | 1,180,973 | - | (1,625,892) | 1,113,951 |
| Total non-depreciable capital assets | 4,242,990 | 2,733,214 | - | (1,625,892) | 5,350,312 |
| *Depreciable Assets:* | | | | | |
| Buildings and improvements | 8,336,076 | - | - | 1,625,892 | 9,961,968 |
| Machinery, equipment and vehicles | 7,710,294 | 832,462 | - | - | 8,542,756 |
| Infrastructure | 13,949,955 | 186,625 | - | - | 14,136,580 |
| Total depreciable capital assets | 29,996,325 | 1,019,087 | - | 1,625,892 | 32,641,304 |
| *Accumulated Depreciation* | | | | | |
| Buildings and improvements | (1,861,849) | (251,727) | | | (2,113,576) |
| Machinery, equipment and vehicles | (4,604,650) | (676,471) | | | (5,281,121) |
| Infrastructure | (632,097) | (286,175) | | | (918,272) |
| Total accumulated depreciation | (7,098,596) | (1,214,373) | - | - | (8,312,969) |
| Total Governmental Activities | $ 27,140,719 | $ 2,537,928 | $ - | $ - | 29,678,647 |
| Less related long-term debt outstanding | | | | | (3,239,646) |
| Investment in capital assets, net of related debt | | | | | $ 26,439,001 |

Depreciation expense was charged to functions/programs of the governmental activities as follows:

| **Governemtal Activities** | |
|---|---|
| General government | $ 33,038 |
| Public safety | 453,187 |
| Public works | 340,244 |
| Culture and recreation | 387,904 |
| Total depreciation expense | $ 1,214,373 |

Changes in business-type activities capital asset for the year ended December 31, 2013 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 | 424,437 | 538,484 | - | (449,384) | 513,537 |
| Total non-depreciable capital assets | 596,576 | 538,484 | - | (449,384) | 685,676 |
| *Depreciable Assets:* | | | | | |
| Buildings and improvements | 44,516,385 | 486,195 | - | 449,384 | 45,451,964 |
| Machinery, equipment and vehicles | 1,149,063 | 18,285 | - | - | 1,167,348 |
| Total depreciable capital assets | 45,665,448 | 504,480 | - | 449,384 | 46,619,312 |
| *Accumulated Depreciation* | | | | | |
| Buildings and improvements | (12,186,597) | (1,225,805) | - | - | (13,412,402) |
| Machinery, equipment and vehicles | (914,754) | (56,224) | - | - | (970,978) |
| Total accumulated depreciation | (13,101,351) | (1,282,029) | - | - | (14,383,380) |
| Total Business-type Activities | $ 33,160,673 | $ (239,065) | $ - | $ - | 32,921,608 |
| Less related long-term debt outstanding | | | | | (16,396,970) |
| Investment in capital assets, net of related debt | | | | | $ 16,524,638 |

## D. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at December 31, 2013 are as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General | Water and Sewer | 560,340 |
| General | Nonmajor governmental | 24,307 |
| Total interfund receivables and payables | | $ 584,647 |

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds.

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

| Transfer In | Transfer Out | Purpose | Amount |
|---|---|---|---|
| General Fund | Nonmajor governmental funds | Distribution of tax revenue | $ 329,492 |
| Capital Projects Fund | General Fund | Fund construction projects | 1,845,123 |
| | | | $ 2,174,615 |

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 Leases

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

The assets acquired through capital lease are as follows:

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Machinery and Equipment | $ 588,336 | $ 60,000 |
| Less: Accumulated depreciation | (184,753) | (30,000) |
| Total | $ 403,583 | $ 30,000 |

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, 2013:

| Year Ending December 31, | Governmental Activities | Business-type Activities |
|---|---|---|
| 2014 | $ 477,510 | $ 3,275 |
| 2015 | 206,035 | - |
| 2016 | 153,270 | - |
| 2017 | 105,837 | - |
| 2018 | 51,034 | - |
| 2019 - 2023 | 255,172 | |
| Total minimum lease payments | 1,248,858 | 3,275 |
| Less: amount representing interest | (127,177) | (36) |
| Present value of minimum lease payments | $ 1,121,681 | $ 3,239 |

## F. 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 |
|---|---|---|---|
| 2014 | $ 1,300,000 | $ 24,115 | $ 1,324,115 |

Installment Sale Agreement

In February 2012, the City entered into an installment sale agreement with the Georgia Municipal Association, Inc. providing $880,000 to finance the construction of two new fire stations. The agreement carries an interest rate of 3.26% and has a term of fifteen years with final maturity on December 8, 2026.

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

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 51,408 | $ 26,044 | $ 77,452 |
| 2015 | 53,104 | 24,348 | 77,452 |
| 2016 | 54,857 | 22,595 | 77,452 |
| 2017 | 56,667 | 20,785 | 77,452 |
| 2018 | 58,537 | 18,915 | 77,452 |
| 2019 - 2023 | 322,969 | 64,290 | 387,259 |
| 2024 - 2026 | 220,423 | 11,855 | 232,278 |
| Totals..... | $ 817,965 | $ 188,832 | $ 1,006,797 |

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 12/31/2013 |
|---|---|---|---|
| 98-L66WJ | $ 2,497,297 | 4.67% | $ 1,453,843 |
| 02-L33WQ | 672,289 | 4.36% | 463,015 |
| CW02-007 | 12,593,549 | 3.00% | 9,179,978 |
| 03-L42WJ | 3,103,709 | 4.16% | 2,446,209 |
| 05-L23WJ | 2,406,407 | 4.14% | 1,992,220 |
| 11-L11WJ | 901,235 | 3.44% | 858,466 |
| Total GEFA loans payable at December 31, 2013..... | | | 16,393,731 |

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

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 1,077,436 | $ 561,086 | $ 1,638,522 |
| 2015 | 1,116,718 | 521,804 | 1,638,522 |
| 2016 | 1,157,405 | 481,117 | 1,638,522 |
| 2017 | 1,199,849 | 438,673 | 1,638,522 |
| 2018 | 1,243,721 | 394,801 | 1,638,522 |
| 2019 - 2023 | 6,080,064 | 1,315,155 | 7,395,219 |
| 2024 - 2028 | 4,489,845 | 317,142 | 4,806,987 |
| 2029 | 28,693 | 52 | 28,745 |
| Totals | $ 16,393,731 | $ 4,029,830 | $ 20,423,561 |

Changes in Long-Term Liabilities

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Contractual obligations | $ 2,550,000 | $ - | $ 1,250,000 | $ 1,300,000 | $ 1,300,000 |
| Notes payable | 867,730 | - | 49,765 | 817,965 | 51,408 |
| Capital lease obligations | 727,365 | 610,724 | 216,408 | 1,121,681 | 444,586 |
| Long-term debt | 4,145,095 | 610,724 | 1,516,173 | 3,239,646 | 1,795,994 |
| Compensated absences | 281,923 | 92,641 | 49,922 | 324,642 | 239,637 |
| Total Governmental Activities | $ 4,427,018 | $ 703,365 | $ 1,566,095 | $ 3,564,288 | $ 2,035,631 |
| **Business-Type Activities:** | | | | | |
| GEFA loans | $ 17,429,466 | $ - | $ 1,035,735 | $ 16,393,731 | $ 1,077,436 |
| Capital lease obligations | 15,940 | - | 12,701 | 3,239 | 3,239 |
| Long-term debt | 17,445,406 | - | 1,048,436 | 16,396,970 | 1,080,675 |
| Compensated absences | 46,044 | 11,542 | 11,254 | 46,332 | 39,382 |
| Total Business-Type Activities | $ 17,491,450 | $ 11,542 | $ 1,059,690 | $ 16,443,302 | $ 1,120,057 |

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

### G. Fund Balance Classifications

Amounts for specific purposes by fund and fund classifications for the year ended December 31, 2013, are as follows:

| Classification/Fund | Purpose | Amount |
|---|---|---|
| Nonspendable | | |
| General fund | Prepaid items | $ 57,901 |
| Restricted | | |
| Special Purpose Local Option Sales Tax fund | Capital projects | 667,092 |
| Confiscated Asset fund | Public safety | 14,641 |
| Committed | | |
| General fund | Construction of new city hall | 2,238,501 |
| Assigned | | |
| General fund | Capital projects | 2,730,086 |
| Capital Projects fund | Capital projects | 12,937 |
| Unassigned | | |
| General fund | | 9,141,363 |
| Total fund balance | | $ 14,862,521 |

## III. 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, 2013, the plan membership included the following categories of participants:

| | |
|---|---|
| Retired participants and beneficiaries | 20 |
| Terminated vested participants | 26 |
| Active participants | 135 |
| Total participants | 181 |

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 2013, the actuarially determined rate was 15.52% of covered payroll. The City's contributions to the Plan for the years ended December 31, 2013, 2012, and 2011 were $777,492, $798,110, and 775,581 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 |
|---|---|---|---|
| 12/31/2011 | $ 775,581 | 100.0 % | $ - |
| 12/31/2012 | 798,110 | 100.0 | - |
| 12/31/2013 | 777,492 | 100.0 | - |

Actuarial Methods and Assumptions

| | |
|---|---|
| Valuation Date | 7/1/2013 |
| 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 14 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, 2013, the most recent actuarial valuation date, the actuarial value of assets was $9.1 million; the actuarial accrued liability for benefits was $12.3 million; the unfunded actuarial liability was $3.2 million; the plan was 73.71% funded; the covered payroll (annual payroll of active employees covered by the plan) was $5.3 million; and the ratio of the UAAL to the covered payroll was 60.97%.

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.

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, 2013, 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 OPEB Cost | Actual Contribution | Percentage of Cost Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| 12/31/2011 | $ 251,145 | $ 251,058 | 100.0% | $ 741,298 |
| 12/31/2012 | 258,361 | 229,376 | 88.8% | 770,283 |
| 12/31/2013 | 264,008 | 246,941 | 93.5% | 787,350 |

Funding Progress

For the year ended December 31, 2013, 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 ARC is 5.12% of annual covered payroll.

For the year ended December 31, 2013, 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 | $ | 277,186 |
| Interest on net OPEB obligation | | 59,697 |
| Adjustment to annual required contribution | | (72,875) |
| Annual OPEB cost (expense) | | 264,008 |
| Contributions made | | 246,941 |
| Increase in net OPEB obligation | | 17,067 |
| Net OPEB obligation, beginning of year | | 770,283 |
| Net OPEB obligation, end of year | $ | 787,350 |

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%.

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 | 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.

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, 2013.

No provisions have been made in the financial statements for the year ended December 31, 2013 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.


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# REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


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# City of Pooler, Georgia

## General Fund

## Budgetary Comparison Schedule

## For the Year Ended December 31, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **REVENUES** | | | | |
| Taxes | $ 9,551,773 | $ 11,585,528 | $ 13,067,153 | $ 1,481,625 |
| Licenses and permits | 539,600 | 573,600 | 580,252 | 6,652 |
| Intergovernmental revenues | 320,650 | 397,039 | 394,026 | (3,013) |
| Charges for services | 1,389,450 | 1,453,130 | 1,533,877 | 80,747 |
| Fines and forfeitures | 913,509 | 958,509 | 1,025,201 | 66,692 |
| Investment income | 5,000 | 5,000 | 7,005 | 2,005 |
| Other revenues | 67,899 | 74,099 | 104,384 | 30,285 |
| Total revenues | 12,787,881 | 15,046,905 | 16,711,898 | 1,664,993 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General governmental: | | | | |
| Council | 113,071 | 121,471 | 113,818 | 7,653 |
| General administration | 442,781 | 610,751 | 566,777 | 43,974 |
| Total general government | 555,852 | 732,222 | 680,595 | 51,627 |
| Public safety: | | | | |
| Police | 3,750,310 | 3,878,760 | 3,545,642 | 333,118 |
| Fire | 3,460,506 | 3,597,895 | 3,420,446 | 177,449 |
| Total public safety | 7,210,816 | 7,476,655 | 6,966,088 | 510,567 |
| Public works: | | | | |
| Public works administration | 264,667 | 276,667 | 266,557 | 10,110 |
| Street department | 1,236,249 | 1,462,949 | 1,389,042 | 73,907 |
| Storm drainage | 466,765 | 504,165 | 435,513 | 68,652 |
| Solid waste and recycling | 1,121,520 | 1,114,920 | 1,114,618 | 302 |
| Maintenance and shop | 467,882 | 592,432 | 557,832 | 34,600 |
| Total public works | 3,557,083 | 3,951,133 | 3,763,562 | 187,571 |
| Health and welfare: | | | | |
| Senior citizens center | 130,776 | 131,776 | 110,821 | 20,955 |
| Culture and recreation: | | | | |
| Recreation | 1,006,323 | 1,051,873 | 999,994 | 51,879 |
| Housing and development: | | | | |
| Inspections | 385,859 | 468,809 | 443,342 | 25,467 |
| Debt service: | | | | |
| Principal | 307,662 | 315,662 | 266,173 | 49,489 |
| Interest | 79,425 | 77,425 | 58,919 | 18,506 |
| Total expenditures | 13,233,796 | 14,205,555 | 13,289,494 | 916,061 |
| Excess (deficiency) of revenues over (under) expenditures | (445,915) | 841,350 | 3,422,404 | 2,581,054 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 300,000 | 329,500 | 329,492 | (8) |
| Transfers out | (498,685) | (1,845,085) | (1,845,123) | (38) |
| Capital lease | 644,600 | 644,600 | 610,724 | (33,876) |
| Insurance recoveries | - | 29,635 | 34,515 | 4,880 |
| Total other financing sources (uses) | 445,915 | (841,350) | (870,392) | (29,042) |
| Net change in fund balance | - | - | 2,552,012 | 2,552,012 |
| Fund balance, beginning of year | 11,615,839 | 11,615,839 | 11,615,839 | - |
| Fund balance, end of year | $ 11,615,839 | $ 11,615,839 | $ 14,167,851 | $ 2,552,012 |

## 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, 2013, the following supplemental appropriation was approved:

| Fund Type | Original Appropriation | Supplemental Appropriation | Supplemental Decreases | Final Appropriation |
|---|---|---|---|---|
| General Fund..... | $ 13,732,481 | $ 2,326,759 | $ 8,600 | $ 16,050,640 |
| Special Revenue Funds - | | | | |
| Confiscated Assets Fund..... | 5,050 | - | - | 5,050 |
| Hotel / Motel Tax Fund..... | 600,000 | 59,000 | - | 659,000 |

**City of Pooler, Georgia**

Schedule of Funding Progress – Pension Plan

December 31, 2013

| 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) |
|---|---|---|---|---|---|---|
| 7/1/2011 | $ 7,162,288 | $ 10,719,620 | $ 3,557,332 | 66.81% | $ 5,194,708 | 68.48% |
| 7/1/2012 | 8,074,951 | 11,463,194 | 3,388,243 | 70.44% | 4,923,956 | 68.81% |
| 7/1/2013 | 9,079,285 | 12,317,406 | 3,238,121 | 73.71% | 5,310,675 | 60.97% |

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**City of Pooler, Georgia**

Schedule of Funding Progress – Other Post-employment Benefits Plan

December 31, 2013

| 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 | $ - | $ 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


CITY OF POOLER, GA
FAMILY
PRIDE
HONOR
1907

# 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.


CITY OF POOLER, GA
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**City of Pooler, Georgia**

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2013

| | Confiscated Assets | Hotel - Motel | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 14,641 | $ - | $ 14,641 |
| Taxes receivable | - | 48,616 | 48,616 |
| Total assets | $ 14,641 | $ 48,616 | $ 63,257 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities: | | | |
| Accounts payable | $ - | $ 24,309 | $ 24,309 |
| Due to other funds | - | 24,307 | 24,307 |
| Total liabilities | - | 48,616 | 48,616 |
| Fund balances | | | |
| Restricted | 14,641 | - | 14,641 |
| Total fund balance | 14,641 | - | 14,641 |
| Total liabilities and fund balance | $ 14,641 | $ 48,616 | $ 63,257 |

**City of Pooler, Georgia**

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

| | Confiscated Assets | Hotel - Motel | Total |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ 658,987 | $ 658,987 |
| Investment earnings | 9 | - | 9 |
| Total revenues | 9 | 658,987 | 658,996 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Housing and development | - | 329,495 | 329,495 |
| Total expenditures | - | 329,495 | 329,495 |
| Excess (deficiency) of revenues over (under) expenditures | 9 | 329,492 | 329,501 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers out | - | (329,492) | (329,492) |
| Total other financing sources (uses) | - | (329,492) | (329,492) |
| Net change in fund balance | 9 | - | 9 |
| Fund balance, beginning of year | 14,632 | - | 14,632 |
| Fund balance, end of year | $ 14,641 | $ - | $ 14,641 |

**City of Pooler, Georgia**
Confiscated Asset Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **REVENUES** | | | | |
| Fines and forfeitures | $ 5,000 | $ 5,000 | $ - | $ (5,000) |
| Investment | 50 | 50 | 9 | (41) |
| Total revenues | 5,050 | 5,050 | 9 | (5,041) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public Safety | 5,050 | 5,050 | - | 5,050 |
| Total expenditures | 5,050 | 5,050 | - | 5,050 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 9 | 9 |
| Net change in fund balance | - | - | 9 | 9 |
| Fund balance, beginning of year | 14,632 | 14,632 | 14,632 | - |
| Fund balance, end of year | $ 14,632 | $ 14,632 | $ 14,641 | $ 9 |

**City of Pooler, Georgia**
Hotel / Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **REVENUES** | | | | |
| Taxes | $ 600,000 | $ 659,000 | $ 658,987 | $ (13) |
| Total revenues | 600,000 | 659,000 | 658,987 | (13) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Housing and development | 300,000 | 329,500 | 329,495 | 5 |
| Total expenditures | 300,000 | 329,500 | 329,495 | 5 |
| Excess (deficiency) of revenues over (under) expenditures | 300,000 | 329,500 | 329,492 | (8) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers out | (300,000) | (329,500) | (329,492) | 8 |
| Total financing sources (uses) | (300,000) | (329,500) | (329,492) | 8 |
| 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, 2013

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash..... | $ 59,044 | $ 1,748,968 | $ 1,744,509 | $ 63,503 |
| Fines receivable... | 177,199 | - | 9,957 | 167,242 |
| Total assets..... | $ 236,243 | $ 1,748,968 | $ 1,754,466 | $ 230,745 |
| **LIABILITIES** | | | | |
| Due to others..... | $ 236,243 | $ 1,748,968 | $ 1,754,466 | $ 230,745 |
| Total liabilities..... | $ 236,243 | $ 1,748,968 | $ 1,754,466 | $ 230,745 |

# City of Pooler, Georgia

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

December 31, 2013

| 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 | | | 376,808 | 321,946 | 698,754 |
| Open Space | 54,667 | 59,056 | 59,056 | - | 59,056 |
| Public Safety: | | | | | |
| Fire truck debt service | 266,667 | 217,140 | 217,140 | - | 217,140 |
| Other Capital Outlay: | | | | | |
| Construction of new sidewalks | 458,703 | 421,183 | 677,746 | - | 677,746 |
| Pine Barren-Quacco Road Intersection | | | 164,723 | - | 164,723 |
| Subtotal Sales Tax III | 2,780,037 | 2,745,891 | 2,045,411 | 321,946 | 2,367,357 |
| **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 | 44,235 | - | 44,235 |
| Other Capital Outlay: | 3,779,500 | 4,201,634 | | | |
| Recreational park | | | 2,731,478 | - | 2,731,478 |
| Debt service - Recreation Revenue Bonds | | | 333,900 | 223,325 | 557,225 |
| Construction of new sidewalks | | | 288,530 | 109,905 | 398,435 |
| Traffic signals | | | 39,007 | 77,836 | 116,843 |
| Subtotal Sales Tax IV | 4,013,159 | 4,491,471 | 3,682,965 | 411,066 | 4,094,031 |
| **Sales Tax IV (2008-2014)** | | | | | |
| Other Capital Outlay: | | | | | |
| Debt service - Recreation Revenue Bonds | 6,000,000 | 6,000,000 | 2,386,853 | 1,098,092 | 3,484,945 |
| Subtotal Sales Tax IV | 6,000,000 | 6,000,000 | 2,386,853 | 1,098,092 | 3,484,945 |
| Grand totals | $12,793,196 | $13,237,362 | $ 8,115,229 | $ 1,831,104 | $ 9,946,333 |

City of Pooler, Georgia

Schedule of Required Expenditures Generated by the Hotel / Motel Tax

For the Year Ended December 31, 2013

| | |
|---|---|
| **REVENUES** | |
| Hotel/Motel taxes | $ 658,987 |
| **EXPENDITURES** | |
| Tourism expenditures | $ 329,495 |
| Percentage of expenditures to revenues | 50% |


CITY OF POOLER, GA
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# COMPONENT UNIT


CITY OF POOLER, GA
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City of Pooler, Georgia
Balance Sheet
Pooler Development Authority
December 31, 2013

| | |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents..... | $ 111,812 |
| **LIABILITIES AND FUND BALANCE** | |
| Liabilities | |
| Accounts payable..... | $ - |
| Fund balance | |
| Assigned - housing and development..... | 111,812 |
| Total liabilities and fund balance..... | $ 111,812 |

City of Pooler, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Pooler Development Authority
For the Year Ended December 31, 2013

| | |
|---|---|
| **REVENUES** | |
| Investment earnings | $ 223 |
| **EXPENDITURES** | |
| Current | |
| Housing and development | - |
| Net change in fund balance | 223 |
| Fund balance at beginning of year | 111,589 |
| Fund balance at end of year | $ 111,812 |

# STATISTICAL SECTION

This part of the City of Pooler, Georgia's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.


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


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


CITY OF POOLER, GA
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1907

City of Pooler, Georgia
Net Position by Component
Last Ten Calendar Years

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| Net investment in capital assets | $ 4,928,185 | $ 5,767,150 | $ 6,139,198 | $ 6,353,905 | $ 7,433,483 |
| Restricted | 1,956,085 | 2,371,521 | 3,081,829 | 2,807,189 | 2,467,827 |
| Unrestricted | 2,627,462 | 3,002,495 | 4,117,675 | 7,474,027 | 7,532,763 |
| Total governmental activities net position | $ 9,511,732 | $ 11,141,166 | $ 13,338,702 | $ 16,635,121 | $ 17,434,073 |
| **Business-type activities** | | | | | |
| Net investment in capital assets | $ 5,099,945 | $ 4,918,821 | $ 5,464,882 | $ 6,883,885 | $ 10,759,811 |
| Restricted | - | - | - | 14,268,649 | 13,219,635 |
| Unrestricted | 5,938,500 | 8,508,689 | 11,539,480 | 1,732,433 | 1,314,871 |
| Total business-type activities net position | $ 11,038,445 | $ 13,427,510 | $ 17,004,362 | $ 22,884,967 | $ 25,294,317 |
| **Primary Government** | | | | | |
| Net investment in capital assets | $ 10,028,130 | $ 10,685,971 | $ 11,604,080 | $ 13,237,790 | $ 18,193,294 |
| Restricted | 1,956,085 | 2,371,521 | 3,081,829 | 17,075,838 | 15,687,462 |
| Unrestricted | 8,565,962 | 11,511,184 | 15,657,155 | 9,206,460 | 8,847,634 |
| Total primary government net position | $ 20,550,177 | $ 24,568,676 | $ 30,343,064 | $ 39,520,088 | $ 42,728,390 |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **Governmental activities** | | | | | |
| Net investment in capital assets | $ 7,047,370 | $ 7,684,621 | $ 21,645,967 | $ 22,995,624 | $ 26,439,001 |
| Restricted | 1,881,686 | 1,804,340 | 1,779,908 | 1,431,855 | 681,733 |
| Unrestricted | 8,107,120 | 8,716,070 | 10,397,712 | 12,469,802 | 14,612,090 |
| Total governmental activities net position | $ 17,036,176 | $ 18,205,031 | $ 33,823,587 | $ 36,897,281 | $ 41,732,824 |
| **Business-type activities** | | | | | |
| Net investment in capital assets | $ 11,988,584 | $ 13,321,328 | $ 15,221,175 | $ 15,715,267 | $ 16,524,638 |
| Restricted | 1,103,235 | 733,445 | 717,391 | 1,506,768 | 1,304,856 |
| Unrestricted | 12,278,887 | 11,844,420 | 10,176,572 | 12,447,030 | 13,888,285 |
| Total business-type activities net position | $ 25,370,706 | $ 25,899,193 | $ 26,115,138 | $ 29,669,065 | $ 31,717,779 |
| **Primary Government** | | | | | |
| Net investment in capital assets | $ 19,035,954 | $ 21,005,949 | $ 36,867,142 | $ 38,710,891 | $ 42,963,639 |
| Restricted | 2,984,921 | 2,537,785 | 2,497,299 | 2,938,623 | 1,986,589 |
| Unrestricted | 20,386,007 | 20,560,490 | 20,574,284 | 24,916,832 | 28,500,375 |
| Total primary government net position | $ 42,406,882 | $ 44,104,224 | $ 59,938,725 | $ 66,566,346 | $ 73,450,603 |

# City of Pooler, Georgia
## Changes in Net Position
## Last Ten Calendar Years

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | $ 566,316 | $ 748,377 |
| Public safety | 2,225,836 | 2,707,976 | 3,107,415 | 3,393,650 | 3,883,305 | 4,582,679 | 4,593,471 | 5,097,220 | 5,457,742 | 6,587,767 |
| 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 | 3,771,731 | 3,907,512 |
| Health and welfare | 82,076 | 107,704 | 104,412 | 140,525 | 167,869 | 177,029 | 189,957 | 189,121 | 130,926 | 113,466 |
| Culture and recreation | 416,141 | 342,222 | 930,940 | 1,453,187 | 1,539,124 | 2,091,260 | 1,763,580 | 1,292,268 | 1,327,503 | 1,343,641 |
| Housing and development | 513,700 | 533,939 | 583,953 | 554,574 | 597,580 | 681,187 | 649,072 | 642,942 | 685,368 | 776,033 |
| Interest on long-term debt | 42,930 | 37,455 | 46,268 | 178,945 | 216,665 | 245,443 | 230,314 | 194,278 | 178,097 | 131,198 |
| 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 | 11,821,803 | 12,117,683 | 13,607,994 |
| 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 | 5,627,153 | 5,782,950 |
| 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 | 5,627,153 | 5,782,950 |
| 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 | $ 17,504,587 | $ 17,744,836 | $ 19,390,944 |
| **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 | $ 705,618 | $ 753,780 |
| Public safety | 470,224 | 475,618 | 470,681 | 712,812 | 664,769 | 452,756 | 534,095 | 951,699 | 961,374 | 1,025,201 |
| Public works | 766,834 | 816,135 | 908,002 | 1,209,568 | 1,374,763 | 937,006 | 1,067,061 | 1,242,437 | 1,292,842 | 1,235,094 |
| Health and welfare | - | - | - | 2,926 | 5,169 | 4,942 | 4,368 | 5,166 | 8,288 | 10,425 |
| Culture and recreation | 41,581 | 34,489 | 62,389 | 132,138 | 107,053 | 114,391 | 142,636 | 148,008 | 169,237 | 181,780 |
| Operating grants and contributions | 47,178 | 90,282 | 74,696 | 63,521 | 74,324 | 244,329 | 537,167 | 308,606 | 272,515 | 239,727 |
| Capital grants and contributions | 1,846,195 | 953,291 | 1,100,720 | 64,017 | 22,339 | - | 316,245 | 14,194,386 | 1,131,865 | 1,221,548 |
| 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 | 17,196,849 | 4,541,739 | 4,667,555 |
| 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 | 5,453,942 | 5,690,369 |
| 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 | 3,715,051 | 2,123,141 |
| 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 | 9,168,993 | 7,813,510 |
| 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 | $ 23,270,992 | $ 13,710,732 | $ 12,481,065 |

(continued)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental activities | $ (6,672,956) | $ (7,202,488) | $ (8,155,579) | $ (9,834,550) | $ (11,118,160) | $ (11,532,843) | $ (11,002,580) | $ (11,821,803) | $ (12,117,683) | $ (13,607,994) |
| Business-type activities | (3,216,630) | (3,021,623) | (3,716,554) | (5,043,784) | (5,923,440) | (5,899,528) | (5,435,722) | (5,682,784) | (5,627,153) | (5,782,950) |
| Total primary government net expense | $ (9,889,586) | $ (10,224,111) | $ (11,872,133) | $ (14,878,334) | $ (17,041,600) | $ (17,432,371) | $ (16,438,302) | $ (17,504,587) | $ (17,744,836) | $ (19,390,944) |
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| 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 | $ 10,545,201 | $ 13,701,600 |
| Unrestricted grants, contributions and investment earnings | - | - | - | 1,487,699 | 469,178 | 119,218 | 209,897 | 4,467 | 9,262 | 8,606 |
| Other revenue | 58,304 | 71,307 | 123,461 | 39,551 | 36,835 | 46,099 | 75,641 | 77,621 | 95,175 | 65,776 |
| 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 | 10,649,638 | 13,775,982 |
| 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 | 18,778 | 18,154 |
| Miscellaneous income (loss) | 10,391 | 21,304 | 12,728 | 1,554 | 30,079 | 10,892 | - | 3,727 | (6,691) | - |
| 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 | 12,087 | 18,154 |
| 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 | $ 10,661,725 | $ 13,794,136 |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | $ (1,567,155) | $ (1,426,854) | $ (1,200,840) | $ (74,891) | $ (2,133,230) | $ (2,365,256) | $ (1,817,985) | $ (1,578,293) | $ (1,468,045) | $ 167,988 |
| Business-type activities | (3,157,714) | (2,836,276) | (3,267,339) | (4,319,931) | (5,355,500) | (5,823,448) | (5,373,091) | (5,657,198) | (5,615,066) | (5,764,796) |
| Total primary government | $ (4,724,869) | $ (4,263,130) | $ (4,468,179) | $ (4,394,822) | $ (7,488,730) | $ (8,188,704) | $ (7,191,076) | $ (7,235,491) | $ (7,083,111) | $ (5,596,808) |

(concluded)

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

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **General Fund** | | | | | |
| Reserved | $ 19,822 | $ 10,763 | $ 11,031 | $ 29,323 | $ 30,716 |
| Unreserved | 2,201,986 | 2,389,887 | 3,449,879 | 4,917,867 | 6,593,303 |
| Nonspendable | - | - | - | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total general fund | $ 2,221,808 | $ 2,400,650 | $ 3,460,910 | $ 4,947,190 | $ 6,624,019 |
| **All Other Governmental Funds** | | | | | |
| Reserved | $ - | $ - | $ - | $ - | $ - |
| Unreserved, reported in: | | | | | |
| Capital projects fund | 1,936,263 | 2,371,521 | 3,081,829 | 3,771,711 | 2,467,827 |
| Restricted | - | - | - | - | - |
| Total all other governmental funds | $ 1,936,263 | $ 2,371,521 | $ 3,081,829 | $ 3,771,711 | $ 2,467,827 |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **General Fund** | | | | | |
| Reserved | $ 29,323 | $ 21,835 | $ - | $ - | $ - |
| Unreserved | 7,127,017 | 7,603,418 | - | - | - |
| Nonspendable | - | - | 61,454 | 60,329 | 57,901 |
| Committed | - | - | 2,500,000 | 2,500,000 | 2,238,501 |
| Assigned | - | - | 201,592 | 499,704 | 2,730,086 |
| Unassigned | - | - | 6,879,213 | 8,555,806 | 9,141,363 |
| Total general fund | $ 7,156,340 | $ 7,625,253 | $ 9,642,259 | $ 11,615,839 | $ 14,167,851 |
| **All Other Governmental Funds** | | | | | |
| Reserved | $ - | $ - | $ - | $ - | $ - |
| Unreserved, reported in: | | | | | |
| Capital projects fund | 1,881,686 | 1,807,020 | - | - | - |
| Restricted | - | - | 1,779,908 | 1,742,705 | 681,733 |
| Assigned | - | - | - | - | 12,937 |
| Total all other governmental funds | $ 1,881,686 | $ 1,807,020 | $ 1,779,908 | $ 1,742,705 | $ 694,670 |

*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

| | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 1,803,823 | $ 1,930,670 | $ 2,581,647 | $ 2,904,513 |
| Sales tax | 1,645,800 | 1,779,487 | 2,068,609 | 2,050,733 |
| Other taxes | 1,826,482 | 1,994,619 | 2,330,773 | 2,693,434 |
| Licenses and permits | 284,639 | 487,307 | 539,812 | 770,140 |
| Revenue from other governmental units | 823,373 | 1,038,548 | 1,171,666 | 1,194,841 |
| Charges for services | 817,693 | 862,596 | 983,848 | 1,396,361 |
| Fines and fees | 556,420 | 479,186 | 457,982 | 639,099 |
| Miscellaneous | 58,304 | 76,333 | 127,211 | 435,647 |
| Total revenue | 7,816,534 | 8,648,746 | 10,261,548 | 12,084,768 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | 953,149 | 968,759 | 1,255,820 | 1,507,524 |
| Public safety | 2,467,508 | 2,779,850 | 3,025,187 | 3,375,217 |
| Public works | 2,373,655 | 2,385,388 | 2,118,352 | 2,534,746 |
| Health and welfare | 82,076 | 107,704 | 104,412 | 160,705 |
| Culture and recreation | 431,234 | 757,349 | 961,931 | 1,420,464 |
| Housing and development | 513,700 | 533,939 | 583,953 | 569,730 |
| Capital outlay | 555,935 | 530,298 | 436,023 | 4,723,387 |
| Debt service: | | | | |
| Principal | 235,399 | 196,234 | 257,406 | 342,658 |
| Interest and other charges | 42,930 | 37,455 | 46,268 | 215,404 |
| Total expenditures | 7,655,586 | 8,296,976 | 8,789,352 | 14,849,835 |
| Excess (Deficiency) of revenues over (under) expenditures | 160,948 | 351,770 | 1,472,196 | (2,765,067) |
| **Other Financing sources (uses)** | | | | |
| Debt issuance | 78,762 | 262,330 | 298,372 | 4,793,541 |
| Transfers in | 293,748 | 299,901 | 352,344 | 346,707 |
| Transfers out | (293,748) | (299,901) | (352,344) | (346,707) |
| Sale of capital assets/insurance recoveries | - | - | - | - |
| Total other financing sources (uses) | 78,762 | 262,330 | 298,372 | 4,793,541 |
| Net change in fund balances | $ 239,710 | $ 614,100 | $ 1,770,568 | $ 2,028,474 |
| Debt service as a percentage of noncapital expenditures | 3.92% | 3.01% | 3.79% | 5.68% |

Source: *City records*

Notes: Noncapital expenditures are total expenditures less capital outlay.

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| $ 4,196,569 | $ 4,308,256 | $ 3,836,820 | $ 5,029,345 | $ 4,846,980 | $ 5,033,507 |
| 1,959,282 | 1,869,004 | 1,847,966 | 1,936,899 | 2,023,034 | 4,813,162 |
| 2,924,955 | 2,274,786 | 2,651,183 | 3,488,479 | 3,839,389 | 3,879,471 |
| 394,361 | 213,935 | 385,268 | 346,547 | 705,618 | 580,252 |
| 413,880 | 165,698 | 1,068,642 | 1,401,466 | 1,361,761 | 1,474,516 |
| 1,543,393 | 1,101,490 | 1,254,534 | 1,485,890 | 1,564,953 | 1,533,877 |
| 604,222 | 494,960 | 493,626 | 861,420 | 866,788 | 1,025,201 |
| 188,796 | 199,221 | 73,915 | 83,101 | 130,133 | 112,990 |
| 12,225,458 | 10,627,350 | 11,611,954 | 14,633,147 | 15,338,656 | 18,452,976 |
| | | | | | |
| 1,518,529 | 1,035,720 | 641,067 | 525,664 | 571,536 | 680,595 |
| 3,755,882 | 4,482,007 | 4,719,860 | 5,334,415 | 5,412,682 | 6,966,088 |
| 3,030,270 | 2,452,616 | 3,123,455 | 3,645,751 | 3,422,650 | 3,763,562 |
| 162,357 | 166,244 | 178,518 | 186,770 | 130,695 | 110,821 |
| 1,553,582 | 1,776,898 | 1,325,487 | 965,203 | 1,046,184 | 999,994 |
| 592,310 | 654,731 | 627,950 | 638,730 | 684,284 | 772,837 |
| 1,472,159 | 268,839 | 109,677 | 228,596 | 1,733,144 | 2,653,832 |
| | | | | | |
| 301,776 | 508,863 | 358,983 | 1,021,638 | 1,426,455 | 1,516,173 |
| 197,730 | 222,335 | 219,120 | 192,597 | 176,447 | 130,336 |
| 12,584,595 | 11,568,253 | 11,304,117 | 12,739,364 | 14,604,077 | 17,594,238 |
| | | | | | |
| (359,137) | (940,903) | 307,837 | 1,893,783 | 734,579 | 858,738 |
| | | | | | |
| 250,114 | 877,778 | 42,281 | 89,800 | 1,170,188 | 610,724 |
| 327,838 | 301,311 | 281,104 | 303,281 | 1,322,853 | 2,174,615 |
| (327,838) | (301,311) | (281,104) | (303,281) | (1,322,853) | (2,174,615) |
| - | 9,305 | 44,129 | 6,311 | 31,610 | 34,515 |
| 250,114 | 887,083 | 86,410 | 96,111 | 1,201,798 | 645,239 |
| $ (109,023) | $ (53,820) | $ 394,247 | $ 1,989,894 | $ 1,936,377 | $ 1,503,977 |
| | | | | | |
| 4.57% | 6.79% | 5.69% | 10.80% | 13.02% | 11.90% |

## 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 |
|---|---|---|---|---|---|---|---|---|
| 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 |
| 2012 | 4,846,980 | 2,023,034 | 953,557 | 231,770 | 556,223 | 615,706 | 1,482,133 | 10,709,403 |
| 2013 | 5,033,507 | 4,813,162 | 987,317 | 244,639 | 564,318 | 658,987 | 1,424,210 | 13,726,140 |

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 |
| 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 |
| 2012 | 799,298 | 1,998,245 | 214,411 | 536,028 | 6,353 | 15,883 |
| 2013 | 833,321 | 2,083,303 | 230,093 | 575,233 | 6,932 | 17,330 |

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 | | |
| $ 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 |
| 1,020,062 | 2,550,156 | 40.00% | 4.635 |
| 1,070,346 | 2,675,866 | 40.00% | 4.250 |

## 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 |
| 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 |
| 2012 | 4.635 | 14.631 | 11.109 | 0.200 | 30.575 |
| 2013 | 4.250 | 15.880 | 12.950 | 0.150 | 33.230 |

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 | 2013 Taxable Assessed Value | 2013 Rank | 2013 % of Total District Net Assessed Value | 2004 Taxable Assessed Value | 2004 Rank | 2004 % of Total District Net Assessed Value |
|---|---|---|---|---|---|---|
| Mitsubishi Power Systems Americas | $ 49,521,179 | 1 | 4.42% | | | |
| JCB USA, Inc | 19,054,688 | 2 | 1.70% | $ 21,446,909 | 2 | 5.12% |
| HASBRO, Inc. | 17,532,484 | 3 | 1.57% | | | |
| Rolls-Royce North America, Inc. | 15,726,025 | 4 | 1.40% | | | |
| Courtney Station LLC | 12,264,709 | 5 | 1.10% | | | |
| Towne Lake Investors LLC | 10,805,184 | 6 | 0.96% | | | |
| Mid-America Apartments LP | 10,063,872 | 7 | 0.90% | | | |
| A & B Properties Inc. | 9,637,592 | 8 | 0.86% | | | |
| Walmart Stores, Inc. | 9,203,711 | 9 | 0.82% | 7,227,080 | 4 | 1.73% |
| Sixteen West Savannah LLC | 7,893,360 | 10 | 0.70% | | | |
| Southwest Quadrant Holdings LLC | | | | 28,090,000 | 1 | 6.71% |
| Southwest Quadrant Development | | | | 7,923,800 | 3 | 1.89% |
| Morgan Tract | | | | 6,935,800 | 5 | 1.66% |
| Godley Station Apartments LP | | | | 5,800,000 | 6 | 1.39% |
| Walmart Stores East, Inc | | | | 5,275,264 | 7 | 1.26% |
| Godley Station Apartments II | | | | 4,455,800 | 8 | 1.06% |
| Foxfield Company | | | | 3,561,000 | 9 | 0.85% |
| Robert B. Baker | | | | 3,379,000 | 10 | 0.81% |
| Totals | $ 161,702,804 | | 14.44% | $ 94,094,653 | | 22.47% |

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 |
| 2004 | $ 1,473,786 | $ 1,324,285 | 89.86% | $ 149,501 | $ 1,473,786 | 100.00% |
| 2005 | 1,631,884 | 1,536,648 | 94.16% | 95,236 | 1,631,884 | 100.00% |
| 2006 | 2,386,207 | 1,984,407 | 83.16% | 401,800 | 2,386,207 | 100.00% |
| 2007 | 2,881,516 | 1,229,403 [3] | 42.67% | 1,638,206 | 2,867,609 | 99.52% |
| 2008 | 3,592,498 | 2,952,303 | 82.18% | 537,144 | 3,489,447 | 97.13% |
| 2009 | 3,844,880 | 3,251,769 | 84.57% | 531,609 | 3,783,378 | 98.40% |
| 2010 | 3,863,806 | 2,960,033 | 76.61% | 900,019 | 3,860,052 | 99.90% |
| 2011 | 3,885,073 | 3,468,972 | 89.29% | 413,857 | 3,882,829 | 99.94% |
| 2012 | 4,079,800 | 3,795,818 | 93.04% | 275,389 | 4,071,207 | 99.79% |
| 2013 | 4,052,002 | 3,787,968 | 93.48% | - | 3,787,968 | 93.48% |

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 | | | |
| 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 | 5.60% | 1,145 |
| 2012 | 2,550,000 | 727,365 | - | 17,429,466 | 15,940 | 20,722,771 | 4.74% | 1,006 |
| 2013 | 1,300,000 | 1,121,681 | - | 16,393,731 | 3,239 | 18,818,651 | 4.31% | 914 |

**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 |
|---|---|---|---|---|---|
| 2004 | $ - | $ - | $ - | 0.00% | $ - |
| 2005 | - | - | - | 0.00% | - |
| 2006 | - | - | - | 0.00% | - |
| 2007 | - | - | - | 0.00% | - |
| 2008 | - | - | - | 0.00% | - |
| 2009 | - | - | - | 0.00% | - |
| 2010 | - | - | - | 0.00% | - |
| 2011 | - | - | - | 0.00% | - |
| 2012 | - | - | - | 0.00% | - |
| 2013 | - | - | - | 0.00% | - |

## City of Pooler, Georgia

Direct and Overlapping Governmental Activities Debt

As of December 31, 2013

| | 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 | $ 10,885,000 | 9.92% | $ 1,079,792 |
| Chatham County Public Health Facilities Projects | 175,000 | 9.92% | 17,360 |
| DSA Chatham County Projects Series 2005A | 4,420,000 | 9.92% | 438,464 |
| DSA Union Mission Series 2009 | 2,145,000 | 9.92% | 212,784 |
| DSA Union Mission Series 2011 | 2,680,000 | 9.92% | 265,856 |
| Mosquito Control | 3,804,217 | 9.92% | 377,378 |
| Savannah-Chatham County School Board: | | | |
| General Obligation Bonded Debt | 52,925,000 | 9.92% | 5,250,160 |
| Overlapping other debt: | | | |
| Capital leases: | | | |
| Chatham County, Georgia | 4,561 | 7.77% | 354 |
| Savannah-Chatham County School Board | 11,184,961 | 9.12% | 1,020,068 |
| Subtotal, overlapping debt | | | 8,662,217 |
| City of Pooler direct debt | | | 2,421,681 |
| Total direct and overlapping debt | | | $ 11,083,898 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| Total assessed value of taxable property | $ 418,705,433 | $ 510,123,606 | $ 627,014,291 | $ 789,886,671 | $ 923,596,537 |
| Less exemptions for bond purposes | 2,036,066 | 2,385,817 | 3,083,620 | 9,765,842 | 9,872,720 |
| Net assessed value for bond purposes | $ 416,669,367 | $ 507,737,789 | $ 623,930,671 | $ 780,120,829 | $ 913,723,817 |
| Debt limit percentage | 10% | 10% | 10% | 10% | 10% |
| Debt limit | $ 41,666,937 | $ 50,773,779 | $ 62,393,067 | $ 78,012,083 | $ 91,372,382 |
| Total net debt applicable to limit: General obligation bonds (net of set aside) | - | - | - | - | - |
| Legal debt margin | $ 41,666,937 | $ 50,773,779 | $ 62,393,067 | $ 78,012,083 | $ 91,372,382 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Total assessed value of taxable property | $ 975,740,676 | $ 961,243,027 | $ 962,899,635 | $1,020,061,805 | $1,070,346,277 |
| Less exemptions for bond purposes | 59,624,888 | 49,495,073 | 44,586,615 | 68,033,622 | 64,179,872 |
| Net assessed value for bond purposes | $ 916,115,788 | $ 911,747,954 | $ 918,313,020 | $ 952,028,183 | $1,006,166,405 |
| Debt limit percentage | 10% | 10% | 10% | 10% | 10% |
| Debt limit | $ 91,611,579 | $ 91,174,795 | $ 91,831,302 | $ 95,202,818 | $ 100,616,641 |
| Total net debt applicable to limit: General obligation bonds (net of set aside) | - | - | - | - | - |
| Legal debt margin | $ 91,611,579 | $ 91,174,795 | $ 91,831,302 | $ 95,202,818 | $ 100,616,641 |
| 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] |
|---|---|---|---|---|
| 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 | 525,650,142 | 27,462 | 9.2% |
| 2011 | 19,391 | 537,499,129 | 27,719 | 8.7% |
| 2012 | 20,598 | 588,999,810 | 28,595 | 8.8% |
| 2013 | 21,978 | 666,746,586 | 30,337 | 7.1% |

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 Six Years Ago

| | 2013 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Wal-Mart | 292 | 1 | 4.84% | 518 | 1 | 9.06% |
| JCB, Inc. | 240 | 2 | 3.98% | 240 | 2 | 4.20% |
| Logan's Roadhouse | 141 | 3 | 2.34% | | | |
| Sam's Club | 121 | 4 | 2.01% | 141 | 3 | 2.47% |
| Publix | 107 | 5 | 1.77% | 115 | 6 | 2.01% |
| Lowe's | 104 | 6 | 1.72% | 122 | 5 | 2.13% |
| Home Depot | 103 | 7 | 1.71% | 108 | 8 | 1.89% |
| The Place at Pooler | 93 | 8 | 1.54% | | | |
| Cracker Barrel | 80 | 9 | 1.33% | 132 | 4 | 2.31% |
| Dorsey Tire Company, Inc | 80 | 10 | 1.33% | | | |
| William Bros. Lumber | | | | 110 | 7 | 1.92% |
| Piggly Wiggly, Inc. | | | | 101 | 9 | 1.77% |
| Longhorn Steakhouse | | | | 83 | 10 | 1.45% |
| Total | 1,361 | | 22.57% | 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 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| General government | 14 | 14 | 16 | 19 | 13 |
| Public safety | 42 | 45 | 51 | 54 | 55 |
| Public works | 29 | 29 | 32 | 39 | 40 |
| Culture and recreation | 6 | 5 | 6 | 10 | 10 |
| Water and sewer services | 18 | 19 | 19 | 19 | 23 |
| Total | 109 | 112 | 124 | 141 | 141 |

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| General government | 10 | 10 | 13 | 13 | 15 |
| Public safety | 63 | 69 | 70 | 72 | 90 |
| Public works | 35 | 28 | 24 | 23 | 23 |
| Culture and recreation | 8 | 13 | 11 | 11 | 11 |
| Water and sewer services | 26 | 19 | 21 | 17 | 20 |
| Total | 142 | 139 | 139 | 136 | 159 |

Source: *City Personnel Records*

## City of Pooler, Georgia

Operating Indicators by Function

Last Ten Calendar Years

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Police:** | | | | | |
| Arrests | 705 | 960 | 1,060 | 1,143 | 415 |
| **Fire:** | | | | | |
| Number of emergency calls | 1,079 | 1,168 | 1,547 | 1,754 | 1,843 |
| Inspections | - | 13 | 166 | 256 | - [b] |
| **Public works:** | | | | | |
| Street resurfacing (miles) | 2.105 | 2.086 | 1.193 | 1.000 | 1.820 |
| **Water:** | | | | | |
| New connections | 380 | 436 | 778 | 701 | 362 |
| Average daily consumption (gallons) | 688,000 | 628,749 | 676,390 | 1,755,345 [a] | 1,951,355 |
| **Sewer:** | | | | | |
| New connections | 380 | 436 | 778 | 676 | 361 |
| Average daily sewage treatment (gallons) | 1,110,000 | 1,210,000 | 1,300,000 | 1,700,000 | 1,750,000 |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **Police:** | | | | | |
| Arrests | 641 | 601 | 845 | 987 | 1,337 |
| **Fire:** | | | | | |
| Number of emergency calls | 2,002 | 2,241 | 2,391 | 2,499 | 2,569 |
| Inspections | 213 | 724 | 895 | 687 | 826 |
| **Public works:** | | | | | |
| Street resurfacing (miles) | 0.700 | - | 1.000 | 1.940 | 1.290 |
| **Water:** | | | | | |
| New connections | 243 | 262 | 272 | 312 | 315 |
| Average daily consumption (gallons) | 2,117,587 | 2,058,684 | 2,168,287 | 2,118,763 | 2,008,375 |
| **Sewer:** | | | | | |
| New connections | 243 | 262 | 272 | 312 | 315 |
| Average daily sewage treatment (gallons) | 1,750,000 | 1,617,000 | 1,401,000 | 1,812,000 | 1,791,781 |

Sources: *City records*

unav - This information is not available.

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

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Police:** | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| **Fire:** | | | | | |
| Fire stations | 2 | 2 | 2 | 2 | 2 |
| **Public works:** | | | | | |
| Streets (miles) | unav | 55.7 | 71.6 | 80 | 80 |
| Traffic signals | 2 | 2 | 3 | 3 | 3 |
| **Parks and recreation:** | | | | | |
| Parks | 1 | 1 | 1 | 2 | 5 |
| Community centers | 1 | 1 | 1 | 1 | 1 |
| **Water:** | | | | | |
| Maximum daily capacity (gallons) | 1,092,000 | 1,100,000 | 1,114,000 | 3,960,000 [a] | 3,900,000 |
| **Wastewater:** | | | | | |
| Maximum daily treatment capacity (gallons) | 2,500,000 | 2,500,000 | 2,500,000 | 3,000,000 | 2,500,000 |

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **Police:** | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| **Fire:** | | | | | |
| Fire stations | 2 | 2 | 2 | 2 | 4 |
| **Public works:** | | | | | |
| Streets (miles) | 81 | 87 | 102 | 102 | 102 |
| Traffic signals | 5 | 7 | 8 | 8 | 8 |
| **Parks and recreation:** | | | | | |
| Parks | 5 | 5 | 5 | 5 | 5 |
| Community centers | 1 | 1 | 1 | 1 | 1 |
| **Water:** | | | | | |
| Maximum daily capacity (gallons) | 3,900,000 | 3,697,000 | 3,697,000 | 3,697,000 | 3,697,000 |
| **Wastewater:** | | | | | |
| Maximum daily treatment capacity (gallons) | 2,500,000 | 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
FAMILY
PRIDE
HONOR
1907

**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***

## Independent Auditor's Report

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pooler, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 18, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Pooler, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Pooler, Georgia's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KRT, CPAs P.C.

KRT, CPAs P.C.
Savannah, Georgia
June 18, 2014



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