

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

City of Pooler, Georgia  
For the Year Ended December 31, 2016

*Prepared by:  
Finance Department*



**City of Pooler, Georgia**  
**Comprehensive Annual Financial Report**  
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**For the Year Ended December 31, 2016**

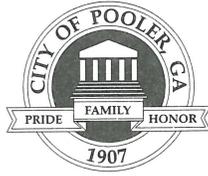
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## **INTRODUCTORY SECTION**





## **CITY OF POOLER**

**100 Southwest Highway 80  
Pooler, Georgia 31322  
(912) 748-7261  
Fax: (912) 330-0987  
[www.pooler-ga.us](http://www.pooler-ga.us)**

**Mayor  
Michael F. Lamb  
CITY COUNCIL**

**Bruce Allen  
Rebecca C. Benton  
Shannon Black  
Ashley Brown  
Mike Royal  
Stevie E. Wall**

**Robert H. Byrd, Jr. - City Manager**

**Steve Scheer - City Attorney**

July 9, 2017

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, 2016. 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, rests 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, 2016. 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 29 square miles and has a current population of 23,133.

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 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 fifteen 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 has almost quadrupled. 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 the quality of life benefits Pooler has to offer contributed to the growth.

Since 2011, the City of Pooler has seen increases in the purchase of building permits for both residential and commercial development indicating a much needed recovery from the recession that began in 2008. Although the number of permits issued in 2016 was less than half from the year before and the past 10-year average, the City does not see this as an economic issue. There are many plans in the works for more development within City Pooler limits, especially commercial development. In 2016, there were 211 residential permits issued compared to 255 in 2015 and 70 commercial permits issued compared to 343 in 2015. The City continues to issue permits to office complexes, restaurants, and other retail establishments.

The City of Pooler has 13 hotels to offer the traveling public on Interstate 95. The City is anticipating \$1,100,000 in hotel excise tax in 2017. The revenue from this tax has been increasing since 2012 due to higher occupancy rates. Five (5) more hotels are being planned for Pooler, with three (3) of them being constructed on Pooler Parkway at the I16 interchange. The City expects Local Option Sales Tax (LOST) collections to remain steady in 2017. Currently, LOST is the city's largest source of revenue. After the decennial census is 2020, LOST distributions will be renegotiated amount Chatham County and the municipalities in the County, and the City of Pooler expects to receive a higher distribution at that time due to increasing population and development within the City.

Due to the increase in population over the past decade, the City of Pooler has been attracting several family entertainment-oriented businesses. In 2012, one of the new movie theaters in Pooler expanded to include an IMAX theatre and plans are underway for a third movie theater to be constructed in Pooler in the near future. In addition, the developer of the 14-acre water park near the new bowling alley just off of Pooler Parkway plans to expand the facility. Future commercial development plans tentatively include 2 new grocery stores, additional restaurants and retail business at the outlet mall, and a car dealership. 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.

### ***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 \$17,738,739 or 91% of general fund 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. In 2011, the City of Pooler completed approximately \$3,000,000 worth of improvements to the wastewater treatment plant in order to be prepared for future expansion. The current treatment capacity of the plant is 2.5 million gallons per day. In 2016, the City applied for and received a loan from the Georgia Environmental Finance Authority to finance the expansion of the plant to treat up to 3.34 million gallons per day. Construction is expected to be complete in September of 2017.

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 began in 2014, and the City completed construction of a new football stadium and concession building/locker room in time for football season in the fall of 2015. The City has various agreements with local schools for rental of the stadium. In 2016, a new parking lot was added to serve the stadium. SPLOST proceeds from the new referendum approved in 2013 were used for the additional construction. The benefit to our local restaurants and hotels in addition to our citizens 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.

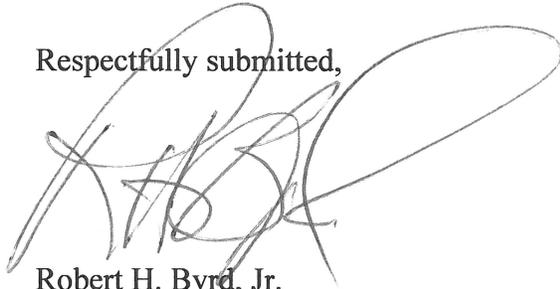
### ***Awards and Acknowledgments***

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, 2015. This was the fifteenth 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,

A handwritten signature in black ink, appearing to read 'R. Byrd, Jr.', with a large, sweeping flourish extending to the right.

Robert H. Byrd, Jr.  
City Manager



# City of Pooler, Georgia

## List of Principal Officials

December 31, 2016

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

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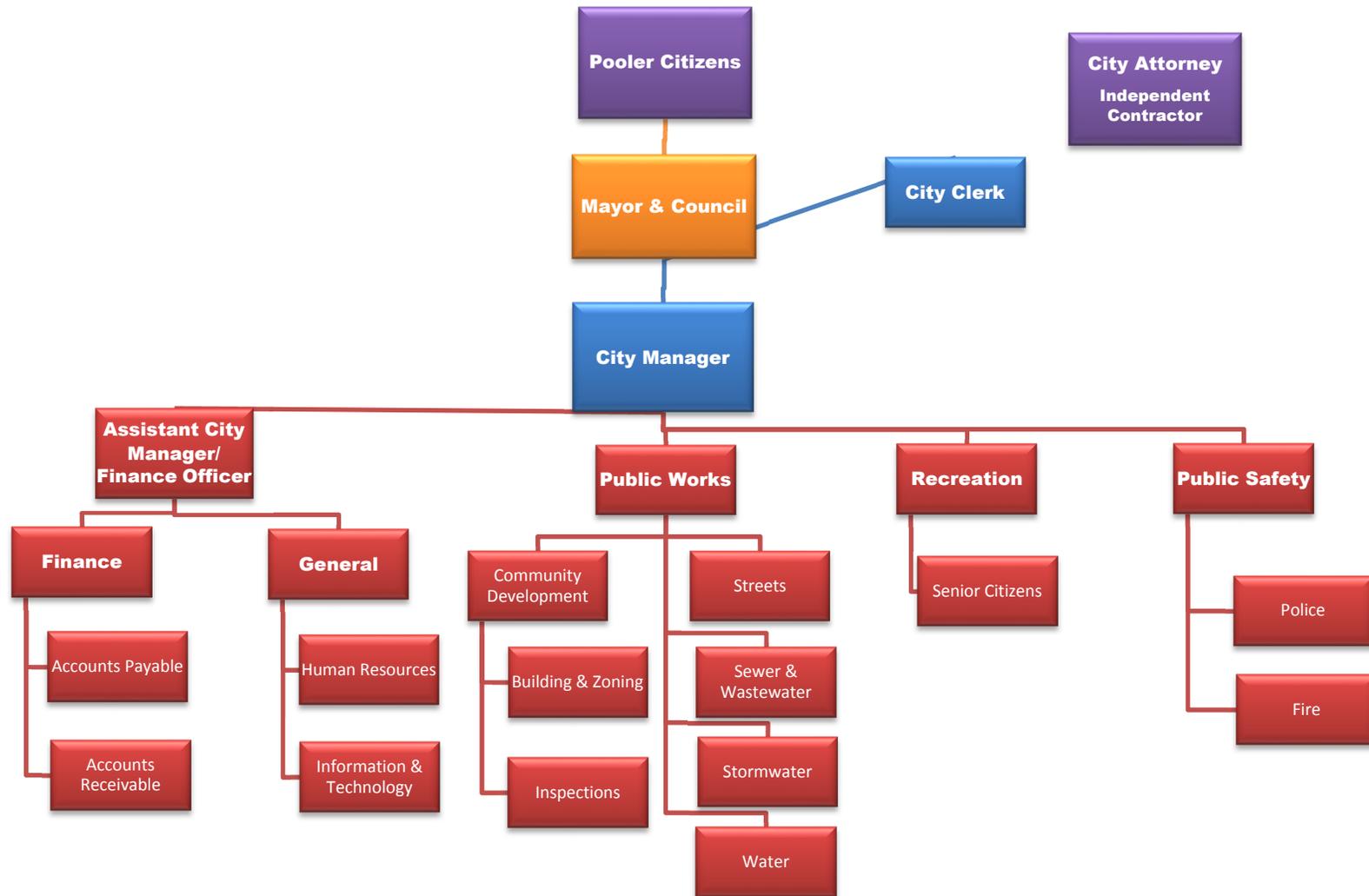
Mayor.....	Michael F. Lamb
City Manager.....	Robert H. Byrd, Jr.
City Clerk.....	Maribeth Lindler
Finance Officer.....	Michelle Warner
Chief of Police.....	Mark Revenew
Chief of Fire.....	Wade Simmons
Director of Public Works.....	Matt Saxon
Director of Recreation.....	Hugh Elton
Director of Human Resources.....	Andrea Anderson
City Attorney.....	Steven E. Scheer

### City Council Members

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

**City of Pooler, Georgia**  
Organizational Chart  
December 31, 2016

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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, 2015**

Executive Director/CEO



## **FINANCIAL SECTION**





## **INDEPENDENT AUDITORS' 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pooler, Georgia, as of and for the year ended December 31, 2016, 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.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pooler, Georgia, as of December 31, 2016, 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.

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 July 9, 2017 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  
July 9, 2017



## 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, 2016. 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 Position 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 2016 and contains other supplementary information.

### FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at December 31, 2016 by \$96,745,567 (net position). Of this amount, \$28,052,318 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6,511,084 from the previous year. The majority of the increase is from Governmental Activities in the amount of \$4,791,843. Business-Type Activities increased its net position by \$1,719,241 from the previous year.
- At December 31, 2016, the City's governmental funds balance sheet reported a combined ending fund balance of \$17,709,644 which is a decrease of \$14,670,122 from the previous calendar year. The decrease is due to construction loan funds received in 2015 being used in 2016 for construction of the new city hall.
- The General Fund reported an unrestricted fund balance of \$17,645,986, a decrease from 2015 of \$804,174. The decrease was a result of General Fund money being used to construct capital projects connected to the new city hall such as storm water improvements and relocation of utilities. The 2017 budget includes a transfer from the General Fund of \$1,088,775 for use in the Capital Projects Fund for various construction projects including a new fire station and intersection improvements at Highway 80 and Rogers Street.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

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 \$96.7 million at December 31, 2016.

The following table presents a summary of the City's net position at December 31, 2016:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets.....	\$ 22,367,970	\$ 37,219,980	17,801,528	17,834,153	\$ 40,169,498	\$ 55,054,133
Capital assets, net.....	66,481,297	45,479,733	42,744,707	39,271,427	109,226,004	84,751,160
Total assets.....	<u>88,849,267</u>	<u>82,699,713</u>	<u>60,546,235</u>	<u>57,105,580</u>	<u>149,395,502</u>	<u>139,805,293</u>
Deferred outflows	<u>2,302,496</u>	<u>1,207,842</u>	<u>354,873</u>	<u>200,064</u>	<u>2,657,369</u>	<u>1,407,906</u>
Current liabilities.....	3,333,465	3,445,295	2,391,534	690,765	5,724,999	4,136,060
Noncurrent liabilities.....	29,083,167	26,383,002	20,499,138	20,301,162	49,582,305	46,684,164
Total liabilities.....	<u>32,416,632</u>	<u>29,828,297</u>	<u>22,890,672</u>	<u>20,991,927</u>	<u>55,307,304</u>	<u>50,820,224</u>
Deferred inflows	<u>-</u>	<u>135,970</u>	<u>-</u>	<u>22,522</u>	<u>-</u>	<u>158,492</u>
Net position:						
Net investment in						
capital assets.....	44,384,681	24,885,553	23,318,018	19,821,116	67,702,699	44,706,669
Restricted.....	945	277,963	989,605	1,233,007	990,550	1,510,970
Unrestricted.....	14,349,505	28,779,772	13,702,813	15,237,072	28,052,318	44,016,844
Total net position.....	<u>\$ 58,735,131</u>	<u>\$ 53,943,288</u>	<u>\$ 38,010,436</u>	<u>\$ 36,291,195</u>	<u>\$ 96,745,567</u>	<u>\$ 90,234,483</u>

Nearly 70% of the City's net position 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 (28%) reflects unrestricted position 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 \$19,499,128 or 78% due to the near completion of the new city hall as well as other capital projects related to city hall. Total Net Position in Governmental Activities increased in 2016 by \$4,791,843 or 8%. In the City's business-type activities, net investment in capital assets increased approximately \$3,496,902 due to the completion of a meter upgrade project to provide tower read capabilities city-wide that cost nearly \$1.7 million and the installation of re-use lines up to Jimmy DeLoach to serve the Nordic cold-storage facility, as well as additional upgrades to the city's sewer system. Total Net Position for Business-Like Activities increased in 2016 by \$1,719,241 or 4%.

## Changes in Net Position

The following table presents a summary of the changes in net position for the year ended December 31, 2016:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program Revenues:						
Charges for services.....	\$ 4,282,127	\$ 3,695,347	\$ 7,227,868	\$ 6,193,991	\$ 11,509,995	\$ 9,889,338
Operating grants.....	852,567	552,264	-	-	852,567	552,264
Capital grants.....	3,198,106	6,383,612	1,529,496	3,417,479	4,727,602	9,801,091
General Revenues:						
Property taxes.....	5,247,265	5,335,069	-	-	5,247,265	5,335,069
Sales and use taxes.....	7,840,789	7,644,460	-	-	7,840,789	7,644,460
Franchise fees.....	1,761,480	1,748,486	-	-	1,761,480	1,748,486
Business taxes.....	1,521,495	1,410,754	-	-	1,521,495	1,410,754
Other.....	290,120	75,127	39,702	18,117	329,822	93,244
Total revenues.....	<u>24,993,949</u>	<u>26,845,119</u>	<u>8,797,066</u>	<u>9,629,587</u>	<u>33,791,015</u>	<u>36,474,706</u>
<b>Expenses:</b>						
General government.....	2,095,714	851,414	-	-	2,095,714	851,414
Public safety.....	9,382,866	7,324,997	-	-	9,382,866	7,324,997
Public works.....	5,009,280	5,544,496	-	-	5,009,280	5,544,496
Health and welfare.....	153,228	118,851	-	-	153,228	118,851
Culture and recreation.....	1,898,599	1,698,857	-	-	1,898,599	1,698,857
Housing and development.....	1,117,343	1,040,932	-	-	1,117,343	1,040,932
Interest on long-term debt.....	545,076	608,396	-	-	545,076	608,396
Water and sewer.....	-	-	7,077,825	6,344,911	7,077,825	6,344,911
Total expenses.....	<u>20,202,106</u>	<u>17,187,943</u>	<u>7,077,825</u>	<u>6,344,911</u>	<u>27,279,931</u>	<u>23,532,854</u>
Change in net position.....	4,791,843	9,657,176	1,719,241	3,284,676	6,511,084	12,941,852
Net position - beginning.....	53,943,288	44,286,112	36,291,195	33,006,519	90,234,483	77,292,631
Net position - ending.....	<u>\$ 58,735,131</u>	<u>\$ 53,943,288</u>	<u>\$ 38,010,436</u>	<u>\$ 36,291,195</u>	<u>\$ 96,745,567</u>	<u>\$ 90,234,483</u>

Approximately 34% of the City's total revenue in 2016 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 31% of total revenue, and the third largest revenue source was property taxes which was 21% of total revenue. City revenues decreased approximately 7% from the previous year only due to the large amount of infrastructure associated with the new Tanger Mall on Pooler Parkway that was donated to the City in 2015.

The City's expenses cover a range of services. The largest expenses were for public safety, water and sewer, public works, and general government. Overall, the City of Pooler's expenses increased by \$3,747,077 or 15% since 2015. Expenses for most of the functional areas remained relatively stable since 2015. However, Public Safety expenses increased by \$2,057,869 or 28%. Nearly 50% of the increase was due to personnel expenses related to Hurricane Matthew which hit the coastal area in October of 2016.

The total change in net position from 2015 totaled \$6,511,084. It is important to keep in mind that most of this excess resulted from capital grants and/or contributions which are both invested in infrastructure and therefore non-spendable, or are non-reoccurring revenue sources. The key factors for the increase in total net position 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, 2016, the City governmental funds reported a combined fund balance of \$17,709,644. This represents a 45% decrease from the previous year, however, this is due to capital loan funds received in 2015 being nearly completely spent in 2016. 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 usually do not report unassigned fund balance. However, in 2016 General Fund reserves were used to fund SPLOST projects in anticipation of additional revenue coming in over the duration of the current authorization. This created a negative Unassigned Fund Balance in the SPLOST fund at the end of 2016. 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, 2016, the total fund balance in the General Fund was \$17,738,739. The total amount of spendable fund balance in the General Fund was \$17,645,986; the unassigned portion was \$16,557,211.

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 90% of total General Fund expenditures. The assigned portion of spendable fund balance (6%) represents amounts in the 2017 budget to be transferred to the Capital Projects Fund for items capital improvement projects including the intersections at Highway 80 and Rogers Street at the new city hall and the construction of a new fire station at Jimmy DeLoach Parkway. The unassigned portion of fund balance represents 85% 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 decreased by \$816,450 during the 2016 fiscal year. Revenue collections for operations remained fairly consistent from 2015, however, there was a significant increase in hotel/motel revenue due to an additional hotel and a general increase in tourism in Pooler. The City also recorded a grant receivable from the Federal Emergency Management Agency for reimbursement of expenditures related to Hurricane Matthew in October of 2016. Together, these two sources increased revenue in 2016 by nearly \$530,000. Expenditures in 2016 remained steady from the previous year with the exception of General Government and Recreation. The apparent increase in expenditures in General Government is due to a change in accounting. Previously, expenditures for salaries and benefits in this department were split between the General Fund and the Water/Sewer Fund to account for administrative activities that assisted Water/Sewer Fund operations. In 2016, the City is accounting for the benefit to the Water/Sewer Fund by making a cash transfer between funds instead. Recreation expenditures increased in 2016 by \$417,559 due to a reorganization which moved park facility maintenance crews from public works to the recreation department.

### **Special Purpose Local Option Sales Tax Fund**

The SPLOST Capital Projects Fund reported a negative fund balance at the end of 2016 in the amount of \$913,630. The deficit will be made up in following years with future SPLOST revenues expected from the current authorization. In 2016, SPLOST funds were used to construct a new fire station on South Rogers to replace the station on Highway 80 which was renovated for use by the City's municipal court. Other SPLOST projects started in 2016 include expansion of the parking lot at the Pooler Parkway Recreation Complex and an upgrade to the traffic signals along Pooler Parkway to improve the flow of traffic. Future SPLOST funds will be used for debt service on the purchase of 5 new fire trucks purchased in 2016 as well as debt service related to the relocation of the police department to the new city hall.

### **Capital Projects Fund**

In 2012, the City of Pooler began to account for non-SPLOST construction projects separately in a Capital Projects Fund in an effort to isolate maintenance and operation expenditures for reporting purposes in the General Fund. The Capital Projects Fund received a transfer from the General Fund in 2016 in the amount of \$3.2 million which was used for technology components and furniture for the new city hall, drainage improvements related to construction of the city hall, construction of an off-site storage facility, and purchase of railroad property along the Highway 80 median for future economic development.

### ***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, 2016, total net position amounted to \$38,010,436 for the enterprise fund compared to \$36,291,195 at December 31, 2015. The increase in net position is mostly attributable to capital contributions of \$1,076,310 from developers when requesting building permits. The enterprise fund is reported on pages D-8 through D-11.

### ***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 \$210,393 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-12.

### **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, 2016, the City's capital assets net of depreciation for both governmental activities and business-type activities totaled \$109,226,004. Capital assets include assets donated and purchased, land, buildings, system improvements and machinery and equipment. Capital Assets increased \$24,474,844 from what was reported at the end of 2015.

Major capital asset events during the year included the following:

- The City purchased property from Georgia Central Railroad along Highway 80 and Collins Street in Old Pooler for a total amount of \$1,163,592. This property will be used for economic development purposes in the future.
- A new fire station was constructed to replace Fire Station 1 which was renovated to serve as a Municipal Court building. The new station is located on South Rogers Street less than a mile from the previous located. Cost of construction totaled \$1,701,000.
- Construction of the new city hall began in 2015. As of the end of 2016, the city has booked nearly \$20 Million in construction-in-progress.
- The City purchased 5 new firetrucks totaling \$2,722,505 and 8 new police vehicles totaling \$334,835. Both of these purchases were financed through programs offered by the Georgia Municipal Association.

Additional information on the City's capital assets can be found in Note 2D on page D-22 to D-23.

### **DEBT ADMINISTRATION**

As mentioned previously, the City of Pooler entered into lease-purchase agreements with the Georgia Municipal Association totaling \$3,057,340 to purchase new public safety vehicles. The City also entered into a loan agreement with the Georgia Environmental Finance Authority in the amount of \$6,176,183 for expansion of the wastewater treatment plant. At the end of 2016, the City has received \$980,025 in loan funds for this project. At December 31, 2016, long-term debt totaled \$41,523,305. Of this amount, \$22,096,616 represents the governmental activities and \$19,426,689 represents the business-type activities.

Additional information on the City's debt can be found in Note 2G on pages D-25 through D-27.

## **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 page E-1. 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 2016 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 5, 2015.

The increase in appropriations for the General Fund during the year was \$181,270, however, actual expenditures were only slightly more than the original budgeted amount. Total revenue recorded for the year was \$20,632,356 which was an increase of \$360,167 over the final budgeted amount.

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

- Intergovernmental revenue increased by \$192,183 due to an additional request for reimbursement from the federal SAFER program that was not originally planned for.
- Revenue received from Charges for Services was \$116,975 more than what was estimated in the budget for various reasons such as increased false alarm fees, additional Unincorporated Fire District fees, and additional Court Technology fees from police citations.

The total appropriations (expenditures) actually recorded for the calendar year were \$19,425,419. However, the General Fund transferred \$3,242,419 to the Capital Projects fund for various projects mentioned previously which caused a reduction in fund balance of \$816,450. This event was planned for by City Council to complete infrastructure projects related to the new City Hall.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City adopted a general fund budget of \$20,887,278 for the calendar year 2017, including a transfer of \$1,088,775 to the Capital Projects Fund. This represents a 7% decrease from actual expenditures and transfers in 2016. The transfer to Capital Projects will be used to construct a small fire station off of Jimmy DeLoach and to install new traffic light infrastructure at the corners of Highway 80 and Rogers Street at the new City Hall. Budgeted appropriations in all departments in 2017 remain relatively stable from 2016. 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.



# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



City of Pooler, Georgia  
Statement of Net Position  
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pooler Development Authority
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 18,518,731	\$ 10,853,980	\$ 29,372,711	\$ 112,485
Receivables.....	3,273,297	1,128,299	4,401,596	-
Internal balances.....	348,322	(348,322)	-	-
Inventories.....	-	5,500	5,500	-
Prepaid.....	92,753	22,952	115,705	-
Restricted assets				
Cash and cash equivalents.....	134,867	6,139,119	6,273,986	-
Capital assets				
Land and construction in progress.....	28,258,454	4,465,698	32,724,152	-
Other capital assets, net of depreciation.....	38,222,843	38,279,009	76,501,852	-
Total assets.....	<u>88,849,267</u>	<u>60,546,235</u>	<u>149,395,502</u>	<u>112,485</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related.....	<u>2,302,496</u>	<u>354,873</u>	<u>2,657,369</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities.....	860,833	305,578	1,166,411	-
Contracts and retainage payable.....	1,701,371	1,655,100	3,356,471	-
Accrued interest.....	251,114	84,394	335,508	-
Unearned revenue.....	385,280	-	385,280	-
Deposits payable.....	134,867	346,462	481,329	-
Long-term liabilities				
Due within one year.....	2,502,926	1,489,208	3,992,134	-
Due in more than one year.....	19,996,957	18,008,576	38,005,533	-
Net pension liability.....	6,261,230	1,001,354	7,262,584	-
Net OPEB obligation.....	322,054	-	322,054	-
Total liabilities.....	<u>32,416,632</u>	<u>22,890,672</u>	<u>55,307,304</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets.....	44,384,681	23,318,018	67,702,699	-
Restricted for				
Public safety.....	945	-	945	-
Debt service.....	-	989,605	989,605	-
Unrestricted.....	14,349,505	13,702,813	28,052,318	112,485
Total net position.....	<u>\$ 58,735,131</u>	<u>\$ 38,010,436</u>	<u>\$ 96,745,567</u>	<u>\$ 112,485</u>

*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, 2016

Functions/Programs	<b>Program Revenues</b>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government.....	\$ 2,095,714	\$ 1,270,867	\$ -	\$ -
Public safety.....	9,382,866	1,015,823	806,027	7,000
Public works.....	5,009,280	1,629,592	-	1,010,982
Health and welfare.....	153,228	10,310	-	-
Culture and recreation.....	1,898,599	355,535	46,540	2,180,124
Housing and development.....	1,117,343	-	-	-
Interest on long-term debt.....	545,076	-	-	-
Total governmental activities.....	<u>20,202,106</u>	<u>4,282,127</u>	<u>852,567</u>	<u>3,198,106</u>
<b>Business-type activities:</b>				
Water and sewer.....	7,077,825	7,227,868	-	1,529,496
Total business-type activities.....	<u>7,077,825</u>	<u>7,227,868</u>	<u>-</u>	<u>1,529,496</u>
Total.....	<u>\$ 27,279,931</u>	<u>\$ 11,509,995</u>	<u>\$ 852,567</u>	<u>\$ 4,727,602</u>
<b>Component Unit</b>				
Pooler Development Authority.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.....	
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
\$ (824,847)	\$ -	\$ (824,847)	
(7,554,016)	-	(7,554,016)	
(2,368,706)	-	(2,368,706)	
(142,918)	-	(142,918)	
683,600	-	683,600	
(1,117,343)	-	(1,117,343)	
(545,076)	-	(545,076)	
<u>(11,869,306)</u>	<u>-</u>	<u>(11,869,306)</u>	
-	1,679,539	1,679,539	
-	1,679,539	1,679,539	
<u>(11,869,306)</u>	<u>1,679,539</u>	<u>(10,189,767)</u>	
			\$ -
5,247,265	-	5,247,265	-
5,956,413	-	5,956,413	-
1,884,376	-	1,884,376	-
1,761,480	-	1,761,480	-
1,521,495	-	1,521,495	-
41,003	39,702	80,705	225
249,117	-	249,117	-
<u>16,661,149</u>	<u>39,702</u>	<u>16,700,851</u>	<u>225</u>
4,791,843	1,719,241	6,511,084	225
53,943,288	36,291,195	90,234,483	112,260
<u>\$ 58,735,131</u>	<u>\$ 38,010,436</u>	<u>\$ 96,745,567</u>	<u>\$ 112,485</u>



## **FUND FINANCIAL STATEMENTS**



City of Pooler, Georgia

Balance Sheet

Governmental Funds

December 31, 2016

	General	Special Purpose Local Option Sales Tax Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 15,542,224	\$ 591	\$ 2,974,971	\$ 945	\$ 18,518,731
Receivables.....	2,828,819	359,036	-	85,442	3,273,297
Due from other funds.....	2,011,589	-	-	7,237	2,018,826
Prepaid items.....	92,753	-	-	-	92,753
Restricted cash and cash equivalents.....	134,867	-	-	-	134,867
Total assets.....	<u>\$ 20,610,252</u>	<u>\$ 359,627</u>	<u>\$ 2,974,971</u>	<u>\$ 93,624</u>	<u>\$ 24,038,474</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts payable.....	\$ 437,735	\$ -	\$ -	\$ 92,679	\$ 530,414
Contracts and retainage payable.....	-	949,816	751,555	-	1,701,371
Salaries and wages payable.....	330,419	-	-	-	330,419
Due to other funds.....	7,237	323,441	1,339,826	-	1,670,504
Unearned revenue.....	385,280	-	-	-	385,280
Customer deposits payable.....	134,867	-	-	-	134,867
Total liabilities.....	<u>1,295,538</u>	<u>1,273,257</u>	<u>2,091,381</u>	<u>92,679</u>	<u>4,752,855</u>
Deferred inflows of resources					
Unavailable revenue - property taxes.....	189,219	-	-	-	189,219
Unavailable revenue - franchise fees.....	1,386,756	-	-	-	1,386,756
Total deferred inflows of resources.....	<u>1,575,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,575,975</u>
Combined liabilities and deferred inflows of resources.....	<u>2,871,513</u>	<u>1,273,257</u>	<u>2,091,381</u>	<u>92,679</u>	<u>6,328,830</u>
Fund balances					
Nonspendable.....	92,753	-	-	-	92,753
Restricted.....	-	-	-	945	945
Assigned.....	1,088,775	-	883,590	-	1,972,365
Unassigned.....	16,557,211	(913,630)	-	-	15,643,581
Total fund balances.....	<u>17,738,739</u>	<u>(913,630)</u>	<u>883,590</u>	<u>945</u>	<u>17,709,644</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 20,610,252</u>	<u>\$ 359,627</u>	<u>\$ 2,974,971</u>	<u>\$ 93,624</u>	<u>\$ 24,038,474</u>

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

City of Pooler, Georgia  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities

December 31, 2016

Total Governmental Fund Balances.....		\$ 17,709,644
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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.</p>		
Cost of capital assets.....	\$ 78,133,094	
Less: accumulated depreciation.....	<u>(11,651,797)</u>	66,481,297
<p>Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.</p>		
Property taxes.....	189,219	
Franchise fees.....	<u>1,386,756</u>	1,575,975
<p>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.</p>		
Certificates of participation.....	(17,425,000)	
Capital leases.....	(4,127,421)	
Notes payable.....	(544,195)	
Accrued interest.....	(251,114)	
Compensated absences.....	(403,267)	
Net pension liability.....	<u>(6,261,230)</u>	(29,012,227)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:.....</p>		
Deferred outflows of resources related to pensions.....		2,302,496
Net OPEB liability not reported in the fund financial statements.....		<u>(322,054)</u>
Net Position of Governmental Activities.....		<u><u>\$ 58,735,131</u></u>

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

City of Pooler, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016

	General	Special Purpose Local Option Sales Tax Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes.....	\$ 15,210,855	\$ -	\$ -	\$ 1,203,257	\$ 16,414,112
Licenses and permits.....	770,840	-	-	-	770,840
Intergovernmental.....	980,725	3,018,496	-	-	3,999,221
Charges for services.....	2,614,190	-	-	-	2,614,190
Fines and forfeitures.....	860,292	-	-	845	861,137
Investment earnings.....	29,568	1,067	11,435	-	42,070
Miscellaneous.....	165,886	-	-	-	165,886
Total revenues.....	<u>20,632,356</u>	<u>3,019,563</u>	<u>11,435</u>	<u>1,204,102</u>	<u>24,867,456</u>
<b>EXPENDITURES</b>					
Current					
General government.....	1,375,847	-	-	-	1,375,847
Public safety.....	9,037,307	-	-	-	9,037,307
Public works.....	4,570,274	-	-	-	4,570,274
Health and welfare.....	177,076	-	-	-	177,076
Culture and recreation.....	1,673,668	-	-	-	1,673,668
Housing and development.....	508,874	-	-	601,629	1,110,503
Capital Outlay.....	-	6,942,929	15,803,885	-	22,746,814
Debt Service					
Principal.....	1,564,177	-	-	-	1,564,177
Interest.....	518,196	-	-	-	518,196
Total expenditures.....	<u>19,425,419</u>	<u>6,942,929</u>	<u>15,803,885</u>	<u>601,629</u>	<u>42,773,862</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>1,206,937</u>	<u>(3,923,366)</u>	<u>(15,792,450)</u>	<u>602,473</u>	<u>(17,906,406)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in.....	714,621	-	3,242,419	-	3,957,040
Transfers out.....	(3,242,419)	-	(112,993)	(601,628)	(3,957,040)
Capital lease.....	334,835	2,731,873	-	-	3,066,708
Sale of general capital assets.....	107,300	-	-	-	107,300
Insurance recoveries.....	62,276	-	-	-	62,276
Total other financing sources (uses)	<u>(2,023,387)</u>	<u>2,731,873</u>	<u>3,129,426</u>	<u>(601,628)</u>	<u>3,236,284</u>
Net changes in fund balances.....	(816,450)	(1,191,493)	(12,663,024)	845	(14,670,122)
Fund balances at beginning of year.....	18,555,189	277,863	13,546,614	100	32,379,766
Fund balances at end of year.....	<u>\$ 17,738,739</u>	<u>\$ (913,630)</u>	<u>\$ 883,590</u>	<u>\$ 945</u>	<u>\$ 17,709,644</u>

*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, 2016

Net change in Fund Balances - Total Governmental Funds.....		\$ (14,670,122)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Capital outlays.....	\$ 22,891,358	
Depreciation expense.....	<u>(1,889,794)</u>	21,001,564
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred inflows of resources at December 31, 2016.....	1,575,975	
Deferred inflows of resources at December 31, 2015.....	<u>1,619,058</u>	(43,083)
<p>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.</p>		
Capital leases.....		(3,066,708)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Certificates of participation.....	1,050,000	
Capital leases.....	345,019	
Note payable.....	<u>169,253</u>	1,564,272
<p>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.</p>		
(Increase) decrease in compensated absences.....	(19,148)	
(Increase) decrease in accrued interest.....	(26,975)	
(Increase) decrease in the net OPEB liability.....	<u>297,265</u>	251,142
<p>In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded pension expense.....</p>		
		<u>(245,222)</u>
Change in Net Position of Governmental Activities.....		<u>\$ 4,791,843</u>

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

City of Pooler, Georgia  
Statement of Net Position  
Water and Sewer Enterprise Fund  
December 31, 2016

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents.....	\$ 10,125,516
Accounts receivable - net.....	1,128,299
Inventory.....	5,500
Prepaid items.....	22,952
Restricted cash and cash equivalents:	
Customer deposits.....	244,452
Note and loan accounts.....	484,012
Total current assets.....	<u>12,010,731</u>
Noncurrent assets	
Restricted cash and cash equivalents:	
Water and sewer system expansion accounts.....	5,633,526
Note and loan accounts.....	505,593
Capital assets:	
Land, improvements, and construction in progress.....	4,465,698
Other capital assets, net of depreciation.....	38,279,009
Total noncurrent assets.....	<u>48,883,826</u>
Total assets.....	<u>60,894,557</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related.....	<u>354,873</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities.....	305,578
Contracts and retainage payable.....	1,655,100
Due to other funds.....	348,322
Accrued interest.....	84,394
Due to developers.....	102,010
Compensated absences.....	60,430
Notes and loans payable.....	882,893
Capital leases payable.....	61,873
Payable from restricted assets:	
Customer deposits payable.....	244,452
Notes and loans payable.....	484,012
Total current liabilities.....	<u>4,229,064</u>
Noncurrent liabilities:	
Notes and loans payable.....	17,997,911
Compensated absences.....	10,665
Net pension liability.....	1,001,354
Total noncurrent liabilities.....	<u>19,009,930</u>
Total liabilities.....	<u>23,238,994</u>

*(continued)*

City of Pooler, Georgia  
Statement of Net Position  
Water and Sewer Enterprise Fund  
December 31, 2016

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**NET POSITION**

Net investment in capital assets.....	23,318,018
Restricted for debt service.....	989,605
Unrestricted.....	13,702,813
Total net position.....	<u>\$ 38,010,436</u>
	<i>(concluded)</i>

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, 2016

<b>OPERATING REVENUES</b>	
Water fees.....	\$ 3,113,905
Sewer fees.....	3,778,449
Total operating revenues.....	6,892,354
<b>OPERATING EXPENSES</b>	
<u>Water</u>	
Personnel services and employee benefits.....	562,739
Purchased and contracted services.....	276,716
Supplies.....	976,244
Depreciation.....	384,728
Total operating expenses - Water.....	2,200,427
<u>Sewer</u>	
Personnel services and employee benefits.....	403,067
Purchased and contracted services.....	372,328
Supplies.....	361,015
Depreciation.....	736,203
Total operating expenses - Sewer.....	1,872,613
<u>Wastewater Treatment Plant</u>	
Personnel services and employee benefits.....	601,715
Purchased and contracted services.....	519,665
Supplies.....	397,499
Depreciation.....	578,783
Total operating expenses - Wastewater Treatment Plant.....	2,097,662
Total operating expenses.....	6,170,702
Operating income (loss).....	721,652
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income.....	39,702
Interest expense.....	(571,609)
Total nonoperating revenues (expenses).....	(531,907)
Income (loss) before capital contributions.....	189,745
<b>CAPITAL CONTRIBUTIONS</b>	
Tap fees.....	431,944
Donated infrastructure.....	21,242
Capital cost recovery charges.....	1,076,310
Total capital contributions.....	1,529,496
Change in net position.....	1,719,241
Net position, beginning of year.....	36,291,195
Net position, end of year.....	\$ 38,010,436

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

City of Pooler, Georgia  
Statement of Cash Flows  
Water and Sewer Enterprise Fund  
For The Year Ended December 31, 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers.....	\$ 6,840,390
Cash payments to suppliers for goods and services.....	(2,763,087)
Cash payments to employees for services.....	(1,523,254)
	<u>2,554,049</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Debt issued.....	1,307,691
Principal payments on debt.....	(1,331,313)
Interest payments on debt.....	(575,885)
Tap fees.....	453,452
Capital cost recovery proceeds.....	1,076,310
Acquisitions and construction of capital assets.....	(3,573,445)
	<u>(2,643,190)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned on cash and investments.....	39,702
	<u>39,702</u>
Net cash provided (used) by investing activities.....	<u>39,702</u>
Net increase (decrease) in cash and cash equivalents.....	(49,439)
Cash and cash equivalents, beginning of year.....	17,042,538
	<u>16,993,099</u>
	<u>\$ 16,993,099</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss).....	\$ 721,652
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation.....	1,699,714
Change in assets and liabilities:	
Decrease (increase) in accounts receivables.....	(67,687)
(Decrease) Increase in prepaid expenses.....	(292)
(Decrease) Increase in accounts payable and accrued liabilities.....	133,774
(Decrease) Increase in interfund payable.....	51,165
(Decrease) increase in customer deposits payable.....	15,723
Total adjustments.....	<u>1,832,397</u>
Net cash provided (used) by operating activities.....	<u>\$ 2,554,049</u>
<b>Noncash investing, capital, and financing activities:</b>	
Capital contributions.....	<u>\$ 21,242</u>

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

City of Pooler, Georgia  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Fund  
December 31, 2016

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	<u>Municipal Court Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 70,705
Fines receivable.....	139,688
Total assets.....	<u>\$ 210,393</u>
<b>LIABILITIES</b>	
Due to others.....	\$ 210,393
Total liabilities.....	<u>\$ 210,393</u>



## **NOTES TO THE FINANCIAL STATEMENTS**



CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**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. 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

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**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

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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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.

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**G. New Financial Reporting Pronouncement**

In 2016, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. The provisions of this Statement provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time.

**H. 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**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.

CITY OF POOLER, GEORGIA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

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**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 \$10,000 and an estimated useful life in excess of one year.

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, 2016, 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. 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.

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**7. *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. The government-wide statements and proprietary fund type in the fund financial statements have an additional deferred outflows of resources and deferred inflows of resources not reported on the modified accrual basis. These deferred outflows of resources and deferred inflows of resources related to pensions, result from changes in net pension liability not included in pension expense due to effects in actuarial differences, changes in assumptions, and differences between actual and projected earnings on plan investments.

**8. *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

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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* describes the portion of fund balance that reflects the government's intended use of resources, but is neither restricted nor committed. The City of Pooler's fund balance policy authorizes the finance officer to designate portions of fund balance as assigned at any time. The finance officer may also remove assigned fund balances as he or she deems appropriate. In all governmental funds other than the general fund, assigned fund balance may be the residual fund balance designation after nonspendable, restricted, and committed amounts have been reported. In addition, the assigned fund balance category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget.

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

**9. 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.

**10. 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.

**11. 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.

**I. 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.

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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**2. *Property Taxes***

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 3.909 mills was adopted on June 20, 2016. Tax bills were rendered on September 15, 2016 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. *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.

**4. *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. STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY**

**A. *Deficit Fund Equity***

At December 31, 2016, the SPLOST fund, a major fund, has a deficit fund balance of \$913,630. The reason for the deficit is the significant contracts and retainage payable reported as a fund liability on the SPLOST fund balance sheet. The deficit will be eliminated as future SPLOST revenues are received.

**III. 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 \$35,717,402 and the bank balance was \$35,952,967. As of December 31, 2016 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.

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**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.....	\$ 1,469,877	\$ -	\$ -	\$ 1,469,877
Property taxes.....	212,718	-	-	212,718
Sales taxes.....	580,156	-	-	580,156
Lodging taxes.....	-	-	85,442	85,442
Intergovernmental.....	568,923	259,583	-	828,506
Other.....	1,399	99,453	-	100,852
Gross receivables	2,833,073	359,036	85,442	3,277,551
Less: Allowance for uncollectibles.....	(4,254)	-	-	(4,254)
Net receivables.....	<u>\$ 2,828,819</u>	<u>\$ 359,036</u>	<u>\$ 85,442</u>	<u>\$ 3,273,297</u>

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 \$85,215.

**C. Tax Abatements**

The City has entered into tax abatement agreements to promote economic development in the County and City through the Savannah Economic Development Authority (SEDA). SEDA can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide SEDA with the power to enter into such agreements with businesses. The City has determined that these agreements will promote and expand for the public good and welfare, industry and trade within the City and reduce unemployment to the greatest extent possible, and will be acting in furtherance of the public purposes for which it was created.

For the fiscal year ended December 31, 2016, the City abated property taxes totaling \$395,155.

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CITY OF POOLER, GEORGIA  
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**D. Capital Assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<i>Non-Depreciable Assets:</i>					
Land.....	\$ 4,432,029	\$ 1,346,240	\$ -	\$ -	\$ 5,778,269
Construction in progress.....	6,809,596	16,276,683	25,400	(580,694)	22,480,185
Total non-depreciable capital assets.....	<u>11,241,625</u>	<u>17,622,923</u>	<u>25,400</u>	<u>(580,694)</u>	<u>28,258,454</u>
<i>Depreciable Assets:</i>					
Buildings and improvements.....	12,829,966	1,932,582	-	-	14,762,548
Machinery, equipment and vehicles...	11,508,274	3,195,918	816,060	-	13,888,132
Infrastructure.....	20,477,931	165,335	-	580,694	21,223,960
Total depreciable capital assets.....	<u>44,816,171</u>	<u>5,293,835</u>	<u>816,060</u>	<u>580,694</u>	<u>49,874,640</u>
<i>Accumulated Depreciation</i>					
Buildings and improvements.....	(2,501,038)	(342,247)	-	-	(2,843,285)
Machinery, equipment and vehicles...	(6,408,859)	(1,107,429)	(816,060)	-	(6,700,228)
Infrastructure.....	(1,668,166)	(440,118)	-	-	(2,108,284)
Total accumulated depreciation.....	<u>(10,578,063)</u>	<u>(1,889,794)</u>	<u>(816,060)</u>	<u>-</u>	<u>(11,651,797)</u>
Total Governmental Activities.....	<u>\$ 45,479,733</u>	<u>\$ 21,026,964</u>	<u>\$ 25,400</u>	<u>\$ -</u>	<u>66,481,297</u>
Less related long-term debt outstanding.....					<u>(22,096,616)</u>
Net investment in capital assets.....					<u>\$ 44,384,681</u>

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

General government.....	\$ 35,366
Public safety.....	883,831
Public works.....	494,750
Health and welfare.....	6,200
Culture and recreation.....	464,251
Housing and development.....	5,396
Total depreciation expense - governmental activities.....	<u>\$ 1,889,794</u>

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CITY OF POOLER, GEORGIA  
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Changes in business-type activities capital asset for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Net Transfers	Ending Balance
<b>Business-type Activities:</b>					
<i>Non-Depreciable Assets:</i>					
Land.....	\$ 172,139	\$ -	\$ -	\$ -	\$ 172,139
Construction in progress.....	3,221,404	4,362,258	-	(3,290,103)	4,293,559
Total non-depreciable capital assets.....	<u>3,393,543</u>	<u>4,362,258</u>	<u>-</u>	<u>(3,290,103)</u>	<u>4,465,698</u>
<i>Depreciable Assets:</i>					
Buildings and improvements.....	51,430,879	609,290		3,290,103	55,330,272
Machinery, equipment and vehicles...	1,630,776	201,444	15,320	-	1,816,900
Total depreciable capital assets.....	<u>53,061,655</u>	<u>810,734</u>	<u>15,320</u>	<u>3,290,103</u>	<u>57,147,172</u>
<i>Accumulated Depreciation</i>					
Buildings and improvements.....	(16,057,190)	(1,582,023)	-	-	(17,639,213)
Machinery, equipment and vehicles...	(1,126,581)	(117,689)	(15,320)	-	(1,228,950)
Total accumulated depreciation.....	<u>(17,183,771)</u>	<u>(1,699,712)</u>	<u>(15,320)</u>	<u>-</u>	<u>(18,868,163)</u>
Total Business-type Activities.....	<u>\$ 39,271,427</u>	<u>\$ 3,473,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>42,744,707</u>
Less related long-term debt outstanding.....					<u>(19,426,689)</u>
Net investment in capital assets.....					<u>\$ 23,318,018</u>

**E. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances at December 31, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
General	SPLOST	\$ 323,441
General	Capital Projects	1,339,826
General	Water and Sewer	348,322
Nonmajor Fund	General	7,237
Total interfund receivables and payables.....		<u>\$ 2,018,826</u>

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.

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

Transfer In	Transfer Out	Purpose	Amount
General Fund	Capital Projects Fund	Return local, unrestricted revenue	\$ 112,993
Capital Projects Fund	General Fund	Fund construction projects	3,242,419
General Fund	Nonmajor governmental funds	Distribution of tax revenue	601,628
			<u>\$ 3,957,040</u>

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.

**F. Capital Leases**

The City has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental and business-type activities. This year \$457,704 and \$20,427 was included in depreciation expense of governmental activities and business-type activities respectively. 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.....	\$ 5,233,277	\$ 306,398
Less: Accumulated depreciation.....	(1,090,546)	(61,280)
Total.....	<u>\$ 4,142,731</u>	<u>\$ 245,118</u>

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, 2016:

Year Ending December 31,	Governmental Activities	Business-type Activities
2017	\$ 1,231,150	\$ 66,261
2018	1,051,418	66,261
2019	951,396	66,261
2020	858,998	-
2021	138,944	-
2022 - 2023	277,889	-
Total minimum lease payments.....	4,509,795	198,783
Less: amount representing interest.....	(382,374)	(8,210)
Present value of minimum lease payments...	<u>\$ 4,127,421</u>	<u>\$ 190,573</u>

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**G. Long -term Debt**

Installment Sale Agreement – Fire Stations

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 fire stations. The agreement carries an interest rate of 3.26% and has a term of fifteen years with final maturity on March 8, 2025.

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

Year Ending December 31,	Principal	Interest	Total
2017	\$ 60,442	\$ 22,595	\$ 83,037
2018	62,437	20,785	83,222
2019	64,497	18,915	83,412
2020	66,625	16,983	83,608
2021	68,824	14,987	83,811
2022 - 2025	221,370	42,622	263,992
Totals.....	<u>\$ 544,195</u>	<u>\$ 136,887</u>	<u>\$ 681,082</u>

Installment Sale Agreement – Munipal Complex

In July 2015, the City entered into an installment sale agreement with the Georgia Municipal Association, Inc. providing \$18,475,000 to finance the construction of the municipal complex. The agreement carries an interest rate of 2.60% and has a term of fifteen years with final maturity on July 1, 2030.

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

Year Ending December 31,	Principal	Interest	Total
2017	\$ 1,050,000	\$ 453,050	\$ 1,503,050
2018	1,075,000	425,750	1,500,750
2019	1,105,000	397,800	1,502,800
2020	1,130,000	369,070	1,499,070
2021	1,160,000	339,690	1,499,690
2022 - 2026	6,270,000	1,230,060	7,500,060
2027 - 2030	5,635,000	371,020	6,006,020
	<u>\$ 17,425,000</u>	<u>\$ 3,586,440</u>	<u>\$ 21,011,440</u>

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 contemporaneously provide, with the execution 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.

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

Contract Number	Original Amount	Interest Rate	Balance 12/31/2016
98-L66WJ	\$ 2,497,297	4.67%	\$ 869,486
02-L33WQ	672,289	4.36%	366,270
CWSRF 02-007	12,593,549	3.00%	7,366,403
03-L42WJ	3,103,709	4.16%	2,040,890
05-L23WJ	2,406,407	4.14%	1,349,644
11-L11WJ	901,235	3.44%	708,693
13-L29WJ	(not closed)	2.40%	1,843,864
13-L30WJ	3,810,627	0.70%	3,710,841
CWSRF 15-020	(not closed)	1.09%	980,025
Total GEFA loans payable at December 31, 2016.....			19,236,116
Less: GEFA loans not closed at year end.....			(2,823,889)
Long-term portion in repayment.....			<u>16,412,227</u>

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

Year Ending December 31,	Principal	Interest	Total
2017	\$ 1,366,904	\$ 511,708	\$ 1,878,612
2018	1,415,105	463,507	1,878,612
2019	1,465,124	413,488	1,878,612
2020	1,468,631	361,778	1,830,409
2021	1,313,352	315,528	1,628,880
2022 - 2026	7,036,122	898,247	7,934,369
2027 - 2031	1,359,809	190,102	1,549,911
2032 - 2036	987,180	53,209	1,040,389
Totals.....	<u>\$ 16,412,227</u>	<u>\$ 3,207,567</u>	<u>\$ 19,619,794</u>

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Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Capital lease obligations.....	\$ 1,405,732	\$ 3,066,708	\$ 345,019	\$ 4,127,421	\$ 1,049,708
Notes payable - fire stations.....	713,448	-	169,253	544,195	60,442
Notes payable - municipal complex	18,475,000	-	1,050,000	17,425,000	1,050,000
Long-term debt.....	20,594,180	3,066,708	1,564,272	22,096,616	2,160,150
Compensated absences.....	384,119	149,631	130,483	403,267	342,776
Total Governmental Activities.....	<u>\$ 20,978,299</u>	<u>\$ 3,216,339</u>	<u>\$ 1,694,755</u>	<u>\$ 22,499,883</u>	<u>\$ 2,502,926</u>
<b>Business-Type Activities:</b>					
Capital lease obligations.....	\$ 250,851	\$ -	\$ 60,278	\$ 190,573	\$ 61,874
GEFA loans.....	19,199,460	1,307,691	1,271,035	19,236,116	1,366,904
Long-term debt.....	19,450,311	1,307,691	1,331,313	19,426,689	1,428,778
Compensated absences.....	58,214	18,939	6,058	71,095	60,430
Total Business-Type Activities.....	<u>\$ 19,508,525</u>	<u>\$ 1,326,630</u>	<u>\$ 1,337,371</u>	<u>\$ 19,497,784</u>	<u>\$ 1,489,208</u>

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.

**H. Fund Balance Classifications**

Amounts for specific purposes by fund and fund classifications for the year ended December 31, 2016, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund.....	Prepaid items.....	\$ 92,753
Restricted		
Confiscated Asset fund.....	Public safety.....	945
Assigned		
General fund.....	Subsequent year budget.....	1,088,775
Capital Projects fund.....	Capital projects.....	883,590
Unassigned		
General fund.....		16,557,211
Special Purpose Local Option Sales Tax fund.....		(913,630)
Total fund balance.....		<u>\$ 17,709,644</u>

CITY OF POOLER, GEORGIA  
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**IV. OTHER INFORMATION**

**A. Defined Benefit Pension Plan and Net Pension Liability**

*Plan description* – The City of Pooler Pension Plan (the Plan) is a defined benefit pension plan covering all employees, officials are not covered. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan administered 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.

*Benefits provided* – 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 City Council.

*Employees covered by benefit terms* – As of July 1, 2016, the date of the latest actuarial valuation, the plan membership included the following categories of participants:

Inactive employees (or their beneficiaries) currently receiving benefits.....	25
Inactive employees entitled to, but not yet receiving benefits.....	27
Active employees.....	195
Total.....	247

*Contributions* – The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is \$864,720.

*Net pension liability* – The City’s net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016.

CITY OF POOLER, GEORGIA  
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*Actuarial assumptions* – The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	2.00%
Source of mortality assumptions:	
Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	RP-2000 Disabled Retiree Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the July 1, 2016 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of March 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.75%
International equity	20.00%	7.45%
Real estate	10.00%	4.55%
Global Fixed income	5.00%	3.30%
Domestic Fixed income	20.00%	1.75%
Cash	0.00%	
<b>Total</b>	<u><u>100.00%</u></u>	

*Discount rate* – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF POOLER, GEORGIA  
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Changes in the net pension liability are as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at March 31, 2015.....	\$ 17,233,789	\$ 11,655,768	\$ 5,578,021
Changes for the year:			
Service cost.....	644,368	-	644,368
Interest.....	1,314,389	-	1,314,389
Difference between expected and actual experience.....	760,039	-	760,039
Contributions, employer.....	-	802,073	(802,073)
Contributions, employee.....	-	213,049	(213,049)
Net investment income.....	-	45,482	(45,482)
Benefit payments.....	(547,853)	(547,853)	-
Administrative expense.....	-	(26,371)	26,371
Net changes.....	<u>2,170,943</u>	<u>486,380</u>	<u>1,684,563</u>
Balances at March 31, 2016.....	<u>\$ 19,404,732</u>	<u>\$ 12,142,148</u>	<u>\$ 7,262,584</u>

The balances at March 31, 2015 and 2016 include entry age normal liabilities calculated using ages and service amounts as of July 1, 2015 and 2016, respectively, and constitute measurements of the net pension liability for the fiscal years ending December 31, 2015 and 2016 respectively.

*Sensitivity of the net pension liability to changes in the discount rate* – The following represents the net pension liability of the City calculated using the discount rate of 7.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1.00% point lower (6.75%) or 1.00% point higher (8.75%) than the current rate:

	<u>1.00% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1.00% Increase (8.75%)</u>
City's net pension liability (asset).....	\$ 10,265,508	\$ 7,262,584	\$ 4,816,502

*Pension plan fiduciary net position* – Detailed information about the pension plan’s fiduciary net position is available in the separately issued GMEBS financial report.

Pension expense for the year ended December 31, 2016:

Service cost.....	\$ 644,368
Interest on total pension liability.....	1,314,389
Employee contributions.....	(213,049)
Administrative expenses.....	26,371
Expected return on assets.....	(920,407)
Expensed portion of current year period differences between projected and actual experience in total pension liability.....	108,577
Expensed portion of current year period differences between projected and actual investment earnings.....	174,985
Current year recognition of deferred inflows and outflows established in prior years.....	57,490
Total expense.....	<u>\$ 1,192,724</u>

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At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience.....	\$ 933,082	\$ -
Changes of assumptions.....	203,945	-
Net difference between projected and actual earnings on pension plan investments.....	581,071	-
City's contribution to the pension plan subsequent to the measurement date...	939,271	-
Total deferred outflows/(inflows).....	\$ 2,657,369	\$ -

The amount of deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, \$939,271, will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense for the next six years as follows:

	Outflows			Total
	Demographic	Assumption Change	Investment	
<b>December 31, 2016:</b>				
Beginning balance.....	\$ 1,097,983	\$ 244,734	\$ 716,433	\$ 2,059,150
Amount recognized.....	164,901	40,789	135,362	341,052
Ending balance.....	\$ 933,082	\$ 203,945	\$ 581,071	\$ 1,718,098
<b>Recognized in future years:</b>				
2017	\$ 164,901	\$ 40,789	\$ 135,362	
2018	164,901	40,789	135,362	
2019	164,901	40,789	135,362	
2020	164,901	40,789	174,985	
2021	164,901	40,789	-	
2022 and thereafter	108,577	-	-	
	\$ 933,082	\$ 203,945	\$ 581,071	

The required schedule of changes in the City's net pension liability and related ratios and the schedule of City Contributions immediately follow the notes to the financial statements.

**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.

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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, 2016, 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
12/31/2014	\$ 266,211	\$ 274,960	103.3%	\$ 778,600
12/31/2015	265,533	424,814	160.0%	619,319
12/31/2016	136,951	434,216	317.1%	322,054

Funding Progress

For the year ended December 31, 2016, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of July 1, 2016. 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 1.94% of annual covered payroll.

For the year ended December 31, 2016, 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.....	\$ 152,579
Interest on net OPEB obligation.....	47,997
Adjustment to annual required contribution.....	(63,625)
Annual OPEB cost (expense).....	136,951
Contributions made.....	434,216
Increase in net OPEB obligation.....	(297,265)
Net OPEB obligation, beginning of year.....	619,319
Net OPEB obligation, end of year.....	<u>\$ 322,054</u>

Funded Status

As of July 1, 2016, the most recent actuarial valuation date, the actuarial value of assets was \$1,705,203; the actuarial accrued liability for the benefits was \$2,150,777; the unfunded actuarial liability was \$445,574; the plan was 79.28% funded; the covered payroll (annual payroll of active employees covered by the plan) was \$7,869,800; and the ratio of the UAAL to the covered payroll was 5.67%.

CITY OF POOLER, GEORGIA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

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.....	7/1/2016
Actuarial cost method.....	Unit Credit
Amortization method.....	Level dollar closed 25 years
Remaining amortization period.....	18 years as of January 1, 2016
Asset valuation method.....	Market Value
<hr/>	
Actuarial assumptions:	
Investment rate of return .....	7.75%
Salary growth.....	3.25%
Medical cost trend rate .....	7.00% graded to 4.50% in 10 years
Inflation.....	0.00%
<hr/>	
Plan membership:	
Current retirees, beneficiaries, and dependents.....	13
Current active participants.....	189
Total membership.....	<u>202</u>

**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.

CITY OF POOLER, GEORGIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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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, 2016.

No provisions have been made in the financial statements for the year ended December 31, 2016 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. 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.

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



**City of Pooler, Georgia**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes.....	\$ 14,135,600	\$ 15,210,100	\$ 15,210,855	\$ 755
Licenses and permits.....	577,000	751,000	770,840	19,840
Intergovernmental revenues.....	417,542	788,542	980,725	192,183
Charges for services.....	2,029,593	2,497,215	2,614,190	116,975
Fines and forfeitures.....	1,168,189	861,292	860,292	(1,000)
Investment income.....	3,000	20,000	29,568	9,568
Other revenues.....	45,000	144,040	165,886	21,846
<b>Total revenues.....</b>	<b>18,375,924</b>	<b>20,272,189</b>	<b>20,632,356</b>	<b>360,167</b>
<b>EXPENDITURES</b>				
Current:				
General governmental:				
Council.....	139,161	139,161	135,811	3,350
General administration.....	1,189,142	1,244,438	1,240,036	4,402
<b>Total general government.....</b>	<b>1,328,303</b>	<b>1,383,599</b>	<b>1,375,847</b>	<b>7,752</b>
Public safety:				
Police.....	4,977,807	4,908,077	4,858,606	49,471
Fire.....	4,100,544	4,190,544	4,178,701	11,843
<b>Total public safety.....</b>	<b>9,078,351</b>	<b>9,098,621</b>	<b>9,037,307</b>	<b>61,314</b>
Public works:				
Street department.....	1,874,661	1,990,170	1,997,203	(7,033)
Storm drainage.....	751,129	746,129	743,978	2,151
Solid waste and recycling.....	1,465,000	1,350,000	1,340,673	9,327
Maintenance and shop.....	490,093	496,293	488,420	7,873
<b>Total public works.....</b>	<b>4,580,883</b>	<b>4,582,592</b>	<b>4,570,274</b>	<b>12,318</b>
Health and welfare:				
Senior citizens center.....	168,285	188,257	177,076	11,181
Culture and recreation:				
Recreation.....	1,555,416	1,693,439	1,673,668	19,771
Housing and development:				
Inspections.....	588,407	534,407	508,874	25,533
Debt service:				
Principal.....	1,591,627	1,565,702	1,564,177	1,525
Interest.....	526,949	552,874	518,196	34,678
<b>Total expenditures.....</b>	<b>19,418,221</b>	<b>19,599,491</b>	<b>19,425,419</b>	<b>174,072</b>
Excess (deficiency) of revenues over (under) expenditures.....	(1,042,297)	672,698	1,206,937	534,239
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in.....	961,000	714,628	714,621	(7)
Transfers out.....	(2,449,905)	(3,242,259)	(3,242,419)	(160)
Capital lease.....	367,202	335,202	334,835	(367)
Sale of capital assets.....	-	106,000	107,300	1,300
Insurance recoveries.....	-	88,753	62,276	(26,477)
<b>Total other financing sources (uses).....</b>	<b>(1,121,703)</b>	<b>(1,997,676)</b>	<b>(2,023,387)</b>	<b>(25,711)</b>
Net change in fund balance.....	(2,164,000)	(1,324,978)	(816,450)	508,528
Fund balance, beginning of year.....	18,555,189	18,555,189	18,555,189	-
<b>Fund balance, end of year.....</b>	<b>\$ 16,391,189</b>	<b>\$ 17,230,211</b>	<b>\$ 17,738,739</b>	<b>\$ 508,528</b>

**City of Pooler, Georgia**  
Required Supplementary Information  
Schedule of Changes in the Net Pension Liability and Related Ratios  
For the Year Ended December 31, 2016

	<u>2015</u>	<u>2016</u>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 517,521	\$ 644,368
Interest	1,171,076	1,314,389
Differences between expected and actual experience	394,269	760,039
Changes of assumptions	285,520	-
Benefit payments	(490,518)	(547,853)
<b>Net change in total pension liability</b>	<u>1,877,868</u>	<u>2,170,943</u>
<b>Total pension liability - beginning</b>	<u>15,355,921</u>	<u>17,233,789</u>
<b>Total pension liability - ending</b>	<u>\$ 17,233,789</u>	<u>\$ 19,404,732</u>
 <b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 1,012,162	\$ 802,073
Contributions - employee	146,721	213,049
Net investment income	998,989	45,482
Benefit payments	(490,518)	(547,853)
Administrative expense	(22,476)	(26,371)
<b>Net change in plan fiduciary net position</b>	<u>1,644,878</u>	<u>486,380</u>
<b>Plan fiduciary net position - beginning</b>	<u>10,010,890</u>	<u>11,655,768</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 11,655,768</u>	<u>\$ 12,142,148</u>
 NET PENSION LIABILITY - ending	\$ 5,578,021	\$ 7,262,584
 PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	67.63%	62.57%
 COVERED-EMPLOYEE PAYROLL	\$ 7,201,514	\$ 7,996,662
 NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	77.46%	90.82%

Required pension schedules are intended to report information for ten years. Historical information prior to the implementation of GASB 68 is not required. Additional information will be presented as it becomes available.

**City of Pooler, Georgia**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**For the Year Ended December 31, 2016**

	<u>2015</u>	<u>2016 *</u>
Actuarially determined contribution	\$ 852,563	\$ -
Contributions in relation to the actuarially determined contribution	852,537	-
Contribution deficiency (excess)	<u>\$ 26</u>	<u>\$ -</u>
<b>COVERED-EMPLOYEE PAYROLL</b>	<b>\$ 7,201,514</b>	<b>\$ -</b>
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	<b>11.84%</b>	<b>-</b>

*\* 2016 information will be determined after fiscal year end and will be included in the 2017 valuation report.*

Required pension schedules are intended to report information for ten years. Historical information prior to the implementation of GASB 68 is not required. Additional information will be presented as it becomes available.

**City of Pooler, Georgia**

Schedule of Funding Progress – Other Post-employment Benefits Plan

December 31, 2016

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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	\$ 60,676	\$ 1,700,304	\$ 1,639,628	3.57%	\$ 5,106,119	32.11%
7/1/2014	920,016	2,637,139	1,717,123	34.89%	5,740,572	29.91%
7/1/2016	1,705,203	2,150,777	445,574	79.28%	7,859,800	5.67%

**City of Pooler, Georgia**  
Notes to Required Supplementary Information  
December 31, 2016

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**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, 2016, the following supplemental appropriation was approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund.....	\$ 21,868,126	\$ 1,243,279	\$ 269,655	\$ 22,841,750
Special Revenue Funds -				
Hotel / Motel Tax Fund.....	800,000	403,257	-	1,203,257

**Note 2 – Retirement Plan Schedule of Contributions**

The actuarially determined contribution rate was determined as of July 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2017. The following methods and assumptions were used to determine contribution rates:

Valuation date	7/1/2016
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization varies for the bases, with a net effective amortization period of 12 years
Asset valuation method	Sum of the actuarial value at the beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	2.00%
Retirement age	62+5 or 55+30 not required to be in service
Mortality	See notes to the basic financial statements



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



## **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, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2016**

	Confiscated Assets	Hotel - Motel	Total
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 945	\$ -	\$ 945
Taxes receivable.....	-	85,442	85,442
Due from other funds.....	-	7,237	7,237
Total assets.....	<u>\$ 945</u>	<u>\$ 92,679</u>	<u>\$ 93,624</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable.....	\$ -	\$ 92,679	\$ 92,679
Total liabilities.....	<u>-</u>	<u>92,679</u>	<u>92,679</u>
Fund balances			
Restricted.....	945	-	945
Total fund balance.....	<u>945</u>	<u>-</u>	<u>945</u>
Total liabilities and fund balance.....	<u>\$ 945</u>	<u>\$ 92,679</u>	<u>\$ 93,624</u>

**City of Pooler, Georgia**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016

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	Confiscated Assets	Hotel - Motel	Total
<b>REVENUES</b>			
Taxes.....	\$ -	\$ 1,203,257	\$ 1,203,257
Total revenues.....	845	1,203,257	1,204,102
<b>EXPENDITURES</b>			
Current:			
Housing and development.....	-	601,629	601,629
Total expenditures.....	-	601,629	601,629
Excess (deficiency) of revenues over (under) expenditures.....	845	601,628	602,473
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out.....	-	(601,628)	(601,628)
Total other financing sources (uses)	-	(601,628)	(601,628)
Net change in fund balance.....	845	-	845
Fund balance, beginning of year.....	100	-	100
Fund balance, end of year.....	\$ 945	\$ -	\$ 945

**City of Pooler, Georgia**  
**Confiscated Asset Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures.....	\$ -	\$ -	\$ 845	\$ 845
Total revenues.....	-	-	845	845
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	-	-	-	-
Total expenditures.....	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures.....	-	-	845	845
Net change in fund balance.....	-	-	845	845
Fund balance, beginning of year.....	100	100	100	-
Fund balance, end of year.....	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 945</u>	<u>\$ 845</u>

**City of Pooler, Georgia**  
**Hotel / Motel Tax Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes.....	\$ 800,000	\$ 1,203,257	\$ 1,203,257	\$ -
Total revenues.....	800,000	1,203,257	1,203,257	-
<b>EXPENDITURES</b>				
Current:				
Housing and development.....	400,000	601,629	601,629	-
Total expenditures.....	400,000	601,629	601,629	-
Excess (deficiency) of revenues over (under) expenditures.....	400,000	601,628	601,628	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out.....	(400,000)	(601,628)	(601,628)	-
Total financing sources (uses).....	(400,000)	(601,628)	(601,628)	-
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, 2016**

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	Beginning Balance	Additions	Deletions	Ending Balance
<b>ASSETS</b>				
Cash.....	\$ 10,113	\$ 1,703,563	\$ 1,642,971	\$ 70,705
Fines receivable...	150,236	-	10,548	139,688
Total assets.....	<u>\$ 160,349</u>	<u>\$ 1,703,563</u>	<u>\$ 1,653,519</u>	<u>\$ 210,393</u>
<b>LIABILITIES</b>				
Due to others.....	\$ 160,349	\$ 1,703,563	\$ 1,653,519	\$ 210,393
Total liabilities.....	<u>\$ 160,349</u>	<u>\$ 1,703,563</u>	<u>\$ 1,653,519</u>	<u>\$ 210,393</u>

**City of Pooler, Georgia**

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

December 31, 2016

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
<b>Sales Tax VI (2014-2020)</b>					
Capital Outlay Projects:	\$16,900,000	\$16,900,000			
Public safety facilities and equipment.....			\$ 106,428	\$ 4,326,511	\$ 4,432,939
Traffic signal project.....			-	545,610	545,610
Recreational facilities.....			3,070,496	2,070,808	5,141,304
Totals.....	<u>\$16,900,000</u>	<u>\$16,900,000</u>	<u>\$ 3,176,924</u>	<u>\$ 6,942,929</u>	<u>\$10,119,853</u>

City of Pooler, Georgia  
Schedule of Required Expenditures Generated by the Hotel / Motel Tax  
For the Year Ended December 31, 2016

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<b>REVENUES</b>	
Hotel/Motel taxes.....	<u>\$ 1,203,257</u>
<b>EXPENDITURES</b>	
Tourism expenditures.....	<u>\$ 601,629</u>
Percentage of expenditures to revenues.....	<u>50%</u>



## **COMPONENT UNIT**



City of Pooler, Georgia  
Balance Sheet  
Pooler Development Authority  
December 31, 2016

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**ASSETS**

Cash and cash equivalents..... \$ 112,485

**LIABILITIES AND FUND BALANCE**

Liabilities

Accounts payable..... \$ -

Fund balance

Assigned - housing and development..... 112,485

Total liabilities and fund balance..... \$ 112,485

City of Pooler, Georgia  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Pooler Development Authority  
For the Year Ended December 31, 2016

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**REVENUES**

Investment earnings.....	<u>\$ 225</u>
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**EXPENDITURES**

Current

Housing and development.....	<u>-</u>
------------------------------	----------

Net change in fund balance.....	225
---------------------------------	-----

Fund balance at beginning of year.....	<u>112,260</u>
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Fund balance at end of year.....	<u><u>\$ 112,485</u></u>
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## 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.

<b>Contents</b>	<b>Page</b>
<p><b>Financial Trends</b>.....</p> <p>These schedules contain trend information to help the reader understand how the city's financial position has changed over time.</p>	<p><b>G-2</b></p>
<p><b>Revenue Capacity</b>.....</p> <p>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.</p>	<p><b>G-9</b></p>
<p><b>Debt Capacity</b>.....</p> <p>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.</p>	<p><b>G-14</b></p>
<p><b>Demographic and Economic Information</b>.....</p> <p>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.</p>	<p><b>G-18</b></p>
<p><b>Operating Information</b>.....</p> <p>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.</p>	<p><b>G-20</b></p>

**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, Georgia  
Net Position by Component  
Last Ten Calendar Years

	2007	2008	2009	2010	2011
<b>Governmental activities</b>					
Net investment in capital assets.....	\$ 6,353,905	\$ 7,433,483	\$ 7,047,370	\$ 7,684,621	\$ 21,645,967
Restricted.....	2,807,189	2,467,827	1,881,686	1,804,340	1,779,908
Unrestricted.....	7,474,027	7,532,763	8,107,120	8,716,070	10,397,712
Total governmental activities net position.....	<u>\$ 16,635,121</u>	<u>\$ 17,434,073</u>	<u>\$ 17,036,176</u>	<u>\$ 18,205,031</u>	<u>\$ 33,823,587</u>
<b>Business-type activities</b>					
Net investment in capital assets.....	\$ 6,883,885	\$ 10,759,811	\$ 11,988,584	\$ 13,321,328	\$ 15,221,175
Restricted.....	14,268,649	13,219,635	1,103,235	733,445	717,391
Unrestricted.....	1,732,433	1,314,871	12,278,887	11,844,420	10,176,572
Total business-type activities net position.....	<u>\$ 22,884,967</u>	<u>\$ 25,294,317</u>	<u>\$ 25,370,706</u>	<u>\$ 25,899,193</u>	<u>\$ 26,115,138</u>
<b>Primary Government</b>					
Net investment in capital assets.....	\$ 13,237,790	\$ 18,193,294	\$ 19,035,954	\$ 21,005,949	\$ 36,867,142
Restricted.....	17,075,838	15,687,462	2,984,921	2,537,785	2,497,299
Unrestricted.....	9,206,460	8,847,634	20,386,007	20,560,490	20,574,284
Total primary government net position.....	<u>\$ 39,520,088</u>	<u>\$ 42,728,390</u>	<u>\$ 42,406,882</u>	<u>\$ 44,104,224</u>	<u>\$ 59,938,725</u>

	2012	2013	2014	2015	2016
<b>Governmental activities</b>					
Net investment in capital assets.....	\$ 22,995,624	\$ 26,439,001	\$ 30,325,758	\$ 24,885,553	\$ 44,384,681
Restricted.....	1,431,855	681,733	750,818	277,963	945
Unrestricted.....	12,469,802	14,612,090	17,048,570	28,779,772	14,349,505
Total governmental activities net position.....	<u>\$ 36,897,281</u>	<u>\$ 41,732,824</u>	<u>\$ 48,125,146</u>	<u>\$ 53,943,288</u>	<u>\$ 58,735,131</u>
<b>Business-type activities</b>					
Net investment in capital assets.....	\$ 15,715,267	\$ 16,524,638	\$ 18,147,634	\$ 19,821,116	\$ 23,318,018
Restricted.....	1,506,768	1,304,856	1,041,089	1,233,007	989,605
Unrestricted.....	12,447,030	13,888,285	14,897,480	15,237,072	13,702,813
Total business-type activities net position.....	<u>\$ 29,669,065</u>	<u>\$ 31,717,779</u>	<u>\$ 34,086,203</u>	<u>\$ 36,291,195</u>	<u>\$ 38,010,436</u>
<b>Primary Government</b>					
Net investment in capital assets.....	\$ 38,710,891	\$ 42,963,639	\$ 48,473,392	\$ 44,706,669	\$ 67,702,699
Restricted.....	2,938,623	1,986,589	1,791,907	1,510,970	990,550
Unrestricted.....	24,916,832	28,500,375	31,946,050	44,016,844	28,052,318
Total primary government net position.....	<u>\$ 66,566,346</u>	<u>\$ 73,450,603</u>	<u>\$ 82,211,349</u>	<u>\$ 90,234,483</u>	<u>\$ 96,745,567</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 1,547,470	\$ 1,546,693	\$ 1,111,240	\$ 679,957	\$ 540,463	\$ 566,316	\$ 748,377	\$ 727,613	\$ 851,414	\$ 2,095,714
Public safety.....	3,393,650	3,883,305	4,582,679	4,593,471	5,097,220	5,457,742	6,587,767	7,810,684	7,324,997	9,382,866
Public works.....	2,566,199	3,166,924	2,644,005	2,896,229	3,865,511	3,771,731	3,907,512	4,149,557	2,509,157	5,009,280
Health and welfare.....	140,525	167,869	177,029	189,957	189,121	130,926	113,466	114,585	118,851	153,228
Culture and recreation.....	1,453,187	1,539,124	2,091,260	1,763,580	1,292,268	1,327,503	1,343,641	1,534,746	1,698,857	1,898,599
Housing and development.....	554,574	597,580	681,187	649,072	642,942	685,368	776,033	924,225	1,040,932	1,117,343
Interest on long-term debt.....	178,945	216,665	245,443	230,314	194,278	178,097	131,198	71,561	608,396	545,076
Total governmental activities expenses.....	9,834,550	11,118,160	11,532,843	11,002,580	11,821,803	12,117,683	13,607,994	15,332,971	14,152,604	20,202,106
Business-type activities:										
Water and sewer.....	5,043,784	5,923,440	5,899,528	5,435,722	5,682,784	5,627,153	5,782,950	5,684,961	6,344,911	7,077,825
Total business-type activities expense.....	5,043,784	5,923,440	5,899,528	5,435,722	5,682,784	5,627,153	5,782,950	5,684,961	6,344,911	7,077,825
Total primary government expenses.....	\$ 14,878,334	\$ 17,041,600	\$ 17,432,371	\$ 16,438,302	\$ 17,504,587	\$ 17,744,836	\$ 19,390,944	\$ 21,017,932	\$ 20,497,515	\$ 27,279,931
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government.....	\$ 1,038,640	\$ 683,765	\$ 213,935	\$ 385,268	\$ 346,547	\$ 705,618	\$ 753,780	\$ 947,705	\$ 837,248	\$ 1,270,867
Public safety.....	712,812	664,769	452,756	534,095	951,699	961,374	1,025,201	1,100,826	1,047,028	1,015,823
Public works.....	1,209,568	1,374,763	937,006	1,067,061	1,242,437	1,292,842	1,235,094	1,295,914	1,517,792	1,629,592
Health and welfare.....	2,926	5,169	4,942	4,368	5,166	8,288	10,425	8,989	10,055	10,310
Culture and recreation.....	132,138	107,053	114,391	142,636	148,008	169,237	181,780	208,135	283,224	355,535
Operating grants and contributions.....	63,521	74,324	244,329	537,167	308,606	272,515	239,727	344,047	552,264	852,567
Capital grants and contributions.....	64,017	22,339	-	316,245	14,194,386	1,131,865	1,221,548	2,302,321	3,348,273	3,198,106
Total governmental activities program revenues.....	3,223,622	2,932,182	1,967,359	2,986,840	17,196,849	4,541,739	4,667,555	6,207,937	7,595,884	8,332,800
Business-type activities - water and sewer:										
Charges for services.....	3,803,287	3,424,339	4,065,215	4,747,291	5,219,905	5,453,942	5,690,369	5,994,052	6,193,991	7,227,868
Capital grants and contributions.....	6,397,249	2,205,867	1,430,242	1,154,287	854,238	3,715,051	2,123,141	2,043,372	3,417,479	1,529,496
Total business type activities program revenues.....	10,200,536	5,630,206	5,495,457	5,901,578	6,074,143	9,168,993	7,813,510	8,037,424	9,611,470	8,757,364
Total primary government program revenues.....	\$ 13,424,158	\$ 8,562,388	\$ 7,462,816	\$ 8,888,418	\$ 23,270,992	\$ 13,710,732	\$ 12,481,065	\$ 14,245,361	\$ 17,207,354	\$ 17,090,164

(continued)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (6,610,928)	\$ (8,185,978)	\$ (9,565,484)	\$ (8,015,740)	\$ 5,375,046	\$ (7,575,944)	\$ (8,940,439)	\$ (9,125,034)	\$ (6,556,720)	\$ (11,869,306)
Business-type activities.....	5,156,752	(293,234)	(404,071)	465,856	391,359	3,541,840	2,030,560	2,352,463	3,266,559	1,679,539
Total primary government net expense.....	<u>\$ (1,454,176)</u>	<u>\$ (8,479,212)</u>	<u>\$ (9,969,555)</u>	<u>\$ (7,549,884)</u>	<u>\$ 5,766,405</u>	<u>\$ (4,034,104)</u>	<u>\$ (6,909,879)</u>	<u>\$ (6,772,571)</u>	<u>\$ (3,290,161)</u>	<u>\$ (10,189,767)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes.....	\$ 8,229,697	\$ 8,673,904	\$ 9,002,270	\$ 8,899,057	\$ 10,161,422	\$ 10,545,201	\$ 13,701,600	\$ 15,488,559	\$ 16,138,769	\$ 16,371,029
Unrestricted grants, contributions and investment earnings.....	1,487,699	469,178	119,218	209,897	4,467	9,262	8,606	4,544	9,945	41,003
Other revenue.....	39,551	36,835	46,099	75,641	77,621	95,175	65,776	24,253	65,182	249,117
Transfers.....	2,712	(194,987)	-	-	-	-	-	-	-	-
Total governmental activities.....	<u>9,759,659</u>	<u>8,984,930</u>	<u>9,167,587</u>	<u>9,184,595</u>	<u>10,243,510</u>	<u>10,649,638</u>	<u>13,775,982</u>	<u>15,517,356</u>	<u>16,213,896</u>	<u>16,661,149</u>
Business-type activities - water and sewer:										
Unrestricted grants, contributions and investment earnings.....	725,011	342,874	65,188	62,631	21,859	18,778	18,154	15,961	18,117	39,702
Miscellaneous income (loss).....	1,554	30,079	10,892	-	3,727	(6,691)	-	-	-	-
Transfers.....	(2,712)	194,987	-	-	-	-	-	-	-	-
Total business-type activities.....	<u>723,853</u>	<u>567,940</u>	<u>76,080</u>	<u>62,631</u>	<u>25,586</u>	<u>12,087</u>	<u>18,154</u>	<u>15,961</u>	<u>18,117</u>	<u>39,702</u>
Total primary government.....	<u>\$ 10,483,512</u>	<u>\$ 9,552,870</u>	<u>\$ 9,243,667</u>	<u>\$ 9,247,226</u>	<u>\$ 10,269,096</u>	<u>\$ 10,661,725</u>	<u>\$ 13,794,136</u>	<u>\$ 15,533,317</u>	<u>\$ 16,232,013</u>	<u>\$ 16,700,851</u>
<b>Change in Net Position</b>										
Governmental activities.....	\$ 3,148,731	\$ 798,952	\$ (397,897)	\$ 1,168,855	\$ 15,618,556	\$ 3,073,694	\$ 4,835,543	\$ 6,392,322	\$ 9,657,176	\$ 4,791,843
Business-type activities.....	5,880,605	274,706	(327,991)	528,487	416,945	3,553,927	2,048,714	2,368,424	3,284,676	1,719,241
Total primary government.....	<u>\$ 9,029,336</u>	<u>\$ 1,073,658</u>	<u>\$ (725,888)</u>	<u>\$ 1,697,342</u>	<u>\$ 16,035,501</u>	<u>\$ 6,627,621</u>	<u>\$ 6,884,257</u>	<u>\$ 8,760,746</u>	<u>\$ 12,941,852</u>	<u>\$ 6,511,084</u>

(concluded)

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

	2007	2008	2009	2010	2011
<b>General Fund</b>					
Reserved.....	\$ 29,323	\$ 30,716	\$ 29,323	\$ 21,835	\$ -
Unreserved.....	4,917,867	6,593,303	7,127,017	7,603,418	-
Nonspendable.....	-	-	-	-	61,454
Committed.....	-	-	-	-	2,500,000
Assigned.....	-	-	-	-	201,592
Unassigned.....	-	-	-	-	6,879,213
Total general fund.....	<u>\$ 4,947,190</u>	<u>\$ 6,624,019</u>	<u>\$ 7,156,340</u>	<u>\$ 7,625,253</u>	<u>\$ 9,642,259</u>
<b>All Other Governmental Funds</b>					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Capital projects fund.....	3,771,711	2,467,827	1,881,686	1,807,020	-
Restricted.....	-	-	-	-	1,779,908
Assigned.....	-	-	-	-	-
Total all other governmental funds....	<u>\$ 3,771,711</u>	<u>\$ 2,467,827</u>	<u>\$ 1,881,686</u>	<u>\$ 1,807,020</u>	<u>\$ 1,779,908</u>
<b>General Fund</b>					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	-	-	-	-	-
Nonspendable.....	60,329	57,901	85,187	105,059	92,753
Committed.....	2,500,000	2,238,501	494,175	-	-
Assigned.....	499,704	2,730,086	2,416,600	2,449,905	1,088,775
Unassigned.....	8,555,806	9,141,363	13,462,384	16,000,225	16,557,211
Total general fund.....	<u>\$ 11,615,839</u>	<u>\$ 14,167,851</u>	<u>\$ 16,458,346</u>	<u>\$ 18,555,189</u>	<u>\$ 17,738,739</u>
<b>All Other Governmental Funds</b>					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Capital projects fund.....	-	-	-	-	-
Restricted.....	1,742,705	681,733	750,818	277,963	884,535
Assigned.....	-	12,937	124,095	13,546,614	(913,630)
Total all other governmental funds....	<u>\$ 1,742,705</u>	<u>\$ 694,670</u>	<u>\$ 874,913</u>	<u>\$ 13,824,577</u>	<u>\$ (29,095)</u>

*The City implemented GASBS No. 54 in 2011.*



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

	2007	2008	2009	2010
<b>Revenues</b>				
Property taxes.....	\$ 2,904,513	\$ 4,196,569	\$ 4,308,256	\$ 3,836,820
Sales tax.....	2,050,733	1,959,282	1,869,004	1,847,966
Other taxes.....	2,693,434	2,924,955	2,274,786	2,651,183
Licenses and permits.....	770,140	394,361	213,935	385,268
Revenue from other governmental units.....	1,194,841	413,880	165,698	1,068,642
Charges for services.....	1,396,361	1,543,393	1,101,490	1,254,534
Fines and fees.....	639,099	604,222	494,960	493,626
Miscellaneous.....	435,647	188,796	199,221	73,915
Total revenue.....	<u>12,084,768</u>	<u>12,225,458</u>	<u>10,627,350</u>	<u>11,611,954</u>
<b>Expenditures</b>				
Current:				
General government.....	1,507,524	1,518,529	1,035,720	641,067
Public safety.....	3,375,217	3,755,882	4,482,007	4,719,860
Public works.....	2,534,746	3,030,270	2,452,616	3,123,455
Health and welfare.....	160,705	162,357	166,244	178,518
Culture and recreation.....	1,420,464	1,553,582	1,776,898	1,325,487
Housing and development.....	569,730	592,310	654,731	627,950
Capital outlay.....	4,723,387	1,472,159	268,839	109,677
Debt service:				
Principal.....	342,658	301,776	508,863	358,983
Interest and other charges.....	215,404	197,730	222,335	219,120
Total expenditures.....	<u>14,849,835</u>	<u>12,584,595</u>	<u>11,568,253</u>	<u>11,304,117</u>
Excess (Deficiency) of revenues over (under) expenditures.....	<u>(2,765,067)</u>	<u>(359,137)</u>	<u>(940,903)</u>	<u>307,837</u>
<b>Other Financing sources (uses)</b>				
Debt issuance.....	4,793,541	250,114	877,778	42,281
Transfers in.....	346,707	327,838	301,311	281,104
Transfers out.....	(346,707)	(327,838)	(301,311)	(281,104)
Sale of capital assets/insurance recoveries.....	-	-	9,305	44,129
Total other financing sources (uses).....	<u>4,793,541</u>	<u>250,114</u>	<u>887,083</u>	<u>86,410</u>
Net change in fund balances.....	<u>\$ 2,028,474</u>	<u>\$ (109,023)</u>	<u>\$ (53,820)</u>	<u>\$ 394,247</u>
Debt service as a percentage of noncapital expenditures.....	5.68%	4.57%	6.79%	5.69%

Source: *City records*

Notes: Noncapital expenditures are total expenditures less capital outlay.

2011	2012	2013	2014	2015	2016
\$ 5,029,345	\$ 4,846,980	\$ 5,033,507	\$ 5,457,528	\$ 5,416,884	\$ 5,280,954
1,936,899	2,023,034	4,813,162	5,793,017	5,973,712	5,956,413
3,488,479	3,839,389	3,879,471	4,183,634	4,748,173	5,176,745
346,547	705,618	580,252	863,735	767,959	770,840
1,401,466	1,361,761	1,474,516	1,789,118	3,869,973	3,999,221
1,485,890	1,564,953	1,533,877	1,644,598	1,940,854	2,614,190
861,420	866,788	1,025,201	970,725	917,245	861,137
83,101	130,133	112,990	136,259	128,054	207,956
<u>14,633,147</u>	<u>15,338,656</u>	<u>18,452,976</u>	<u>20,838,614</u>	<u>23,762,854</u>	<u>24,867,456</u>
525,664	571,536	680,595	688,637	685,814	1,375,847
5,334,415	5,412,682	6,966,088	8,300,793	8,275,476	9,037,307
3,645,751	3,422,650	3,763,562	4,043,892	4,762,480	4,570,274
186,770	130,695	110,821	114,450	119,919	177,076
965,203	1,046,184	999,994	1,049,051	1,256,109	1,673,668
638,730	684,284	772,837	940,947	1,047,050	1,110,503
228,596	1,733,144	2,653,832	2,411,157	10,197,139	22,746,814
1,021,638	1,426,455	1,516,173	1,828,013	414,964	1,564,177
192,597	176,447	130,336	92,945	384,257	518,196
<u>12,739,364</u>	<u>14,604,077</u>	<u>17,594,238</u>	<u>19,469,885</u>	<u>27,143,208</u>	<u>42,773,862</u>
<u>1,893,783</u>	<u>734,579</u>	<u>858,738</u>	<u>1,368,729</u>	<u>(3,380,354)</u>	<u>(17,906,406)</u>
89,800	1,170,188	610,724	1,095,710	18,501,801	3,066,708
303,281	1,322,853	2,174,615	2,873,106	2,902,980	3,957,040
(303,281)	(1,322,853)	(2,174,615)	(2,873,106)	(2,902,980)	(3,957,040)
6,311	31,610	34,515	6,299	46,926	169,576
<u>96,111</u>	<u>1,201,798</u>	<u>645,239</u>	<u>1,102,009</u>	<u>18,548,727</u>	<u>3,236,284</u>
<u>\$ 1,989,894</u>	<u>\$ 1,936,377</u>	<u>\$ 1,503,977</u>	<u>\$ 2,470,738</u>	<u>\$ 15,168,373</u>	<u>\$ (14,670,122)</u>
10.80%	13.02%	11.90%	12.96%	6.32%	10.47%

**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
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 <sup>(1)</sup>	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
2014	5,457,582	5,793,017	1,030,370	273,913	602,632	795,388	1,481,331	15,434,233
2015	5,416,884	5,973,712	1,100,781	309,973	659,799	1,010,949	1,666,671	16,138,769
2016	5,280,954	5,956,413	1,192,110	329,385	681,119	1,203,257	1,770,874	16,414,112

Source: *City records*

Table includes general fund and special revenue fund revenues.

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



**City of Pooler, 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
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
2014	922,041	2,305,103	244,709	611,773	6,999	17,498
2015	957,037	2,392,593	253,793	634,483	7,262	18,155
2016	1,013,708	2,534,271	213,055	532,638	7,642	19,105

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.

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<b>Total</b>		Ratio of Total Assessed to Total Estimated Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value		
\$ 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
1,173,749	2,934,374	40.00%	4.179
1,218,092	3,045,231	40.00%	4.019
1,234,405	3,086,014	40.00%	3.909

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**City of Pooler, Georgia**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years

Tax Year	City of Pooler	Overlapping Rates			Total
	Operating	School District	County	State	
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
2014	4.179	15.881	12.543	0.100	32.703
2015	4.019	16.631	12.543	0.050	33.243
2016	3.909	16.631	12.543	-	33.083

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

<sup>a</sup> 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	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
JCB USA, Inc	\$ 39,563,087	1	2.97%	\$ 25,124,334	1	3.64%
Rolls-Royce North America, Inc.	19,881,436	2	1.49%			
Godley Station Apartments LP	19,251,917	3	1.45%	6,386,612	8	0.92%
KTR SAV LLC	19,118,400	4	1.44%			
HASBRO, Inc.	18,030,570	5	1.35%			
Towne Lake Investors LLC	16,767,760	6	1.26%			
WR Savannah Holdings LLC	15,802,354	7	1.19%			
West Plaza RE Holdings LLC	14,253,600	8	1.07%			
Mid-America Apartments LO	13,758,160	9	1.03%			
Courtney Station LLC	12,832,557	10	0.96%			
Southwest Quadrant Holdings LLC				16,893,408	2	2.44%
Alta Towne Lake LLC				10,010,774	3	1.45%
Southwest Quadrant				9,727,200	4	1.41%
JCB Manufacturing, Inc.				8,286,364	5	1.20%
Sams East Inc				7,792,922	6	1.13%
South Godley Enterprises				6,564,000	7	0.95%
929 Properties, LLC				5,002,600	9	0.72%
Godley Station Apartments II				4,644,809	10	0.67%
Totals	<u>\$ 189,259,841</u>		<u>14.21%</u>	<u>\$ 100,433,023</u>		<u>14.53%</u>

Source: *Chatham County Board of Assessors*

**City of Pooler, Georgia**  
**Property Tax Levies and Collections**  
**Last Ten Calendar Years**

Calendar Year <sup>(1)</sup>	Total Tax Levy <sup>(2)</sup>	Collected within the Calendar Year of the Levy		Collections for subsequent years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 2,867,609	\$ 1,229,403 (3)	42.87%	\$ 1,638,206	\$ 2,867,609	100.00%
2008	3,508,857	2,952,303	84.14%	556,554	3,508,857	100.00%
2009	3,809,509	3,251,769	84.57%	557,740	3,809,509	100.00%
2010	3,863,412	2,960,033	76.61%	900,468	3,860,501	99.92%
2011	3,884,879	3,468,972	89.29%	414,565	3,883,537	99.97%
2012	4,078,579	3,795,818	93.06%	281,477	4,077,295	99.97%
2013	4,045,424	3,787,968	93.64%	256,096	4,044,064	99.97%
2014	4,635,379	4,268,796	92.10%	364,616	4,633,412	99.96%
2015	4,500,446	4,249,105	95.37%	248,673	4,497,778	99.94%
2016	4,406,922	4,205,736	95.43%	-	4,205,736	95.43%

Source: *City records.*

<sup>(1)</sup> Taxes are assessed for the calendar year beginning January 1.

<sup>(2)</sup> 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.

<sup>(3)</sup> Collections decreased due to a two week delay in rendering tax bills.

**City of Pooler, Georgia**  
Ratios of Outstanding Debt by Type  
Last Ten Calendar Years

Calendar Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>(a)</sup>	Per Capita <sup>(a)</sup>
	Contractual Obligations	Notes Payable	Capital Leases	GEFA Loans	Capital Leases			
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	4.54%	1,246
2011	3,750,000	-	651,775	17,759,412	51,128	22,212,315	4.13%	1,145
2012	2,550,000	867,730	727,365	17,429,466	15,940	21,590,501	3.67%	1,048
2013	1,300,000	817,965	1,121,681	16,393,731	3,239	19,636,616	2.95%	893
2014	-	766,552	1,740,791	17,471,382	309,575	20,288,300	2.92%	904
2015	-	19,188,448	1,405,732	19,199,460	250,851	40,044,491	5.79%	1,790
2016	-	17,969,195	4,127,421	19,236,116	190,573	41,523,305	5.32%	1,795

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

<sup>(a)</sup> 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

<u>General Bonded Debt Outstanding</u>						
<u>Calendar Year</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>	
2007	\$ -	\$ -	\$ -	0.00%	\$ -	
2008	-	-	-	0.00%	-	
2009	-	-	-	0.00%	-	
2010	-	-	-	0.00%	-	
2011	-	-	-	0.00%	-	
2012	-	-	-	0.00%	-	
2013	-	-	-	0.00%	-	
2014	-	-	-	0.00%	-	
2015	-	-	-	0.00%	-	
2016	-	-	-	0.00%	-	

**City of Pooler, Georgia**

Direct and Overlapping Governmental Activities Debt

As of December 31, 2016

	Debt Outstanding	Estimated Percentage Applicable <sup>(a)</sup>	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005A.....	\$ 2,746,711	10.59%	\$ 290,877
DSA Union Mission Series 2009.....	1,875,000	10.59%	198,563
DSA Union Mission Series 2011.....	2,680,000	10.59%	283,812
DSA Chatham County Projects Series 2014.....	9,045,000	10.59%	957,866
Mosquito Control.....	3,468,759	10.59%	367,342
Savannah-Chatham County School Board:			
General Obligation Bonded Debt.....	32,605,000	13.10%	4,271,255
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia.....	3,706,552	10.59%	392,524
Savannah-Chatham County School Board.....	11,620,341	13.10%	1,522,265
Subtotal, overlapping debt.....			8,284,502
City of Pooler direct debt.....			22,096,616
Total direct and overlapping debt.....			<u>\$ 30,381,118</u>

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.

<sup>(a)</sup> 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**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Total assessed value of taxable property.....	\$ 789,886,671	\$ 923,596,537	\$ 975,740,676	\$ 961,243,027	\$ 962,899,635
Less exemptions for bond purposes.....	9,765,842	9,872,720	10,149,718	-	-
Net assessed value for bond purposes.....	<u>\$ 780,120,829</u>	<u>\$ 913,723,817</u>	<u>\$ 965,590,958</u>	<u>\$ 961,243,027</u>	<u>\$ 962,899,635</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 78,012,083	\$ 91,372,382	\$ 96,559,096	\$ 96,124,303	\$ 96,289,964
Total net debt applicable to limit:					
General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 78,012,083</u>	<u>\$ 91,372,382</u>	<u>\$ 96,559,096</u>	<u>\$ 96,124,303</u>	<u>\$ 96,289,964</u>
Total net debt applicable to the limit as a percentage of debt limit.....	0.00%	0.00%	0.00%	0.00%	0.00%
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total assessed value of taxable property.....	\$1,020,061,805	\$1,070,346,277	\$1,173,748,812	\$1,218,092,282	\$1,234,404,655
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	<u>\$1,020,061,805</u>	<u>\$1,070,346,277</u>	<u>\$1,173,748,812</u>	<u>\$1,218,092,282</u>	<u>\$1,234,404,655</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 102,006,181	\$ 107,034,628	\$ 117,374,881	\$ 121,809,228	\$ 123,440,466
Total net debt applicable to limit:					
General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 102,006,181</u>	<u>\$ 107,034,628</u>	<u>\$ 117,374,881</u>	<u>\$ 121,809,228</u>	<u>\$ 123,440,466</u>
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

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Year	Population	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(1)</sup>	Unemployment Rate <sup>(3)</sup>
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%
2014	22,431	693,745,968	30,928	6.6%
2015	22,369	705,316,939	31,531	5.6%
2016	23,133	780,877,548	33,756	4.9%

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Sources:

- <sup>(1)</sup> *[www.city-data.com/city/Pooler-Georgia.html](http://www.city-data.com/city/Pooler-Georgia.html)*
- <sup>(2)</sup> *Personal income has been estimated based upon the municipal population and per capita personal income presented.*
- <sup>(3)</sup> *State Department of Labor*

**City of Pooler, Georgia**  
Principal Employers  
Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
JCB, Inc.	599	1	9.32%	240	2	4.20%
Wal-Mart	288	2	4.48%	518	1	9.06%
Jenkins Plumbing	140	3	2.18%			
Sam's Club	134	4	2.08%	141	3	2.47%
Home Depot	130	5	2.02%	108	8	1.89%
Publix Supermarket	123	6	1.91%	115	6	2.01%
Nordic Logistics & Warehousing	108	7	1.68%			
Lowe's	104	8	1.62%	122	5	2.13%
The Place at Pooler	100	9	1.56%			
Cracker Barrel	84	10	1.31%	132	4	2.31%
William Bros. Lumber				110	7	1.92%
Piggly Wiggly, Inc.				101	9	1.77%
Longhorn Steakhouse				83	10	1.45%
<b>Total</b>	<b>1,810</b>		<b>28.15%</b>	<b>1,670</b>		<b>29.22%</b>

Source: City records

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

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

<b><u>Function/Program</u></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General government.....	13	15	15	15	17
Public safety.....	72	90	101	109	112
Public works.....	23	23	30	27	21
Culture and recreation.....	11	11	11	15	20
Water and sewer services.....	17	20	16	25	26
<b>Total.....</b>	<b>136</b>	<b>159</b>	<b>173</b>	<b>191</b>	<b>196</b>

Source: *City Personnel Records*

**City of Pooler, Georgia**  
**Operating Indicators by Function**  
**Last Ten Calendar Years**

	2007	2008	2009	2010	2011
<b>Police:</b>					
Arrests.....	1,143	415	641	601	845
<b>Fire:</b>					
Number of emergency calls.....	1,754	1,843	2,002	2,241	2,391
Inspections.....	256	- <sup>a</sup>	213	724	895
<b>Public works:</b>					
Street resurfacing (miles).....	1.000	1.820	0.700	-	1.000
<b>Water:</b>					
New connections.....	701	362	243	262	272
Average daily consumption (gallons).....	1,755,345	1,951,355	2,117,587	2,058,684	2,168,287
<b>Sewer:</b>					
New connections.....	676	361	243	262	272
Average daily sewage treatment (gallons).....	1,700,000	1,750,000	1,750,000	1,617,000	1,401,000
<hr/>					
	2012	2013	2014	2015	2016
<b>Police:</b>					
Arrests.....	987	1,337	1,442	1,401	1,395
<b>Fire:</b>					
Number of emergency calls.....	2,499	2,569	3,005	3,421	3,846
Inspections.....	687	826	684	802	701
<b>Public works:</b>					
Street resurfacing (miles).....	1.940	1.290	-	4.730	0.840
<b>Water:</b>					
New connections.....	312	315	285	243	233
Average daily consumption (gallons).....	2,118,763	2,008,375	1,980,000	1,963,853	2,179,800
<b>Sewer:</b>					
New connections.....	312	315	293	243	219
Average daily sewage treatment (gallons).....	1,812,000	1,791,781	1,890,000	2,035,042	2,224,167

Sources: *City records*

<sup>a</sup> In 2008 management used a contractor to preform inspections.

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

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

	2012	2013	2014	2015	2016
<b>Police:</b>					
Stations.....	1	1	1	1	1
<b>Fire:</b>					
Fire stations.....	2	4	4	4	4
<b>Public works:</b>					
Streets (miles).....	102	102	103	105	105
Traffic signals.....	8	8	8	9	9
<b>Parks and recreation:</b>					
Parks.....	5	5	5	5	5
Community centers.....	1	1	1	1	1
<b>Water:</b>					
Maximum daily capacity (gallons).....	3,697,000	3,697,000	4,454,000	4,454,000	4,454,000
<b>Wastewater:</b>					
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*



## **COMPLIANCE SECTION**





**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

**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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Pooler, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated July 9, 2017.

**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.

## **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  
July 9, 2017