

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Pooler, Georgia

For the Year Ended December 31, 2017

*Prepared by:
Finance Department*



City of Pooler, Georgia
Comprehensive Annual Financial Report
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For the Year Ended December 31, 2017

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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**

**Robert H. Byrd, Jr. - City Manager
Steve Scheer - City Attorney**

**Mayor
Michael F. Lamb
CITY COUNCIL
Bruce Allen
Rebecca C. Benton
Shannon Black
Ashley Brown
Mike Royal
Stevie E. Wall**

March 29, 2018

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, 2017. 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.

KRT, CPAs P.C., have issued an unmodified ("clean") opinion on the City of Pooler's financial statements for the year ended December 31, 2017. 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 23,744.

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 2017 for Single-Family Residential and Commercial remained consistent with 2016, the totals were less than the past 10-year average. The City does not see this as an economic issue since the number of permits issued in the past few years is steady, and multi-family permits went up significantly in 2017. In 2017, 304 permits were issued for multi-family compared to an average of 116 over the past 10 years. There are many plans in the works for more development within City Pooler limits, especially commercial development including office complexes, restaurants, and retail establishments.

The City of Pooler has 13 hotels to offer the traveling public on Interstate 95. The City is anticipating \$1,230,000 in hotel excise tax in 2018. 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 increase in 2018. 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. Chevrolet added a dealership in Pooler in 2017, our first in the city.

St. Joseph's/Candler plans to build a micro-hospital in Pooler that will offer a wide range of medical services. This will be a multi-phase project that will be completed over a 10-year period and mainly serve the growing population in west Chatham and nearby counties. This new campus will be a destination center for patients in need of medical services from across the region. The plans for opening will be in early 2019. This micro-hospital will also house medical offices and offer clinical services. Once completed, the 170,000-square-foot micro hospital will contribute to Pooler's economic development by employing approximately 100 co-workers.

City Council members in the west Chatham city voted unanimously to approve site plans for the new GBI Crime Lab campus — a combined 66,000-square-foot facility comprised of a three-story forensic crime lab and a one-story morgue. Once it's built, the Pooler lab will replace the GBI's existing Coastal Georgia regional crime lab, which was built 30 years ago on Mohawk Street in Savannah to analyze projectiles, drugs and biological samples recovered at crime scenes. The new facility will house up to 60 employees.

Future commercial development plans tentatively include 2 new grocery stores, additional restaurants and retail business at the outlet mall. 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, 2016. This was the sixteenth 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 blue ink, appearing to read "R. H. Byrd, Jr.", written in a cursive style.

Robert H. Byrd, Jr.
City Manager



City of Pooler, Georgia
List of Principal Officials

December 31, 2017

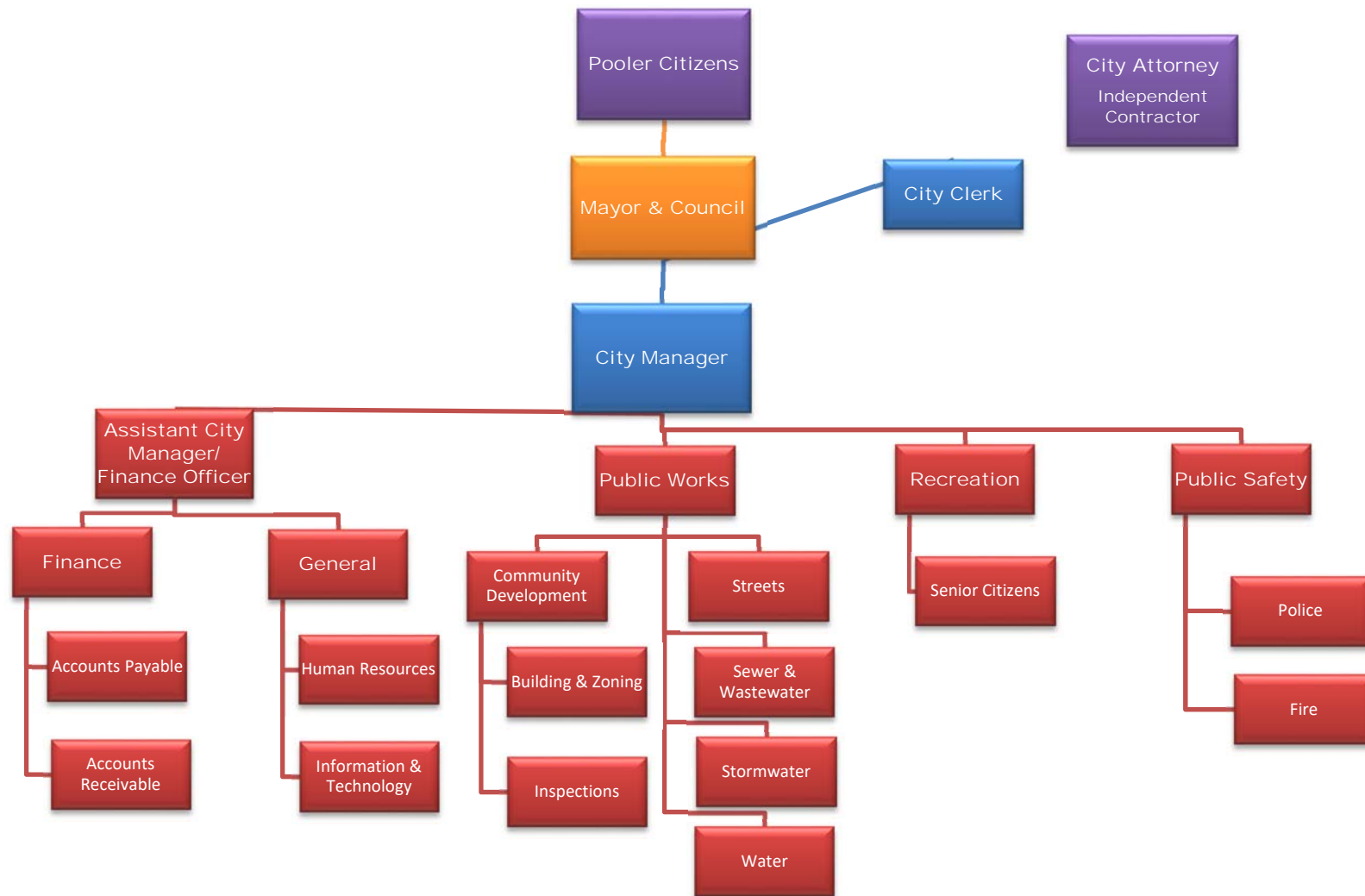
City Hall
(912) 748-7261
Fax (912) 748-0157

Mayor.....	Michael F. Lamb
City Manager.....	Robert H. Byrd, Jr.
City Clerk.....	Maribeth Lindler
Finance Officer.....	Michelle 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, 2017





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, 2016

Christopher P. Morill

Executive Director/CEO





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, 2017, 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, 2017, 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 March 29, 2018 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
March 29, 2018



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, 2017. 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 2017 and contains other supplementary information.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at December 31, 2017 by \$103,441,230 (net position). Of this amount, \$34,568,278 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6,695,663 from the previous year. The majority of the increase is from governmental activities in the amount of \$3,897,689. Business-type activities increased its net position by \$2,797,974 from the previous year.
- At December 31, 2017, the City's governmental funds balance sheet reported a combined ending fund balance of \$18,912,178, an increase of \$1,202,534 from the previous calendar year. The increase is mostly due to additional sales tax and hotel/motel tax revenue collections in 2017.
- The general fund reported an unrestricted fund balance of \$18,423,486, an increase of \$777,500 from 2016. This was caused by the postponement of construction of a fifth fire station after the bids came in too high. The City plans to revisit this project in the future.

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 \$103,441,230 million at December 31, 2017.

The following table presents a summary of the City's net position at December 31, 2017:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets.....	\$ 21,978,107	\$ 22,367,970	22,643,088	17,801,528	\$ 44,621,195	\$ 40,169,498
Capital assets, net.....	67,486,845	66,481,297	43,398,629	42,744,707	110,885,474	109,226,004
Total assets.....	89,464,952	88,849,267	66,041,717	60,546,235	155,506,669	149,395,502
Deferred outflows	2,242,568	2,406,637	343,357	369,601	2,585,925	2,776,238
Current liabilities.....	1,844,736	3,333,465	1,321,964	2,391,534	3,166,700	5,724,999
Noncurrent liabilities.....	26,629,654	29,083,167	24,160,606	20,499,138	50,790,260	49,582,305
Total liabilities.....	28,474,390	32,416,632	25,482,570	22,890,672	53,956,960	55,307,304
Deferred inflows	600,310	104,141	94,094	14,728	694,404	118,869
Net position:						
Net investment in capital assets.....	46,999,273	44,384,681	20,180,845	23,318,018	67,180,118	67,702,699
Restricted.....	336,585	945	1,356,249	989,605	1,692,834	990,550
Unrestricted.....	15,296,962	14,349,505	19,271,316	13,702,813	34,568,278	28,052,318
Total net position.....	\$ 62,632,820	\$ 58,735,131	\$ 40,808,410	\$ 38,010,436	\$ 103,441,230	\$ 96,745,567

Over 65% 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 (34%) reflects unrestricted assets that may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position. The remaining balance of total net position contains resources that are subject to external restrictions on how they may be used, such as SPLOST revenue and contributions from private developers restricted for debt service on GEFA loans.

At the end of the 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 \$2,614,592 or 6% due to the completion of the new city hall as well as other capital projects related to city hall. Total net position in governmental activities increased in 2017 by \$3,897,689. In the City's business-type activities, net investment in capital assets decreased by \$3,137,173 due to the closing of a loan for infrastructure improvements that were mostly completed in the previous year. Total net position for business-type activities increased in 2017 by \$2,797,974 or 8%.

Changes in Net Position

The following table presents a summary of the changes in net position for the year ended December 31, 2017:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services.....	\$ 4,646,719	\$ 4,282,127	\$ 7,579,123	\$ 7,227,868	\$ 12,225,842	\$ 11,509,995
Operating grants.....	309,918	852,567	-	-	309,918	852,567
Capital grants.....	3,528,587	3,198,106	2,695,611	1,529,496	6,224,198	4,727,602
General Revenues:						
Property taxes.....	5,473,973	5,247,265	-	-	5,473,973	5,247,265
Sales and use taxes.....	8,280,750	7,840,789	-	-	8,280,750	7,840,789
Franchise fees.....	1,717,661	1,761,480	-	-	1,717,661	1,761,480
Business taxes.....	1,621,432	1,521,495	-	-	1,621,432	1,521,495
Other.....	258,271	290,120	57,465	39,702	315,736	329,822
Total revenues.....	25,837,311	24,993,949	10,332,199	8,797,066	36,169,510	33,791,015
Expenses:						
General government.....	2,393,700	2,095,714	-	-	2,393,700	2,095,714
Public safety.....	10,130,386	9,382,866	-	-	10,130,386	9,382,866
Public works.....	5,317,459	5,009,280	-	-	5,317,459	5,009,280
Health and welfare.....	131,478	153,228	-	-	131,478	153,228
Culture and recreation.....	2,222,201	1,898,599	-	-	2,222,201	1,898,599
Housing and development.....	1,080,688	1,117,343	-	-	1,080,688	1,117,343
Interest on long-term debt.....	663,710	545,076	-	-	663,710	545,076
Water and sewer.....	-	-	7,534,225	7,077,825	7,534,225	7,077,825
Total expenses.....	21,939,622	20,202,106	7,534,225	7,077,825	29,473,847	27,279,931
Change in net position.....	3,897,689	4,791,843	2,797,974	1,719,241	6,695,663	6,511,084
Net position - beginning.....	58,735,131	53,943,288	38,010,436	36,291,195	96,745,567	90,234,483
Net position - ending.....	\$ 62,632,820	\$ 58,735,131	\$ 40,808,410	\$ 38,010,436	\$ 103,441,230	\$ 96,745,567

Approximately 34% of the City's total revenue in 2017 came from charges for services including water and sewer fees, solid waste collection fees, and police fine revenue. The second largest source of revenue was sales tax which represented 23% of total revenue. City revenues increased approximately 7% from the previous year mostly due to increased sales and use taxes.

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 \$2,193,916 or 8% since 2016. Expenses for most of the functional areas remained relatively stable since 2016. However, recreation expenses increased by \$323,602, or 17% due to increased activity at the recreation complex following the addition of the football stadium and increased parking.

The total change in net position from 2016 totaled \$6,695,663. 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 assets were discussed earlier in the financial highlights section.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of available resources. The governmental fund types utilized by the City of Pooler include the general fund, two capital projects funds, and two special revenue funds. The general fund and the two capital projects funds are reported as the City's major funds. The hotel/motel tax fund and confiscated assets fund are presented together as other governmental funds. As of December 31, 2017, the City governmental funds reported a combined fund balance of \$18,912,178. This represents a 7% increase from the previous year. 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. 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, 2017, the total fund balance in the general fund was \$18,531,512. The total amount of spendable fund balance in the general fund was \$18,423,486; the unassigned portion was \$16,796,066.

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 (9%) represents amounts in the 2018 budget to be transferred to the capital projects fund for capital improvement projects including drainage improvements at the Quacco Canal and in downtown Pooler, as well as street paving projects. The unassigned portion of fund balance represents 82% of total general fund expenditures. The City of Pooler's fund balance policy requires a minimum spendable fund balance of 4-6 months of operating expenditures, or 33-50%. The requirements of this policy have been satisfied and no corrective action is necessary.

The fund balance of the general fund increased by \$792,773 during the 2017 fiscal year. Revenue collections for operations remained fairly consistent from 2016, with the exception of a 5% increase in tax revenue in the amount of \$763,435. Expenditures in 2017 remained steady from the previous year with the exception of recreation due to an increase in activity.

Special Purpose Local Option Sales Tax Fund

In 2016, the SPLOST capital projects fund reported a negative fund balance in the amount of - \$913,630 due to monies owed to the general fund for pre-funding of projects. The deficit was made up in 2017 to result in a positive fund balance of \$326,799. will be made up in following years with future SPLOST revenues expected from the current authorization. In 2017, SPLOST funds were used to construct improvements at the intersection of Highway 80 and Rogers Street, including mast arm traffic signals. SPLOST funds were also used for debt service on the new firetrucks financed in the previous year as well as the police department portion of the new municipal building.

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 2017 in the amount of \$1,252,975 which was used for new digital display signs for city hall, intersection and traffic light improvements at the intersection of Highway 80 and Rogers Street. The City also began efforts to improve the drainage infrastructure around town by commissioning a study of the old downtown Pooler drainage facilities and beginning design of new drainage culverts to be installed at Quacco Canal. These projects will continue on into the 2018 budget cycle.

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, 2017, total net position amounted to \$40,808,410 for the enterprise fund compared to \$38,010,436 at December 31, 2016. The increase in net assets of \$2,797,974 is mostly attributable to capital contributions from developers when requesting building permits. The enterprise fund is reported on pages D-8 through D-10.

Fiduciary Funds

The City of Pooler operates only one fiduciary fund which represents the municipal court function. This fund does not report a fund balance since all of the reportable assets are monies owed to other entities. In the municipal court fund, liabilities at year end totaled \$290,474 which represents monies owed to the general fund for uncollected fine revenue, monies owed to other governmental agencies, and monies owed to others, such as bond refunds.

The fiduciary fund is reported on page D-11.

CAPITAL ASSETS

The statement of net position presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. At December 31, 2017, the City's capital assets net of depreciation for both governmental activities and business-type activities totaled \$110,885,474. Capital assets include assets donated and purchased, land, buildings, system improvements and machinery and equipment. Capital assets increased \$1,659,470 from what was reported at the end of 2016.

Major capital asset events during the year included the following:

- Pooler purchased properties at 1094 S. Rogers Street and 305 Collins Street in the amounts of \$139,044 and \$214,290, respectively. The purpose was to increase recreational and economic development opportunities in the City. Plans for both of these properties will be developed in 2018.
- The City purchased new playground equipment for the park on Rogers Street. The equipment was financed through the Georgia Municipal Association in the amount of \$71,605.
- Construction of the new city hall was completed in 2017. The City added the building to its capital assets at a value just over \$20 million.

- The City purchased four new police vehicles and one transit van for bringing prisoners from the County jail to our courthouse. Both of these purchases were financed through programs offered by the Georgia Municipal Association in the amount of \$224,890.

Additional information on the City's capital assets can be found in Note 2C 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 \$296,495 to purchase new public safety vehicles and playground equipment. The City also entered into another lease-purchase agreement with the Georgia Municipal Association in the amount of \$283,906 to purchase new breathing apparatus equipment for the fire department. In 2016, the City 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 2017, the City has received \$5,399,221 in loan funds for this project. Construction will be completed in 2018. At December 31, 2017, long-term debt totaled \$50,790,260. Of this amount, \$26,629,654 represents the governmental activities and \$24,160,606 represents the business-type activities.

Additional information on the City's debt can be found in Note 2F on pages D-25 through D-26.

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 2017 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, 2016.

The increase in appropriations for the general fund during the year was \$1,317,077 mostly due to expenses associated with Hurricane Irma and increased charges for trash pickup. Actual expenditures were less than the budgeted amount by \$511,499. Total revenue recorded for the year was \$21,310,751 which was an increase of \$113,076 over the final budgeted amount.

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

- Tax revenue amounted to \$15,974,290, which is an increase over the original budgeted amount of \$14,847,750. Most of this increase resulted from additional retail sales tax money.
- Revenue received from charges for services was \$479,265 more than what was estimated in the budget mostly due to fees for solid waste as a result of increased charges from the contracted service provider.

The total appropriations (expenditures) actually recorded for the calendar year were \$20,604,083. The City also transferred \$1,252,975 from the general fund to the capital projects fund for various projects mentioned previously. Overall, the fund balance increased by \$792,773 from 2016 to 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City adopted a general fund budget of \$20,867,613 including a transfer in the amount of \$1,627,420 to the capital projects fund. This represents a 5% decrease from actual expenditures and transfers in 2017. The transfer to capital projects will be used to construct drainage improvements in the old downtown section of Pooler as well as Quacco Canal. Budgeted appropriations in all departments in 2018 remain relatively stable from 2017. 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.



FINANCIAL SECTION



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Pooler, Georgia
Statement of Net Position
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pooler Development Authority
ASSETS				
Cash and cash equivalents.....	\$ 18,524,515	\$ 15,037,573	\$ 33,562,088	\$ 148,742
Receivables.....	2,718,964	1,303,168	4,022,132	-
Internal balances.....	408,525	(408,525)	-	-
Inventories.....	-	5,500	5,500	-
Prepaid.....	108,025	24,256	132,281	-
Restricted assets				
Cash and cash equivalents.....	218,078	6,681,116	6,899,194	-
Capital assets				
Land and construction in progress.....	8,622,104	6,429,722	15,051,826	-
Other capital assets, net of depreciation.....	58,864,741	36,968,907	95,833,648	-
Total assets.....	<u>89,464,952</u>	<u>66,041,717</u>	<u>155,506,669</u>	<u>148,742</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related.....	<u>2,242,568</u>	<u>343,357</u>	<u>2,585,925</u>	<u>-</u>
LIABILITIES				
Accounts payable and other accrued liabilities.....	847,482	572,408	1,419,890	-
Contracts and retainage payable.....	364,092	302,350	666,442	-
Accrued interest.....	256,373	81,367	337,740	-
Unearned revenue.....	158,711	-	158,711	-
Deposits payable.....	218,078	365,839	583,917	-
Long-term liabilities				
Due within one year.....	2,478,080	1,527,665	4,005,745	-
Due in more than one year.....	18,454,636	21,747,826	40,202,462	-
Net pension liability.....	5,534,545	885,115	6,419,660	-
Net OPEB obligation.....	162,393	-	162,393	-
Total liabilities.....	<u>28,474,390</u>	<u>25,482,570</u>	<u>53,956,960</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related.....	<u>600,310</u>	<u>94,094</u>	<u>694,404</u>	<u>-</u>
NET POSITION				
Net investment in capital assets.....	46,999,273	20,180,845	67,180,118	-
Restricted for				
Capital projects.....	326,799	-	326,799	-
Public safety.....	9,786	-	9,786	-
Debt service.....	-	1,356,249	1,356,249	-
Unrestricted.....	15,296,962	19,271,316	34,568,278	148,742
Total net position.....	<u>\$ 62,632,820</u>	<u>\$ 40,808,410</u>	<u>\$ 103,441,230</u>	<u>\$ 148,742</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, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government.....	\$ 2,393,700	\$ 1,607,019	\$ -	\$ -
Public safety.....	10,130,386	1,014,155	298,012	56,893
Public works.....	5,317,459	1,714,837	-	1,129,220
Health and welfare.....	131,478	8,698	-	-
Culture and recreation.....	2,222,201	302,010	11,906	2,342,474
Housing and development.....	1,080,688	-	-	-
Interest on long-term debt.....	663,710	-	-	-
Total governmental activities.....	21,939,622	4,646,719	309,918	3,528,587
Business-type activities:				
Water and sewer.....	7,534,225	7,579,123	-	2,695,611
Total business-type activities.....	7,534,225	7,579,123	-	2,695,611
Total.....	\$ 29,473,847	\$ 12,225,842	\$ 309,918	\$ 6,224,198
Component Unit				
Pooler Development Authority.....	\$ -	\$ 36,177	\$ -	\$ -
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			Component Unit
Primary Government			Pooler Development Authority
Governmental Activities	Business- Type Activities	Total	
\$ (786,681)	\$ -	\$ (786,681)	
(8,761,326)	-	(8,761,326)	
(2,473,402)	-	(2,473,402)	
(122,780)	-	(122,780)	
434,189	-	434,189	
(1,080,688)	-	(1,080,688)	
(663,710)	-	(663,710)	
(13,454,398)	-	(13,454,398)	
-	2,740,509	2,740,509	
-	2,740,509	2,740,509	
(13,454,398)	2,740,509	(10,713,889)	
			\$ 36,177
5,473,973	-	5,473,973	-
6,380,183	-	6,380,183	-
1,900,567	-	1,900,567	-
1,717,661	-	1,717,661	-
1,621,432	-	1,621,432	-
44,795	56,465	101,260	80
213,476	1,000	214,476	-
17,352,087	57,465	17,409,552	80
3,897,689	2,797,974	6,695,663	36,257
58,735,131	38,010,436	96,745,567	112,485
\$ 62,632,820	\$ 40,808,410	\$ 103,441,230	\$ 148,742



FUND FINANCIAL STATEMENTS



City of Pooler, Georgia

Balance Sheet

Governmental Funds

December 31, 2017

	General	Special Purpose Local Option Sales Tax Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 18,046,307	\$ 51,070	\$ 408,173	\$ 18,965	\$ 18,524,515
Receivables.....	2,360,250	275,729	-	82,985	2,718,964
Due from other funds.....	408,525	-	-	-	408,525
Prepaid items.....	108,025	-	-	-	108,025
Restricted cash and cash equivalents.....	218,078	-	-	-	218,078
Total assets.....	<u>\$ 21,141,185</u>	<u>\$ 326,799</u>	<u>\$ 408,173</u>	<u>\$ 101,950</u>	<u>\$ 21,978,107</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable.....	\$ 419,487	\$ -	\$ -	\$ 92,164	\$ 511,651
Contracts and retainage payable.....	-	-	364,092	-	364,092
Salaries and wages payable.....	335,831	-	-	-	335,831
Unearned revenue.....	158,711	-	-	-	158,711
Customer deposits payable.....	218,078	-	-	-	218,078
Total liabilities.....	<u>1,132,107</u>	<u>-</u>	<u>364,092</u>	<u>92,164</u>	<u>1,588,363</u>
Deferred inflows of resources					
Unavailable revenue - property taxes.....	135,989	-	-	-	135,989
Unavailable revenue - franchise fees.....	1,341,577	-	-	-	1,341,577
Total deferred inflows of resources.....	<u>1,477,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,477,566</u>
Combined liabilities and deferred inflows of resources.....	<u>2,609,673</u>	<u>-</u>	<u>364,092</u>	<u>92,164</u>	<u>3,065,929</u>
Fund balances					
Nonspendable.....	108,026	-	-	-	108,026
Restricted.....	-	326,799	-	9,786	336,585
Assigned.....	1,627,420	-	44,081	-	1,671,501
Unassigned.....	16,796,066	-	-	-	16,796,066
Total fund balances.....	<u>18,531,512</u>	<u>326,799</u>	<u>44,081</u>	<u>9,786</u>	<u>18,912,178</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 21,141,185</u>	<u>\$ 326,799</u>	<u>\$ 408,173</u>	<u>\$ 101,950</u>	<u>\$ 21,978,107</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, 2017

Total Governmental Fund Balances.....		\$18,912,178
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets.....	\$80,793,180	
Less: accumulated depreciation.....	<u>(13,306,335)</u>	67,486,845
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.		
Property taxes.....	135,989	
Franchise fees.....	<u>1,341,577</u>	1,477,566
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.		
Certificates of participation.....	(16,375,000)	
Capital leases.....	(4,112,572)	
Accrued interest.....	(256,373)	
Compensated absences.....	(445,144)	
Net pension liability.....	<u>(5,534,545)</u>	(26,723,634)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:		
Deferred outflows of resources related to pensions.....		2,242,568
Deferred inflows of resources related to pensions.....		(600,310)
Net OPEB liability not reported in the fund financial statements.....		<u>(162,393)</u>
Net Position of Governmental Activities.....		<u><u>\$62,632,820</u></u>

City of Pooler, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Special Purpose Local Option Sales Tax Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes.....	\$ 15,974,290	\$ -	\$ -	\$ 1,217,935	\$ 17,192,225
Licenses and permits.....	1,019,170	-	-	-	1,019,170
Intergovernmental.....	570,658	3,242,996	-	-	3,813,654
Charges for services.....	2,746,295	-	-	-	2,746,295
Fines and forfeitures.....	857,807	-	-	11,167	868,974
Investment earnings.....	43,064	1,428	1,731	-	46,223
Miscellaneous.....	99,467	-	-	-	99,467
Total revenues.....	<u>21,310,751</u>	<u>3,244,424</u>	<u>1,731</u>	<u>1,229,102</u>	<u>25,786,008</u>
EXPENDITURES					
Current					
General government.....	1,627,419	-	-	-	1,627,419
Public safety.....	9,429,119	-	-	2,326	9,431,445
Public works.....	4,922,854	-	-	-	4,922,854
Health and welfare.....	126,608	-	-	-	126,608
Culture and recreation.....	2,002,377	-	-	-	2,002,377
Housing and development.....	469,047	-	-	608,968	1,078,015
Capital Outlay.....	-	1,182,758	2,094,215	-	3,276,973
Debt Service					
Principal.....	1,510,489	678,956	-	-	2,189,445
Interest.....	516,170	142,281	-	-	658,451
Total expenditures.....	<u>20,604,083</u>	<u>2,003,995</u>	<u>2,094,215</u>	<u>611,294</u>	<u>25,313,587</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>706,668</u>	<u>1,240,429</u>	<u>(2,092,484)</u>	<u>617,808</u>	<u>472,421</u>
OTHER FINANCING SOURCES (USES)					
Transfers in.....	608,967	-	1,252,975	-	1,861,942
Transfers out.....	(1,252,975)	-	-	(608,967)	(1,861,942)
Capital lease.....	580,401	-	-	-	580,401
Sale of general capital assets.....	116,492	-	-	-	116,492
Insurance recoveries.....	33,220	-	-	-	33,220
Total other financing sources (uses)	<u>86,105</u>	<u>-</u>	<u>1,252,975</u>	<u>(608,967)</u>	<u>730,113</u>
Net changes in fund balances.....	792,773	1,240,429	(839,509)	8,841	1,202,534
Fund balances at beginning of year.....	17,738,739	(913,630)	883,590	945	17,709,644
Fund balances at end of year.....	<u>\$ 18,531,512</u>	<u>\$ 326,799</u>	<u>\$ 44,081</u>	<u>\$ 9,786</u>	<u>\$ 18,912,178</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, 2017

Net change in Fund Balances - Total Governmental Funds.....	\$	1,202,534
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by
which capital outlays exceeded depreciation in the current period.

Capital outlays.....	\$ 3,481,151	
Depreciation expense.....	<u>(2,475,603)</u>	1,005,548

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

Deferred inflows of resources at December 31, 2017.....	1,477,566	
Deferred inflows of resources at December 31, 2016.....	<u>1,575,975</u>	(98,409)

Governmental funds report debt proceeds as an other financing source. However,
in the statement of activities, debt proceeds are recognized as a long-term liability.

Capital leases.....		(580,401)
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Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net position.

Certificates of participation.....	1,050,000	
Capital leases.....	<u>1,139,445</u>	2,189,445

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.

(Increase) decrease in compensated absences.....	(41,877)	
(Increase) decrease in accrued interest.....	(5,259)	
(Increase) decrease in the net OPEB liability.....	<u>159,661</u>	112,525

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.....

66,447

Change in Net Position of Governmental Activities.....	\$	<u><u>3,897,689</u></u>
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City of Pooler, Georgia
Statement of Net Position
Water and Sewer Enterprise Fund
December 31, 2017

ASSETS

Current assets:

Cash and cash equivalents.....	\$ 14,267,640
Accounts receivable - net.....	1,303,168
Inventory.....	5,500
Prepaid items.....	24,256
Restricted cash and cash equivalents:	
Customer deposits.....	264,769
Note and loan accounts.....	505,164

Total current assets.....	<u>16,370,497</u>
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Noncurrent assets

Restricted cash and cash equivalents:	
Water and sewer system expansion accounts.....	5,830,030
Note and loan accounts.....	851,086

Capital assets:

Land, improvements, and construction in progress.....	6,429,722
Other capital assets, net of depreciation.....	<u>36,968,907</u>

Total noncurrent assets.....	<u>50,079,745</u>
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Total assets.....	<u>66,450,242</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension related.....	<u>343,357</u>
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LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities.....	572,408
Contracts and retainage payable.....	302,350
Due to other funds.....	408,525
Accrued interest.....	81,367
Due to developers.....	101,070
Compensated absences.....	49,051
Notes and loans payable.....	909,940
Capital leases payable.....	63,510

Payable from restricted assets:

Customer deposits payable.....	264,769
Notes and loans payable.....	505,164

Total current liabilities.....	<u>3,258,154</u>
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Noncurrent liabilities:

Notes and loans payable.....	21,739,170
Compensated absences.....	8,656
Net pension liability.....	<u>885,115</u>

Total noncurrent liabilities.....	<u>22,632,941</u>
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Total liabilities.....	<u>25,891,095</u>
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(continued)

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, 2017

DEFERRED INFLOWS OF RESOURCES

Pension related.....	94,094
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NET POSITION

Net investment in capital assets.....	20,180,845
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Restricted for debt service.....	1,356,249
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Unrestricted.....	19,271,316
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Total net position.....	<u>\$ 40,808,410</u>
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(concluded)

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, 2017

OPERATING REVENUES	
Water fees.....	\$ 3,203,138
Sewer fees.....	4,001,536
Total operating revenues.....	<u>7,204,674</u>
OPERATING EXPENSES	
<u>Water</u>	
Personnel services and employee benefits.....	596,470
Purchased and contracted services.....	329,415
Supplies.....	1,091,245
Depreciation.....	393,692
Total operating expenses - Water.....	<u>2,410,822</u>
<u>Sewer</u>	
Personnel services and employee benefits.....	354,224
Purchased and contracted services.....	411,072
Supplies.....	316,568
Depreciation.....	783,479
Total operating expenses - Sewer.....	<u>1,865,343</u>
<u>Wastewater Treatment Plant</u>	
Personnel services and employee benefits.....	609,414
Purchased and contracted services.....	460,545
Supplies.....	480,438
Depreciation.....	754,665
Total operating expenses - Wastewater Treatment Plant.....	<u>2,305,062</u>
Total operating expenses.....	<u>6,581,227</u>
Operating income (loss).....	<u>623,447</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income.....	56,465
Interest expense.....	(568,617)
Loss on disposal of assets.....	(8,932)
Total nonoperating revenues (expenses).....	<u>(521,084)</u>
Income (loss) before capital contributions.....	<u>102,363</u>
CAPITAL CONTRIBUTIONS	
Tap fees.....	637,785
Capital cost recovery charges.....	2,057,826
Total capital contributions.....	<u>2,695,611</u>
Change in net position.....	2,797,974
Net position, beginning of year.....	38,010,436
Net position, end of year.....	<u><u>\$ 40,808,410</u></u>

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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers.....	\$ 7,050,122
Cash payments to suppliers for goods and services.....	(2,763,554)
Cash payments to employees for services.....	(1,584,125)
Net cash provided (used) by operating activities.....	<u>2,702,443</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Debt issued.....	5,219,872
Principal payments on debt.....	(1,428,777)
Interest payments on debt.....	(571,644)
Tap fees.....	636,847
Capital cost recovery proceeds.....	2,057,826
Acquisitions and construction of capital assets.....	(3,947,442)
Net cash (used) by capital and related financing activities.....	<u>1,966,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on cash and investments.....	56,465
Net cash provided (used) by investing activities.....	<u>56,465</u>
Net increase (decrease) in cash and cash equivalents.....	4,725,590
Cash and cash equivalents, beginning of year.....	16,993,099
Cash and cash equivalents, end of year.....	<u><u>\$ 21,718,689</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss).....	<u>\$ 623,447</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation.....	1,931,836
Change in assets and liabilities:	
Decrease (increase) in accounts receivables.....	(174,869)
(Decrease) Increase in prepaid expenses.....	(1,304)
(Decrease) Increase in accounts payable and accrued liabilities.....	242,813
(Decrease) Increase in interfund payable.....	60,203
(Decrease) increase in customer deposits payable.....	20,317
Total adjustments.....	<u>2,078,996</u>
Net cash provided (used) by operating activities.....	<u><u>\$ 2,702,443</u></u>
Noncash investing, capital, and financing activities:	
Capital contributions.....	<u><u>\$ -</u></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, 2017

	<u>Municipal Court Fund</u>
ASSETS	
Cash and cash equivalents.....	\$ 160,155
Fines receivable.....	<u>130,319</u>
Total assets.....	<u><u>\$ 290,474</u></u>
 LIABILITIES	
Due to others.....	<u>\$ 290,474</u>
Total liabilities.....	<u><u>\$ 290,474</u></u>



NOTES TO THE FINANCIAL STATEMENTS



CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017

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, 2017

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, 2017

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

1. *Cash and Cash Equivalents*

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

State statutes authorize the government to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Investments are reported at fair value.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

2. *Receivables*

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

3. *Inventories and Prepaid Items*

All inventories (when significant) are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. 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, 2017

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, donated works of art and similar items and capital assets received in a service concession arrangement are required to be reported at acquisition value.

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, 2017, 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	Business-Type Activities
	Estimated Lives	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, 2017

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.

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Assigned fund balance 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.

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

H. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 3.849 mills was adopted on June 20, 2017. Tax bills were rendered on September 15, 2017 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. 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 \$40,247,191 and the bank balance was \$39,122,243. As of December 31, 2017 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.

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

A. 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.....	\$ 1,425,131	\$ -	\$ -	\$ 1,425,131
Property taxes.....	199,876	-	-	199,876
Sales taxes.....	588,639	-	-	588,639
Lodging taxes.....	-	-	82,985	82,985
Intergovernmental.....	148,317	275,729	-	424,046
Other.....	1,007	-	-	1,007
Gross receivables	2,362,970	275,729	82,985	2,721,684
Less: Allowance for uncollectibles...	(2,720)	-	-	(2,720)
Net receivables.....	<u>\$ 2,360,250</u>	<u>\$ 275,729</u>	<u>\$ 82,985</u>	<u>\$ 2,718,964</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 \$279,675.

B. 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, 2017, the City abated property taxes totaling \$430,183.

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CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

C. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
<i>Non-Depreciable Assets:</i>					
Land.....	\$ 5,778,269	\$ 438,835	\$ -	\$ -	\$ 6,217,104
Construction in progress.....	22,480,185	2,067,090	-	(22,142,275)	2,405,000
Total non-depreciable capital assets.....	28,258,454	2,505,925	-	(22,142,275)	8,622,104
<i>Depreciable Assets:</i>					
Buildings and improvements.....	14,762,548	89,105	657,832	19,947,444	34,141,265
Machinery, equipment and vehicles...	13,888,132	502,063	163,233	-	14,226,962
Infrastructure.....	21,223,960	384,058	-	2,194,831	23,802,849
Total depreciable capital assets.....	49,874,640	975,226	821,065	22,142,275	72,171,076
<i>Accumulated Depreciation</i>					
Buildings and improvements.....	(2,843,285)	(895,456)	(657,832)	-	(3,080,909)
Machinery, equipment and vehicles...	(6,700,228)	(1,083,331)	(163,233)	-	(7,620,326)
Infrastructure.....	(2,108,284)	(496,816)	-	-	(2,605,100)
Total accumulated depreciation.....	(11,651,797)	(2,475,603)	(821,065)	-	(13,306,335)
Total Governmental Activities.....	\$ 66,481,297	\$ 1,005,548	\$ -	\$ -	67,486,845
Less related long-term debt outstanding.....					(20,487,572)
Net investment in capital assets.....					\$ 46,999,273

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

General government.....	\$ 439,079
Public safety.....	1,010,654
Public works.....	496,461
Health and welfare.....	6,200
Culture and recreation.....	517,813
Housing and development.....	5,396
Total depreciation expense - governmental activities.....	\$ 2,475,603

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CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Changes in business-type activities capital asset for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Net Transfers	Ending Balance
Business-type Activities:					
<i>Non-Depreciable Assets:</i>					
Land.....	\$ 172,139	\$ -	\$ -	\$ -	\$ 172,139
Construction in progress.....	4,293,559	2,479,402	-	(515,378)	6,257,583
Total non-depreciable capital assets.....	4,465,698	2,479,402	-	(515,378)	6,429,722
<i>Depreciable Assets:</i>					
Buildings and improvements.....	55,330,272	-	-	515,378	55,845,650
Machinery, equipment and vehicles...	1,816,900	115,288	108,324	-	1,823,864
Total depreciable capital assets.....	57,147,172	115,288	108,324	515,378	57,669,514
<i>Accumulated Depreciation</i>					
Buildings and improvements.....	(17,639,213)	(1,714,434)	-	-	(19,353,647)
Machinery, equipment and vehicles...	(1,228,950)	(217,402)	(99,392)	-	(1,346,960)
Total accumulated depreciation.....	(18,868,163)	(1,931,836)	(99,392)	-	(20,700,607)
Total Business-type Activities.....	\$ 42,744,707	\$ 662,854	\$ 8,932	\$ -	43,398,629
Less related long-term debt outstanding.....					(23,217,784)
Net investment in capital assets.....					\$ 20,180,845

D. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at December 31, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	\$ 408,525

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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CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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A summary of interfund transfers by fund type is as follows:

Transfer In	Transfer Out	Purpose	Amount
Capital Projects Fund	General Fund	Fund construction projects	\$ 1,252,975
General Fund	Nonmajor governmental funds	Distribution of tax revenue	608,967
			<u>\$ 1,861,942</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.

E. Capital Leases

The City has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental and business-type activities. This year \$495,982 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.....	\$ 5,497,165	\$ 306,398
Less: Accumulated depreciation.....	(1,566,964)	81,706
Total.....	<u>\$ 3,930,201</u>	<u>\$ 388,104</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, 2017:

Year Ending December 31,	Governmental Activities	Business-type Activities
2018	\$ 1,226,129	\$ 66,261
2019	1,126,108	66,261
2020	1,033,710	-
2021	313,656	-
2022	293,656	-
2023 - 2027	443,750	-
Total minimum lease payments.....	4,437,009	132,522
Less: amount representing interest.....	(324,437)	(3,822)
Present value of minimum lease payments	<u>\$ 4,112,572</u>	<u>\$ 128,700</u>

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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F. Long -term Debt

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
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	1,190,000	309,530	1,499,530
2023 - 2027	6,435,000	1,067,040	7,502,040
2028 - 2030	4,280,000	224,510	4,504,510
	<u>\$ 16,375,000</u>	<u>\$ 3,133,390</u>	<u>\$ 19,508,390</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.

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

Contract Number	Original Amount	Interest Rate	Balance 12/31/2017
98-L66WJ	\$ 2,497,297	4.67%	\$ 655,808
02-L33WQ	672,289	4.36%	331,106
CWSRF 02-007	12,593,549	3.00%	6,724,830
03-L42WJ	3,103,709	4.16%	1,894,135
05-L23WJ	2,406,407	4.14%	1,226,066
11-L11WJ	901,235	3.44%	655,240
13-L29WJ	(not closed)	2.40%	2,644,538
13-L30WJ	3,810,627	0.70%	3,558,139
CWSRF 15-020	(not closed)	1.09%	5,399,222
Total GEFA loans payable at December 31, 2017.....			23,089,084
Less: GEFA loans not closed at year end.....			(8,043,760)
Long-term portion in repayment.....			<u>15,045,324</u>

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Year Ending December 31,	Principal	Interest	Total
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	1,356,854	272,026	1,628,880
2023 - 2027	6,170,982	680,440	6,851,422
2028 - 2032	1,086,889	157,179	1,244,068
2033 - 2037	8,812,147	31,914	8,844,061
Totals.....	<u>\$ 23,089,084</u>	<u>\$ 2,695,860</u>	<u>\$ 25,784,944</u>

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Note payable - municipal complex.....	\$ 17,425,000	\$ -	\$ 1,050,000	\$ 16,375,000	\$ 1,050,000
Capital lease obligations.....	4,671,616	580,401	1,139,445	4,112,572	1,049,708
Long-term debt.....	22,096,616	580,401	2,189,445	20,487,572	2,099,708
Compensated absences.....	403,267	151,509	109,632	445,144	378,372
Net pension liability.....	6,261,230	1,919,340	2,646,025	5,534,545	-
Net OPEB liability.....	322,054	113,913	273,574	162,393	-
Total Governmental Activities.....	<u>\$ 29,083,167</u>	<u>\$ 2,765,163</u>	<u>\$ 5,218,676</u>	<u>\$ 26,629,654</u>	<u>\$ 2,478,080</u>
Business-Type Activities:					
GEFA loans.....	\$ 19,236,116	\$ 5,219,872	\$ 1,366,904	\$ 23,089,084	\$ 1,415,105
Capital lease obligations.....	190,573	-	61,873	128,700	63,510
Long-term debt.....	19,426,689	5,219,872	1,428,777	23,217,784	1,478,615
Compensated absences.....	71,095	22,388	35,776	57,707	49,050
Net pension liability.....	1,001,354	307,015	423,254	885,115	-
Total Business-Type Activities.....	<u>\$ 20,499,138</u>	<u>\$ 5,549,275</u>	<u>\$ 1,887,807</u>	<u>\$ 24,160,606</u>	<u>\$ 1,527,665</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.

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

G. Fund Balance Classifications

Amounts for specific purposes by fund and fund classifications for the year ended December 31, 2017, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund.....	Prepaid items.....	\$ 108,026
Restricted		
Special Purpose Local Option		
Sales Tax fund.....	Capital projects.....	326,799
Confiscated Asset fund.....	Public safety.....	9,786
Assigned		
General fund.....	Subsequent year budget.....	1,627,420
Capital Projects fund.....	Capital projects.....	44,081
Unassigned		
General fund.....		16,796,066
Total fund balance.....		<u><u>\$ 18,912,178</u></u>

III. 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, 2017, the date of the latest actuarial valuation, the plan membership included the following categories of participants:

Inactive employees (or their beneficiaries) currently receiving benefits.....	28
Inactive employees entitled to, but not yet receiving benefits.....	28
Active employees.....	197
Total.....	<u><u>253</u></u>

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

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 \$918,428.

Net pension liability – The City’s net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions – The total pension liability in the July 1, 2017 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, 2017 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00%	6.71%
International equity	20.00%	7.71%
Real estate	10.00%	5.21%
Global Fixed income	5.00%	3.36%
Domestic Fixed income	20.00%	2.11%
Cash	0.00%	
Total	100.00%	

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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.

Changes in the net pension liability are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2016.....	\$ 19,404,732	\$ 12,142,148	\$ 7,262,584
Changes for the year:			
Service cost.....	708,352	-	708,352
Interest.....	1,477,154	-	1,477,154
Difference between expected and actual experience.....	(151,685)	-	(151,685)
Contributions, employer.....	-	1,087,307	(1,087,307)
Contributions, employee.....	-	258,969	(258,969)
Net investment income.....	-	1,571,318	(1,571,318)
Benefit payments.....	(689,367)	(689,367)	-
Administrative expense.....	-	(40,849)	40,849
Net changes.....	<u>1,344,454</u>	<u>2,187,378</u>	<u>(842,924)</u>
Balances at March 31, 2017.....	<u>\$ 20,749,186</u>	<u>\$ 14,329,526</u>	<u>\$ 6,419,660</u>

The balances at March 31, 2016 and 2017 include entry age normal liabilities calculated using ages and service amounts as of July 1, 2016 and 2017, respectively, and constitute measurements of the net pension liability for the fiscal years ending December 31, 2016 and 2017 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:

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
City's net pension liability (asset).....	\$ 9,581,328	\$ 6,419,660	\$ 3,842,489

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

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Pension expense for the year ended December 31, 2017:

Service cost.....	\$ 708,352
Interest on total pension liability.....	1,477,154
Employee contributions.....	(258,969)
Administrative expenses.....	40,849
Expected return on assets.....	(964,889)
Expensed portion of current year period differences between projected and actual experience in total pension liability.....	(21,671)
Expensed portion of current year period differences between projected and actual investment earnings.....	(121,285)
Current year recognition of deferred inflows and outflows established in prior years.....	341,052
Total expense.....	<u>\$ 1,200,593</u>

At December 31, 2017, 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.....	\$ 768,181	\$ (130,014)
Changes of assumptions.....	163,156	-
Net difference between projected and actual earnings on pension plan investments.....	524,955	(564,390)
City's contribution to the pension plan subsequent to the measurement date.....	1,129,633	-
Total deferred outflows/(inflows).....	<u>\$ 2,585,925</u>	<u>\$ (694,404)</u>

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CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The amount of deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, \$1,129,633, will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. 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	
Beginning balance, 01/01/2017.....	\$ 281,620	\$ 203,945	\$ 699,940	\$ 1,185,505
Established in 2017.....	651,462	-	-	651,462
Amount recognized.....	(164,901)	(40,789)	(174,985)	(380,675)
Total outflows.....	768,181	163,156	524,955	1,456,292
	Inflows			Total
	Demographic	Assumption Change	Investment	
Beginning balance, 01/01/2017.....	-	-	(118,869)	(118,869)
Established in 2017.....	(151,685)	-	(606,429)	(758,114)
Amount recognized.....	21,671	-	160,908	182,579
Total inflows.....	(130,014)	-	(564,390)	(694,404)
Totals.....	\$ 638,167	\$ 163,156	\$ (39,435)	\$ 761,888
Recognized in future years:				
2018	\$ 143,232	\$ 40,789	\$ 14,076	\$ 198,097
2019	143,232	40,789	14,076	198,097
2020	143,232	40,789	53,699	237,720
2021	143,232	40,789	(121,286)	62,735
2022	86,908	-	-	86,908
2023 and thereafter	(21,669)	-	-	(21,669)
Totals.....	\$ 638,167	\$ 163,156	\$ (39,435)	\$ 761,888

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

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

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017, 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:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 265,533	\$ 424,814	160.0%	\$ 619,319
12/31/2016	136,951	434,216	317.1%	322,054
12/31/2017	113,913	273,574	240.2%	162,393

Funding Progress

For the year ended December 31, 2017, 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, 2017, 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.....	24,959
Adjustment to annual required contribution....	<u>(63,625)</u>
Annual OPEB cost (expense).....	113,913
Contributions made.....	<u>273,574</u>
Increase in net OPEB obligation.....	(159,661)
Net OPEB obligation, beginning of year.....	<u>322,054</u>
Net OPEB obligation, end of year.....	<u><u>\$ 162,393</u></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, 2017

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.....	Projected Unit Credit
Amortization method.....	Level dollar closed 25 years
Remaining amortization period.....	18 years as of January 1, 2016
Asset valuation method.....	Market Value
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%
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.

CITY OF POOLER, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Risk Pools

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

The City is unaware of any claims which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2017.

No provisions have been made in the financial statements for the year ended December 31, 2017 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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes.....	\$ 14,847,750	\$ 16,022,079	\$ 15,974,290	\$ (47,789)
Licenses and permits.....	640,000	942,000	1,019,170	77,170
Intergovernmental revenues.....	314,270	509,270	570,658	61,388
Charges for services.....	2,267,030	2,699,530	2,746,295	46,765
Fines and forfeitures.....	1,177,270	877,270	857,807	(19,463)
Investment income.....	10,000	36,500	43,064	6,564
Other revenues.....	135,651	111,026	99,467	(11,559)
Total revenues.....	19,391,971	21,197,675	21,310,751	113,076
EXPENDITURES				
Current:				
General governmental:				
Council.....	148,506	154,206	152,503	1,703
General administration.....	1,400,182	1,480,282	1,474,916	5,366
Total general government.....	1,548,688	1,634,488	1,627,419	7,069
Public safety:				
Police.....	4,684,339	4,810,193	4,660,367	149,826
Fire.....	4,773,894	4,799,678	4,768,752	30,926
Total public safety.....	9,458,233	9,609,871	9,429,119	180,752
Public works:				
Street department.....	1,873,212	2,006,711	1,952,069	54,642
Storm drainage.....	755,241	827,841	822,923	4,918
Solid waste and recycling.....	1,481,200	1,650,200	1,618,708	31,492
Maintenance and shop.....	562,975	562,975	529,154	33,821
Total public works.....	4,672,628	5,047,727	4,922,854	124,873
Health and welfare:				
Senior citizens center.....	167,196	167,196	126,608	40,588
Culture and recreation:				
Recreation.....	1,784,630	1,944,030	1,838,894	105,136
Parks.....	158,012	198,012	163,483	34,529
Total culture and recreation.....	1,942,642	2,142,042	2,002,377	139,665
Housing and development:				
Inspections.....	468,585	473,725	469,047	4,678
Debt service:				
Principal.....	991,310	1,521,310	1,510,489	10,821
Interest.....	549,223	519,223	516,170	3,053
Total expenditures.....	19,798,505	21,115,582	20,604,083	511,499
Excess (deficiency) of revenues over (under) expenditures.....	(406,534)	82,093	706,668	624,575
OTHER FINANCING SOURCES (USES)				
Transfers in.....	550,000	609,000	608,967	(33)
Transfers out.....	(1,088,775)	(1,413,675)	(1,252,975)	160,700
Capital lease.....	565,080	577,280	580,401	3,121
Sale of capital assets.....	-	112,925	116,492	3,567
Insurance recoveries.....	-	32,377	33,220	843
Total other financing sources (uses).....	26,305	(82,093)	86,105	168,198
Net change in fund balance.....	(380,229)	-	792,773	792,773
Fund balance, beginning of year.....	17,738,739	17,738,739	17,738,739	-
Fund balance, end of year.....	\$ 17,358,510	\$ 17,738,739	\$ 18,531,512	\$ 792,773

City of Pooler, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended December 31, 2017

	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 517,521	\$ 644,368	\$ 708,352
Interest	1,171,076	1,314,389	1,477,154
Differences between expected and actual experience	394,269	760,039	(151,685)
Changes of assumptions	285,520	-	-
Benefit payments	(490,518)	(547,853)	(689,367)
Net change in total pension liability	1,877,868	2,170,943	1,344,454
Total pension liability - beginning	15,355,921	17,233,789	19,404,732
Total pension liability - ending	<u>\$ 17,233,789</u>	<u>\$ 19,404,732</u>	<u>\$ 20,749,186</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,012,162	\$ 802,073	\$ 1,087,307
Contributions - employee	146,721	213,049	258,969
Net investment income	998,989	45,482	1,571,318
Benefit payments	(490,518)	(547,853)	(689,367)
Administrative expense	(22,476)	(26,371)	(40,849)
Net change in plan fiduciary net position	1,644,878	486,380	2,187,378
Plan fiduciary net position - beginning	10,010,890	11,655,768	12,142,148
Plan fiduciary net position - ending	<u>\$ 11,655,768</u>	<u>\$ 12,142,148</u>	<u>\$ 14,329,526</u>
NET PENSION LIABILITY - ending	\$ 5,578,021	\$ 7,262,584	\$ 6,419,660
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	67.63%	62.57%	69.06%
COVERED-EMPLOYEE PAYROLL	\$ 7,201,514	\$ 7,996,662	\$ 8,733,903
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	77.46%	90.82%	73.50%

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, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 852,563	\$ 974,563	\$ 1,129,633
Contributions in relation to the actuarially determined contribution	<u>852,537</u>	<u>977,188</u>	<u>1,129,633</u>
Contribution deficiency (excess)	<u>\$ 26</u>	<u>\$ (2,625)</u>	<u>\$ -</u>
COVERED-EMPLOYEE PAYROLL	\$ 6,146,813	\$ 7,316,539	\$ 8,126,856
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	13.87%	13.36%	13.90%

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, 2017

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%	7,869,800	5.67%

City of Pooler, Georgia
Notes to Required Supplementary Information
December 31, 2017

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, 2017, the following supplemental appropriation was approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund.....	\$ 20,887,280	\$ 1,671,977	\$ 30,000	\$ 22,529,257
Special Revenue Funds -				
Hotel / Motel Tax Fund.....	1,100,000	118,000	-	1,218,000

Note 2 – Retirement Plan Schedule of Contributions

The actuarially determined contribution rate was determined as of July 1, 2017, 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	7/1/2017
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 11 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, 2017

	Confiscated Assets	Hotel - Motel	Total
ASSETS			
Cash and cash equivalents.....	\$ 9,786	\$ 9,179	\$ 18,965
Taxes receivable.....	-	82,985	82,985
Total assets.....	<u>\$ 9,786</u>	<u>\$ 92,164</u>	<u>\$ 101,950</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	\$ -	\$ 92,164	\$ 92,164
Total liabilities.....	<u>-</u>	<u>92,164</u>	<u>92,164</u>
Fund balances			
Restricted.....	9,786	-	9,786
Total fund balance.....	<u>9,786</u>	<u>-</u>	<u>9,786</u>
Total liabilities and fund balance.....	<u>\$ 9,786</u>	<u>\$ 92,164</u>	<u>\$ 101,950</u>

City of Pooler, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Confiscated Assets	Hotel - Motel	Total
REVENUES			
Taxes.....	\$ -	\$ 1,217,935	\$ 1,217,935
Fines and forfeitures.....	11,167	-	11,167
Total revenues.....	<u>11,167</u>	<u>1,217,935</u>	<u>1,229,102</u>
EXPENDITURES			
Current:			
Public safety.....	2,326	-	2,326
Housing and development.....	-	608,968	608,968
Total expenditures.....	<u>2,326</u>	<u>608,968</u>	<u>611,294</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>8,841</u>	<u>608,967</u>	<u>617,808</u>
OTHER FINANCING SOURCES (USES)			
Transfers out.....	-	(608,967)	(608,967)
Total other financing sources (uses)	<u>-</u>	<u>(608,967)</u>	<u>(608,967)</u>
Net change in fund balance.....	8,841	-	8,841
Fund balance, beginning of year.....	945	-	945
Fund balance, end of year.....	<u>\$ 9,786</u>	<u>\$ -</u>	<u>\$ 9,786</u>

City of Pooler, Georgia
Confiscated Asset Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures.....	\$ -	\$ 10,300	\$ 11,167	\$ 867
Total revenues.....	-	10,300	11,167	867
EXPENDITURES				
Current:				
Public Safety.....	-	10,300	2,326	7,974
Total expenditures.....	-	10,300	2,326	7,974
Excess (deficiency) of revenues over (under) expenditures.....	-	-	8,841	8,841
Net change in fund balance.....	-	-	8,841	8,841
Fund balance, beginning of year.....	945	945	945	-
Fund balance, end of year.....	\$ 945	\$ 945	\$ 9,786	\$ 8,841

City of Pooler, Georgia
Hotel / Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes.....	\$ 1,100,000	\$ 1,218,000	\$ 1,217,935	\$ (65)
Total revenues.....	1,100,000	1,218,000	1,217,935	(65)
EXPENDITURES				
Current:				
Housing and development.....	550,000	609,000	608,968	32
Total expenditures.....	550,000	609,000	608,968	32
Excess (deficiency) of revenues over (under) expenditures.....	550,000	609,000	608,967	(33)
OTHER FINANCING SOURCES (USES)				
Transfers out.....	(550,000)	(609,000)	(608,967)	33
Total financing sources (uses).....	(550,000)	(609,000)	(608,967)	33
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, 2017

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash.....	\$ 70,705	\$ 1,479,813	\$ 1,390,363	\$ 160,155
Fines receivable....	139,688	-	9,369	130,319
Total assets.....	<u>\$ 210,393</u>	<u>\$ 1,479,813</u>	<u>\$ 1,399,732</u>	<u>\$ 290,474</u>
LIABILITIES				
Due to others.....	\$ 210,393	\$ 1,479,813	\$ 1,399,732	\$ 290,474
Total liabilities.....	<u>\$ 210,393</u>	<u>\$ 1,479,813</u>	<u>\$ 1,399,732</u>	<u>\$ 290,474</u>

City of Pooler, Georgia
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds
December 31, 2017

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
Sales Tax VI (2014-2020)					
Capital Outlay Projects:	\$ 16,900,000	\$ 16,900,000			
Public safety facilities and equipment.....			\$ 4,432,939	\$ 261,532	\$ 4,694,471
Traffic signal project.....			545,610	744,853	1,290,463
Recreational facilities.....			5,141,304	173,734	5,315,038
Street and road improvements.....			-	144,920	144,920
Totals.....	<u>\$ 16,900,000</u>	<u>\$ 16,900,000</u>	<u>\$ 10,119,853</u>	<u>\$ 1,325,039</u>	<u>\$ 11,444,892</u>
Total SPLOST fund expenditures (see page D - 6).....				\$ 2,003,995	
				(678,956)	
Total expenditures funded with SPLOST proceeds.....				<u>\$ 1,325,039</u>	

City of Pooler, Georgia
Schedule of Required Expenditures Generated by the Hotel / Motel Tax
For the Year Ended December 31, 2017

REVENUES

Hotel/Motel taxes.....	<u><u>1,217,935</u></u>
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EXPENDITURES

Tourism expenditures.....	<u><u>608,968</u></u>
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Percentage of expenditures to revenues.....	<u><u>50%</u></u>
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COMPONENT UNIT



City of Pooler, Georgia
Balance Sheet
Pooler Development Authority
December 31, 2017

ASSETS

Cash and cash equivalents.....	<u>\$ 148,742</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable.....	<u>\$ -</u>
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Fund balance

Assigned - housing and development.....	<u>148,742</u>
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Total liabilities and fund balance.....	<u><u>\$ 148,742</u></u>
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City of Pooler, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Pooler Development Authority
For the Year Ended December 31, 2017

REVENUES

Charges for services.....	\$ 36,177
Investment earnings.....	80
Total revenues.....	<u>36,257</u>

EXPENDITURES

Current	
Housing and development.....	-
Net change in fund balance.....	36,257
Fund balance at beginning of year.....	112,485
Fund balance at end of year.....	<u><u>\$ 148,742</u></u>

STATISTICAL SECTION

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.



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

	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets.....	\$ 7,433,483	\$ 7,047,370	\$ 7,684,621	\$ 21,645,967	\$ 22,995,624
Restricted.....	2,467,827	1,881,686	1,804,340	1,779,908	1,431,855
Unrestricted.....	7,532,763	8,107,120	8,716,070	10,397,712	12,469,802
Total governmental activities net position.....	<u>\$ 17,434,073</u>	<u>\$ 17,036,176</u>	<u>\$ 18,205,031</u>	<u>\$ 33,823,587</u>	<u>\$ 36,897,281</u>
Business-type activities					
Net investment in capital assets.....	\$ 10,759,811	\$ 11,988,584	\$ 13,321,328	\$ 15,221,175	\$ 15,715,267
Restricted.....	13,219,635	1,103,235	733,445	717,391	1,506,768
Unrestricted.....	1,314,871	12,278,887	11,844,420	10,176,572	12,447,030
Total business-type activities net position.....	<u>\$ 25,294,317</u>	<u>\$ 25,370,706</u>	<u>\$ 25,899,193</u>	<u>\$ 26,115,138</u>	<u>\$ 29,669,065</u>
Primary Government					
Net investment in capital assets.....	\$ 18,193,294	\$ 19,035,954	\$ 21,005,949	\$ 36,867,142	\$ 38,710,891
Restricted.....	15,687,462	2,984,921	2,537,785	2,497,299	2,938,623
Unrestricted.....	8,847,634	20,386,007	20,560,490	20,574,284	24,916,832
Total primary government net position.....	<u>\$ 42,728,390</u>	<u>\$ 42,406,882</u>	<u>\$ 44,104,224</u>	<u>\$ 59,938,725</u>	<u>\$ 66,566,346</u>

	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets.....	\$ 26,439,001	\$ 30,325,758	\$ 24,885,553	\$ 44,384,681	\$ 46,999,273
Restricted.....	681,733	750,818	277,963	945	336,585
Unrestricted.....	14,612,090	17,048,570	28,779,772	14,349,505	15,296,962
Total governmental activities net position.....	<u>\$ 41,732,824</u>	<u>\$ 48,125,146</u>	<u>\$ 53,943,288</u>	<u>\$ 58,735,131</u>	<u>\$ 62,632,820</u>
Business-type activities					
Net investment in capital assets.....	\$ 16,524,638	\$ 18,147,634	\$ 19,821,116	\$ 23,318,018	\$ 20,180,845
Restricted.....	1,304,856	1,041,089	1,233,007	989,605	1,356,249
Unrestricted.....	13,888,285	14,897,480	15,237,072	13,702,813	19,271,316
Total business-type activities net position.....	<u>\$ 31,717,779</u>	<u>\$ 34,086,203</u>	<u>\$ 36,291,195</u>	<u>\$ 38,010,436</u>	<u>\$ 40,808,410</u>
Primary Government					
Net investment in capital assets.....	\$ 42,963,639	\$ 48,473,392	\$ 44,706,669	\$ 67,702,699	\$ 67,180,118
Restricted.....	1,986,589	1,791,907	1,510,970	990,550	1,692,834
Unrestricted.....	28,500,375	31,946,050	44,016,844	28,052,318	34,568,278
Total primary government net position.....	<u>\$ 73,450,603</u>	<u>\$ 82,211,349</u>	<u>\$ 90,234,483</u>	<u>\$ 96,745,567</u>	<u>\$ 103,441,230</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government.....	\$ 1,546,693	\$ 1,111,240	\$ 679,957	\$ 540,463	\$ 566,316	\$ 748,377	\$ 727,613	\$ 851,414	\$ 2,095,714	\$ 2,393,700
Public safety.....	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	10,130,386
Public works.....	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	5,317,459
Health and welfare.....	167,869	177,029	189,957	189,121	130,926	113,466	114,585	118,851	153,228	131,478
Culture and recreation.....	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	2,222,201
Housing and development.....	597,580	681,187	649,072	642,942	685,368	776,033	924,225	1,040,932	1,117,343	1,080,688
Interest on long-term debt.....	216,665	245,443	230,314	194,278	178,097	131,198	71,561	608,396	545,076	663,710
Total governmental activities expenses....	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	21,939,622
Business-type activities:										
Water and sewer.....	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	7,534,225
Total business-type activities expense....	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	7,534,225
Total primary government expenses.....	\$ 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	\$ 29,473,847
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 683,765	\$ 213,935	\$ 385,268	\$ 346,547	\$ 705,618	\$ 753,780	\$ 947,705	\$ 837,248	\$ 1,270,867	\$ 1,607,019
Public safety.....	664,769	452,756	534,095	951,699	961,374	1,025,201	1,100,826	1,047,028	1,015,823	1,014,155
Public works.....	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	1,714,837
Health and welfare.....	5,169	4,942	4,368	5,166	8,288	10,425	8,989	10,055	10,310	8,698
Culture and recreation.....	107,053	114,391	142,636	148,008	169,237	181,780	208,135	283,224	355,535	302,010
Operating grants and contributions....	74,324	244,329	537,167	308,606	272,515	239,727	344,047	552,264	852,567	309,918
Capital grants and contributions.....	22,339	-	316,245	14,194,386	1,131,865	1,221,548	2,302,321	3,348,273	3,198,106	3,528,587
Total governmental activities program revenues.....	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	8,485,224
Business-type activities - water and sewer:										
Charges for services.....	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	7,579,123
Capital grants and contributions.....	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	2,695,611
Total business type activities program revenues.....	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	10,274,734
#####	\$ 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	\$ 18,759,958

(continued)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2017
Net (Expense)/Revenue										
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)	\$ (13,454,398)
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	2,740,509
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>\$ (10,713,889)</u>
General Revenues and Other Changes in Net Position										
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	\$ 17,093,816
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	44,795
Other revenue.....	39,551	36,835	46,099	75,641	77,621	95,175	65,776	24,253	65,182	213,476
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>17,352,087</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	56,465
Miscellaneous income (loss).....	1,554	30,079	10,892	-	3,727	(6,691)	-	-	-	1,000
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>57,465</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>\$ 17,409,552</u>
Change in Net Position										
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	\$ 3,897,689
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	2,797,974
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>\$ 6,695,663</u>

(concluded)

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

	2008	2009	2010	2011	2012
General Fund					
Reserved.....	\$ 30,716	\$ 29,323	\$ 21,835	\$ -	\$ -
Unreserved.....	6,593,303	7,127,017	7,603,418	-	-
Nonspendable.....	-	-	-	61,454	60,329
Committed.....	-	-	-	2,500,000	2,500,000
Assigned.....	-	-	-	201,592	499,704
Unassigned.....	-	-	-	6,879,213	8,555,806
Total general fund.....	<u>\$ 6,624,019</u>	<u>\$ 7,156,340</u>	<u>\$ 7,625,253</u>	<u>\$ 9,642,259</u>	<u>\$ 11,615,839</u>
All Other Governmental Funds					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Capital projects fund.....	2,467,827	1,881,686	1,807,020	-	-
Restricted.....	-	-	-	1,779,908	1,742,705
Assigned.....	-	-	-	-	-
Total all other governmental funds.....	<u>\$ 2,467,827</u>	<u>\$ 1,881,686</u>	<u>\$ 1,807,020</u>	<u>\$ 1,779,908</u>	<u>\$ 1,742,705</u>

	2013	2014	2015	2016	2017
General Fund					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	-	-	-	-	-
Nonspendable.....	57,901	85,187	105,059	92,753	108,026
Committed.....	2,238,501	494,175	-	-	-
Assigned.....	2,730,086	2,416,600	2,449,905	1,088,775	1,627,420
Unassigned.....	9,141,363	13,462,384	16,000,225	16,557,211	16,796,066
Total general fund.....	<u>\$ 14,167,851</u>	<u>\$ 16,458,346</u>	<u>\$ 18,555,189</u>	<u>\$ 17,738,739</u>	<u>\$ 18,531,512</u>
All Other Governmental Funds					
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Capital projects fund.....	-	-	-	-	-
Restricted.....	681,733	750,818	277,963	884,535	336,585
Assigned.....	12,937	124,095	13,546,614	(913,630)	44,081
Total all other governmental funds.....	<u>\$ 694,670</u>	<u>\$ 874,913</u>	<u>\$ 13,824,577</u>	<u>\$ (29,095)</u>	<u>\$ 380,666</u>

The City implemented GASBS No. 54 in 2011.



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

	2008	2009	2010	2011
Revenues				
Property taxes.....	\$ 4,196,569	\$ 4,308,256	\$ 3,836,820	\$ 5,029,345
Sales tax.....	1,959,282	1,869,004	1,847,966	1,936,899
Other taxes.....	2,924,955	2,274,786	2,651,183	3,488,479
Licenses and permits.....	394,361	213,935	385,268	346,547
Revenue from other governmental units.....	413,880	165,698	1,068,642	1,401,466
Charges for services.....	1,543,393	1,101,490	1,254,534	1,485,890
Fines and fees.....	604,222	494,960	493,626	861,420
Miscellaneous.....	188,796	199,221	73,915	83,101
Total revenue.....	<u>12,225,458</u>	<u>10,627,350</u>	<u>11,611,954</u>	<u>14,633,147</u>
Expenditures				
Current:				
General government.....	1,518,529	1,035,720	641,067	525,664
Public safety.....	3,755,882	4,482,007	4,719,860	5,334,415
Public works.....	3,030,270	2,452,616	3,123,455	3,645,751
Health and welfare.....	162,357	166,244	178,518	186,770
Culture and recreation.....	1,553,582	1,776,898	1,325,487	965,203
Housing and development.....	592,310	654,731	627,950	638,730
Capital outlay.....	1,472,159	268,839	109,677	228,596
Debt service:				
Principal.....	301,776	508,863	358,983	1,021,638
Interest and other charges.....	197,730	222,335	219,120	192,597
Total expenditures.....	<u>12,584,595</u>	<u>11,568,253</u>	<u>11,304,117</u>	<u>12,739,364</u>
Excess (Deficiency) of revenues over (under) expenditures.....	<u>(359,137)</u>	<u>(940,903)</u>	<u>307,837</u>	<u>1,893,783</u>
Other Financing sources (uses)				
Debt issuance.....	250,114	877,778	42,281	89,800
Transfers in.....	327,838	301,311	281,104	303,281
Transfers out.....	(327,838)	(301,311)	(281,104)	(303,281)
Sale of capital assets/insurance recoveries.....	-	9,305	44,129	6,311
Total other financing sources (uses).....	<u>250,114</u>	<u>887,083</u>	<u>86,410</u>	<u>96,111</u>
Net change in fund balances.....	<u>\$ (109,023)</u>	<u>\$ (53,820)</u>	<u>\$ 394,247</u>	<u>\$ 1,989,894</u>
Debt service as a percentage of noncapital expenditures.....	4.57%	6.79%	5.69%	10.80%

Source: *City records*

Notes: Noncapital expenditures are total expenditures less capital outlay.

2012	2013	2014	2015	2016	2017
\$ 4,846,980	\$ 5,033,507	\$ 5,457,528	\$ 5,416,884	\$ 5,280,954	\$ 5,527,203
2,023,034	4,813,162	5,793,017	5,973,712	5,956,413	6,380,183
3,839,389	3,879,471	4,183,634	4,748,173	5,176,745	5,284,839
705,618	580,252	863,735	767,959	770,840	1,019,170
1,361,761	1,474,516	1,789,118	3,869,973	3,999,221	3,813,654
1,564,953	1,533,877	1,644,598	1,940,854	2,614,190	2,746,295
866,788	1,025,201	970,725	917,245	861,137	868,974
130,133	112,990	136,259	128,054	207,956	145,690
15,338,656	18,452,976	20,838,614	23,762,854	24,867,456	25,786,008
571,536	680,595	688,637	685,814	1,375,847	1,627,419
5,412,682	6,966,088	8,300,793	8,275,476	9,037,307	9,431,445
3,422,650	3,763,562	4,043,892	4,762,480	4,570,274	4,922,854
130,695	110,821	114,450	119,919	177,076	126,608
1,046,184	999,994	1,049,051	1,256,109	1,673,668	2,002,377
684,284	772,837	940,947	1,047,050	1,110,503	1,078,015
1,733,144	2,653,832	2,411,157	10,197,139	22,746,814	3,276,973
1,426,455	1,516,173	1,828,013	414,964	1,564,177	2,189,445
176,447	130,336	92,945	384,257	518,196	658,451
14,604,077	17,594,238	19,469,885	27,143,208	42,773,862	25,313,587
734,579	858,738	1,368,729	(3,380,354)	(17,906,406)	472,421
1,170,188	610,724	1,095,710	18,501,801	3,066,708	580,401
1,322,853	2,174,615	2,873,106	2,902,980	3,957,040	1,861,942
(1,322,853)	(2,174,615)	(2,873,106)	(2,902,980)	(3,957,040)	(1,861,942)
31,610	34,515	6,299	46,926	169,576	149,712
1,201,798	645,239	1,102,009	18,548,727	3,236,284	730,113
\$ 1,936,377	\$ 1,503,977	\$ 2,470,738	\$ 15,168,373	\$ (14,670,122)	\$ 1,202,534
13.02%	11.90%	12.96%	6.32%	10.47%	13.04%

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
2008	\$ 4,196,569	\$ 1,959,282	\$ 349,186	\$ 289,404	\$ 460,411	\$ 655,860	\$ 1,170,094	\$ 9,080,806
2009	4,308,256	1,869,004	345,910	307,689	466,200	602,624	552,363 ⁽¹⁾	8,452,046
2010	3,836,730	1,847,966	335,857	219,640	483,161	562,208	1,050,407	8,335,969
2011	5,029,345	1,936,899	897,746	233,723	504,451	562,892	1,289,667	10,454,723
2012	4,846,980	2,023,034	953,557	231,770	556,223	615,706	1,482,133	10,709,403
2013	5,033,507	4,813,162	987,317	244,639	564,318	658,987	1,424,210	13,726,140
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
2017	5,527,203	6,380,183	1,267,477	353,955	682,632	1,217,935	1,762,840	17,192,225

Source: *City records*

Table includes general fund and special revenue fund revenues.

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



City of Pooler, Georgia
Assessed and Actual Value of Taxable Property
Last Ten Calendar Years
(In thousands of dollars)

Calendar Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Utilities and Other Property</u>	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2017	1,075,670	2,689,174	221,228	553,070	9,846	24,615

Source: *Chatham County Board of Assessors - Consolidation and Evaluation of Digest*

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

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

Total		Ratio of Total	
Assessed	Estimated	Assessed to	Total
Value	Actual Value	Total	Direct Tax
		Estimated	Rate
Value		Value	
\$ 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
1,306,744	3,266,859	40.00%	3.849

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	
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	11.950	0.150	33.230
2014	4.179	15.881	11.543	0.100	32.703
2015	4.019	16.631	11.543	0.050	33.243
2016	3.909	16.631	11.543	-	32.083
2017	3.849	16.631	11.543	-	32.023

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

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

City of Pooler, Georgia
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
JCB USA, Inc	\$ 39,521,143	1	2.80%	\$ 31,062,588	1	3.63%
Rolls-Royce North America, Inc.	19,888,457	2	1.41%			
HASBRO, Inc.	19,704,936	3	1.39%			
KTR SAV LLC	17,707,284	4	1.25%			
WR Savannah Holdings LLC	15,802,179	5	1.12%			
Godley Station Apartments LP	14,434,297	6	1.02%	6,386,600	7	0.75%
West Plaza RE Holdings LLC	14,253,600	7	1.01%			
SG Carrington Square - Savannah LLC	13,845,966	8	0.98%			
Bassford N L Jr	13,284,600	9	0.94%			
Mid-America Apartments LO	13,200,000	10	0.93%			
Southwest Quadrant Holdings LLC				15,483,800	2	1.81%
Oakmont Morgan Center LLC				14,738,200	3	1.72%
Alta Towne Lake LLC				9,818,600	4	1.15%
Savannah Housing Partners II				9,351,200	5	1.09%
Sixteen West Savannah LLC				7,893,400	6	0.92%
Sams East Inc				5,322,000	8	0.62%
Southwest Quadrant				4,672,000	9	0.55%
Walmart, Inc. #2860				4,226,963	10	0.49%
Totals	<u>\$ 181,642,462</u>		<u>12.86%</u>	<u>\$ 108,955,351</u>		<u>12.72%</u>

Source: *Chatham County Board of Assessors*

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

Calendar Year ⁽¹⁾	Total Tax Levy (2)	Collected within the Calendar Year of the Levy		Collections for subsequent years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	903,379	3,863,412	100.00%
2011	3,884,879	3,468,972	89.29%	415,524	3,884,496	99.99%
2012	4,078,579	3,795,818	93.06%	282,378	4,078,196	99.99%
2013	4,045,424	3,787,968	93.64%	257,109	4,045,077	99.99%
2014	4,635,379	4,268,796	92.10%	366,400	4,635,196	100.00%
2015	4,500,446	4,249,105	95.37%	251,028	4,500,133	99.99%
2016	4,406,922	4,205,736	95.43%	197,003	4,402,739	99.91%
2017	4,632,186	4,438,103	95.81%	-	4,438,103	95.81%

Source: *City records*.

⁽¹⁾ Taxes are assessed for the calendar year beginning January 1.

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

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

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

Calendar Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	Contractual Obligations	Notes Payable	Capital Leases	GEFA Loans	Capital Leases			
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	-	1,595,095	17,429,466	15,940	21,590,501	3.67%	1,048
2013	1,300,000	-	1,939,646	16,393,731	3,239	19,636,616	2.95%	893
2014	-	-	2,507,343	17,471,382	309,575	20,288,300	2.92%	904
2015	-	18,475,000	2,119,180	19,199,460	250,851	40,044,491	5.79%	1,790
2016	-	17,425,000	4,671,616	19,236,116	190,573	41,523,305	4.67%	1,795
2017	-	16,375,000	4,112,572	23,089,084	128,700	43,705,356	4.79%	1,841

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

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

City of Pooler, Georgia
Ratios of Net General Bonded Debt Outstanding
Last Ten Calendar Years

<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>
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%	-
2017	-	-	-	0.00%	-

City of Pooler, Georgia

Direct and Overlapping Governmental Activities Debt

As of December 31, 2017

	Debt Outstanding	Estimated Percentage Applicable ^(a)	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005A.....	\$ 2,105,432	10.16%	\$ 213,912
DSA Union Mission Series 2009.....	1,775,000	10.16%	180,340
DSA Chatham County Projects Series 2014.....	8,230,000	10.16%	836,168
Mosquito Control.....	3,342,673	10.16%	339,616
Savannah-Chatham County School Board:			
General Obligation Bonded Debt.....	24,340,000	13.28%	3,232,352
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia.....	3,102,818	10.16%	315,246
Savannah-Chatham County School Board.....	17,295,032	13.28%	2,296,780
Subtotal, overlapping debt.....			7,414,414
City of Pooler direct debt.....			20,487,572
Total direct and overlapping debt.....			<u>\$ 27,901,986</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.

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

City of Pooler, Georgia
Legal Debt Margin Information
Last Ten Calendar Years

	2008	2009	2010	2011	2012
Total assessed value of taxable property.....	\$ 923,596,537	\$ 975,740,676	\$ 961,243,027	\$ 962,899,635	\$ 1,020,061,805
Less exemptions for bond purposes.....	9,872,720	10,149,718	-	-	-
Net assessed value for bond purposes.....	<u>\$ 913,723,817</u>	<u>\$ 965,590,958</u>	<u>\$ 961,243,027</u>	<u>\$ 962,899,635</u>	<u>\$ 1,020,061,805</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 91,372,382	\$ 96,559,096	\$ 96,124,303	\$ 96,289,964	\$ 102,006,181
Total net debt applicable to limit:					
General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 91,372,382</u>	<u>\$ 96,559,096</u>	<u>\$ 96,124,303</u>	<u>\$ 96,289,964</u>	<u>\$ 102,006,181</u>
Total net debt applicable to the limit as a percentage of debt limit.....	0.00%	0.00%	0.00%	0.00%	0.00%
	2013	2014	2015	2016	2017
Total assessed value of taxable property.....	\$ 1,070,346,277	\$ 1,173,748,812	\$ 1,218,092,282	\$ 1,234,404,655	\$ 1,306,743,145
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	<u>\$ 1,070,346,277</u>	<u>\$ 1,173,748,812</u>	<u>\$ 1,218,092,282</u>	<u>\$ 1,234,404,655</u>	<u>\$ 1,306,743,145</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 107,034,628	\$ 117,374,881	\$ 121,809,228	\$ 123,440,466	\$ 130,674,315
Total net debt applicable to limit:					
General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 107,034,628</u>	<u>\$ 117,374,881</u>	<u>\$ 121,809,228</u>	<u>\$ 123,440,466</u>	<u>\$ 130,674,315</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

Year	Population	Personal Income ⁽²⁾	Per Capita Personal Income ⁽¹⁾	Unemployment Rate ⁽³⁾
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%
2017	23,744	817,126,016	34,414	5.4%

Sources:

⁽¹⁾ www.city-data.com/city/Pooler-Georgia.html

⁽²⁾ www.bestplaces.net/economy/city/georgia/pooler

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

⁽³⁾ *State Department of Labor*

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
JCB, Inc.	440	1	6.84%	265	2	4.64%
Sam's Club	212	2	3.30%	467	1	8.17%
Wal-Mart	196	3	3.05%			
Publix Supermarket	182	4	2.83%	134	3	2.34%
Nordic Logistics & Warehousing	177	5	2.75%	113	7	1.98%
Jenkins Plumbing	140	6	2.18%	115	6	2.01%
Home Depot	130	7	2.02%			
Lowe's	104	8	1.62%	126	5	2.20%
The Place at Pooler	100	9	1.56%			
Cracker Barrel	84	10	1.31%	130	4	2.27%
William Bros. Lumber				110	8	1.92%
Piggly Wiggly, Inc.				97	9	1.70%
Longhorn Steakhouse				81	10	1.42%
Total	1,765		27.45%	1,638		28.66%

Source: City records

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

	2008	2009	2010	2011	2012
<u>Function/Program</u>					
General government.....	13	10	10	13	13
Public safety.....	55	63	69	70	72
Public works.....	40	35	28	24	23
Culture and recreation.....	10	8	13	11	11
Water and sewer services.....	23	26	19	21	17
Total.....	<u>141</u>	<u>142</u>	<u>139</u>	<u>139</u>	<u>136</u>

	2013	2014	2015	2016	2017
<u>Function/Program</u>					
General government.....	15	15	15	17	21
Public safety.....	90	101	109	112	114
Public works.....	23	30	27	21	27
Culture and recreation.....	11	11	15	20	23
Water and sewer services.....	20	16	25	26	21
Total.....	<u>159</u>	<u>173</u>	<u>191</u>	<u>196</u>	<u>206</u>

Source: *City Personnel Records*

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

	2008	2009	2010	2011	2012
Police:					
Arrests.....	415	641	601	845	987
Fire:					
Number of emergency calls.....	1,843	2,002	2,241	2,391	2,499
Inspections.....	- a	213	724	895	687
Public works:					
Street resurfacing (miles).....	1.820	0.700	-	1.000	1.940
Water:					
New connections.....	362	243	262	272	312
Average daily consumption (gallons).....	1,951,355	2,117,587	2,058,684	2,168,287	2,118,763
Sewer:					
New connections.....	361	243	262	272	312
Average daily sewage treatment (gallons).....	1,750,000	1,750,000	1,617,000	1,401,000	1,812,000

	2013	2014	2015	2016	2017
Police:					
Arrests.....	1,337	1,442	1,401	1,395	1,152
Fire:					
Number of emergency calls.....	2,569	3,005	3,421	3,846	3,982
Inspections.....	826	684	802	701	758
Public works:					
Street resurfacing (miles).....	1.290	-	4.730	0.840	1.870
Water:					
New connections.....	315	285	243	233	254
Average daily consumption (gallons).....	2,008,375	1,980,000	1,963,853	2,179,800	2,106,000
Sewer:					
New connections.....	315	293	243	219	240
Average daily sewage treatment (gallons).....	1,791,781	1,890,000	2,035,042	2,224,167	2,273,000

Sources: *City records*

^a In 2008 management used a contractor to preform inspections.

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

	2008	2009	2010	2011	2012
Police:					
Stations.....	1	1	1	1	1
Fire:					
Fire stations.....	2	2	2	2	2
Public works:					
Streets (miles).....	80	81	87	102	102
Traffic signals.....	3	5	7	8	8
Parks and recreation:					
Parks.....	5	5	5	5	5
Community centers.....	1	1	1	1	1
Water:					
Maximum daily capacity (gallons).....	3,900,000	3,900,000	3,697,000	3,697,000	3,697,000
Wastewater:					
Maximum daily treatment capacity (gallons)....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
	2013	2014	2015	2016	2017
Police:					
Stations.....	1	1	1	1	1
Fire:					
Fire stations.....	4	4	4	4	4
Public works:					
Streets (miles).....	102	103	105	105	105
Traffic signals.....	8	8	9	9	18
Parks and recreation:					
Parks.....	5	5	5	5	5
Community centers.....	1	1	1	1	1
Water:					
Maximum daily capacity (gallons).....	3,697,000	4,454,000	4,454,000	4,454,000	4,454,000
Wastewater:					
Maximum daily treatment capacity (gallons)....	2,500,000	2,500,000	2,500,000	2,500,000	3,500,000

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, 2017, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 29, 2018.

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
March 29, 2018