

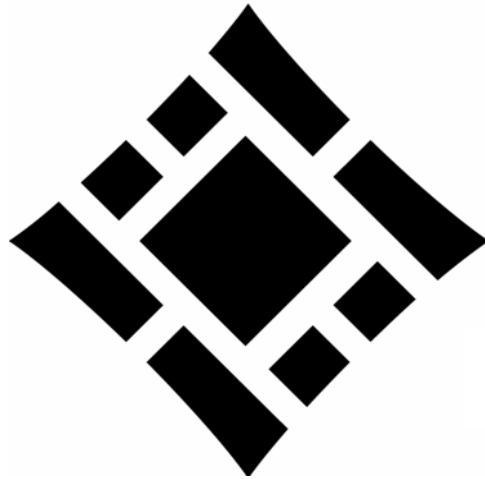
# Comprehensive Annual Financial Report

## Year Ended December 31, 2013

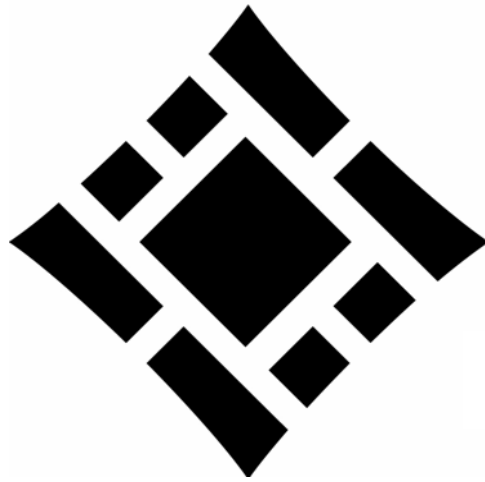




**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CITY OF SAVANNAH, GEORGIA  
YEAR ENDED DECEMBER 31, 2013**



**PREPARED BY:  
FINANCE DEPARTMENT  
May 19, 2014**



**CITY OF SAVANNAH, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2013**

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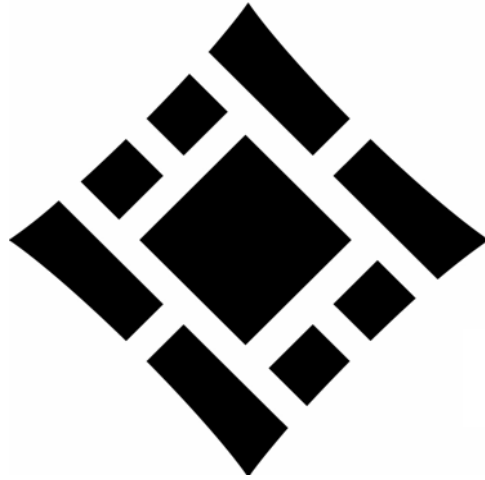
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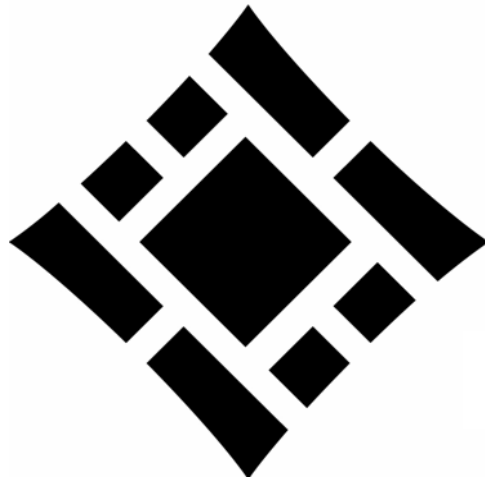
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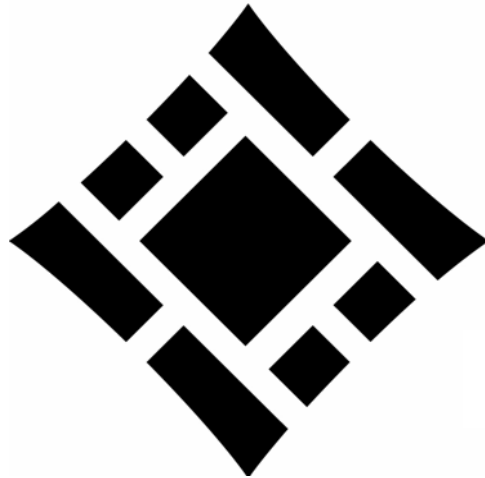






**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL  
PRINCIPAL OFFICIALS  
ORGANIZATION CHART  
CERTIFICATE OF ACHIEVEMENT





**CITY OF SAVANNAH – Office of the City Manager**

**P.O. Box 1027**

**Savannah, Georgia 31402**

(912) 651-6415 Fax (912) 238-0872

May 19, 2014

Honorable Mayor and Aldermen  
City of Savannah  
Savannah, Georgia

Dear Mayor and Council Members:

In accordance with state statutes and local charter provisions, we hereby submit the Comprehensive Annual Financial Report of the City of Savannah for the year ended December 31, 2013. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. 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 Savannah’s financial statements for the year ended December 31, 2013. The Independent Auditors’ Report is located at the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and auditors’ reports on the internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs is presented in a separate report which can be obtained from the Finance Department of the City.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the Independent Auditors’ Report.

***Profile of the Government***

The City of Savannah is Georgia’s oldest City and was established by British General James Oglethorpe in 1733. The City is situated approximately 20 miles inland from the mouth of the Savannah River and encompasses over 108 square miles. The City government serves a population of 136,285 and offers a wide variety of municipal services including police and fire protection; sanitation services; neighborhood services and code enforcement;

water and sewer utility; construction and maintenance of highways, streets and infrastructure; and, recreational and cultural events. The City of Savannah is empowered to levy a property tax on both real and personal property located within its boundaries.

The City of Savannah operates under the council-manager form of government and has done so since 1954. This organizational plan places legislative responsibility for municipal government in a City Council and gives administrative or executive authority to the City Manager. The Council, which consists of the Mayor and eight Aldermen, levies taxes, enacts ordinances, and adopts the annual budget as well as performing other legislative functions. Six Aldermen are elected by district and two are elected Citywide for four-year terms. The Mayor is elected directly for a four year term. The City Manager is appointed by the Mayor and Alderman to manage the government through the development, implementation, and execution of programs and policies established by the Council.

The financial reporting entity of the City includes all the funds of the City as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included as part of the City. Accordingly, Resource Recovery Development Authority (RRDA) is reported as an enterprise fund of the primary government.

Each December, the Council adopts the budget for the upcoming year in the form of an ordinance. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department and is closely monitored throughout the year. Additionally, expenditures, revenues and performance data are monitored in order to ensure the successful implementation of the City's service plan. As conditions change or circumstances are altered, the budget process allows for amendments.

### ***Local Economy***

The City of Savannah and surrounding areas enjoy a diversified local economic base. This economic base includes (i) major manufacturers of jet aircraft, paper products and chemicals, (ii) two large military installations, (iii) two major healthcare systems, (iv) 18 institutions of higher learning, and (v) the nation's largest landmark historic district. Unemployment within the region has been relatively low when compared to the national and state levels. As of December 2013, unemployment in the Savannah metropolitan area was 6.6% compared to 6.7% nationally and 7.4% for the State of Georgia as a whole.

Overall, six industry groups account for approximately three-quarters of the jobs in the Savannah area: educational and health services (16.0%), state and local government (14.9%), leisure and hospitality (13.4%), retail trade (11.4%), professional and business services (11.7%), and manufacturing (9.5%). The federal government is also a significant economic presence thanks to Fort Stewart and Hunter Army Airfield, which together provide employment to over 32,000 military and civilian personnel and have an annual financial impact of \$7.1 billion. Ft. Stewart is the largest military installation east of the Mississippi River and accounts for nearly three-fourths of the military employment in the area.

Tourism related numbers, as evidenced by hotel/motel related tax receipts, continued a strong rebound that began in 2010. After decreasing by 8% in 2009, hotel/motel tax collections have increased on average 8.8% per year over the past four years. Savannah was recently named "A Best City for Nightlife in the USA" by U.S. News & World Report and continues to be a destination of choice year round. As it did in 2012, the City again played host to the Rock & Roll Marathon race series. The race brought nearly 15,000 runners and visitors to the streets of Savannah and infused an estimated \$30 million into the local economy. It was also announced that the race series has been extended through 2016. Savannah's landmark historic district continues to be the number one tourist destination in Georgia with over 12 million visitors annually.

The Georgia Ports Authority (GPA) had another successful year in 2013 and helped to drive the local economy. The GPA operates the Port of Savannah, which is the fourth largest and fastest growing container port in the United States. This growth continued in 2013 as the Georgia Ports Authority marked record volumes in total tonnage, bulk cargo, total auto-machinery units, and freight moved by intermodal rail. For its FY 2013, the Port of Savannah handled more than 2.9 million TEUs (twenty foot equivalent units) in throughput – the highest volume in its history. Over the past five years, GPA has been working on a strategic expansion and modernization plan aimed at accommodating long-term growth in the Southeast. This plan, once completed, will allow the GPA to more than double the amount of cargo volume that it can handle through its facilities. The current effort to deepen Savannah's harbor will be key in accommodating the additional cargo brought to the port by the next generation of super-sized cargo carriers. The harbor deepening project would add six feet to the shipping channel's depth and also provide a boost to the local economy as the project is estimated to cost more than \$600 million by the time it is completed. Other port related improvements include the \$73 million Jimmy DeLoach Parkway extension, due to come online in December 2015, the recently completed Highway 307 overpass and the 6,000-foot rail extension at the Mason Intermodal Container Transfer Facility.

### ***Long-term Financial Planning***

As of December 31, 2013, unassigned fund balance in the general fund (18.35% of total general fund expenditures and transfers out) compares favorably to the policy guidelines set by the City for budgetary and planning purposes (i.e., between 15% and 20% of total general fund expenditures and transfers out). No draw on general fund reserves is planned in the 2014 budget. In addition to the unassigned fund balance in the general fund, the City also maintains a sales tax stabilization reserve. These reserves are funded from higher than anticipated local option sales tax revenues and are used to fund unbudgeted sales tax revenue deficits. As of the end of 2013, the sales tax stabilization reserves totaled \$5,501,000. A draw of \$4.4 million on these reserves is anticipated for 2014.

The adopted 2014 Budget conservatively assumed no growth in the total taxable value of property in the City and tentatively set a 2014 property tax of 12.48 mills, the same rate that was set for 2013. Since 1996, the property tax rate has been reduced 4.96 mills or 28%. Further decreases in the City's millage rate will be challenging to achieve in the near term as property values have been stagnant due to the recent deep economic recession. Additional pressure on the City's property tax rate will be exerted by the recently completed Local Option Sales Tax (LOST) negotiations. State law requires that cities and counties re-negotiate the allocation of LOST every ten years. In March 2013 Chatham County and the cities in the county completed the decennial negotiation for the LOST that will be effective for the nearly ten year period of April 2013 through December 2022. Savannah's share of the LOST which was 67.21% prior to April 2013 is set at 57% effective in January 2014 through 2022. In connection with this decline in LOST share, Savannah will be relieved of paying the County for housing municipal prisoners at the county jail. The impact of the change in the LOST share and reduced jail costs is projected to be a decline in net revenue of approximately \$4.8 million for 2014.

In addition to the annual operating budget, the City prepares a five year capital plan that is updated on an annual basis. The most recent plan update for years 2014 through 2018 identifies projects and funding that total \$181.8 million and includes major categories of water and sewer, public buildings, parks and recreation, community development, drainage, streets and traffic improvements. The General Fund is projected to contribute \$20.8 million or 11.4% of the funding for the five year plan. Year one of the five year plan, which was adopted by the mayor and council in November 2013, totals \$25.8 million in project funding. Major projects include police and fire station construction, landfill construction and infrastructure upgrades for storm drainage and water/sewer delivery and collection.

### ***Major Initiatives***

The City continues to focus its efforts in the six areas of priority identified by the mayor and council, which include public safety, health and environment, neighborhood vitality, economic growth/poverty reduction, culture and recreation and high performing government. The City's

commitment to public safety will continue to focus on crime reduction efforts to maintain historically low crime levels throughout the City. Facility enhancements will drive this effort with plans to complete the renovations of the police training facility and to continue planning for the relocation of the downtown precinct and the central precinct. Several new fire stations will be coming on board in the next 12 to 24 months in order to help the City's fire department maintain its current ISO2 rating. Construction of a new Bradley Pointe fire station is set to begin in 2014 and should be complemented by the replacement of a temporary station in the Sweetwater area.

Public development and revitalization continue to be important initiatives to the City. Their importance is evidenced by the City's commitment to revitalize the aging Savannah Gardens corridor located on the eastside of town. Through the end of 2013, the City had spent over \$10.5 million on the first phase of the redevelopment of this 44+ acre site that once contained 389 blighted rental properties. The City has provided infrastructure improvements and other assistance to this project that will culminate in a mixed-use neighborhood containing approximately 500 new mixed income housing units. Other community development efforts will be directed at Martin Luther King, Jr. Blvd., Montgomery Street, Waters Avenue and Augusta Avenue.

Park and recreation initiatives will focus on improving the City's existing facilities and also capitalizing on new opportunities. The City has earmarked \$20.4 million in total funding for construction of a new cultural arts center. This facility, once constructed, will provide a 500 seat community use theater, a 100 seat blackbox with equipment/workspace, classrooms, craft art studios and a media center. A location for this facility has been purchased at the intersection of Oglethorpe Avenue and MLK, Jr. Boulevard. The City is also in the planning phase for the new arena facility that was approved as part of the latest special purpose local option sales tax referendum. Once completed, this new facility will replace the City's existing arena and will better meet the requirements of touring shows and attract more shows with a larger variety of entertainment genres. It is also anticipated that the new arena will encourage capital investment, increase the tax base, improve job opportunities and increase tourism within the City.

### ***Other Information***

#### Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2012. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. 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 for consideration.

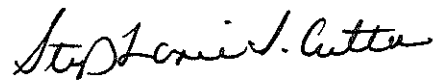
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2013 Service Program and Budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories including policy documentation, financial planning, and organization.

#### Acknowledgments

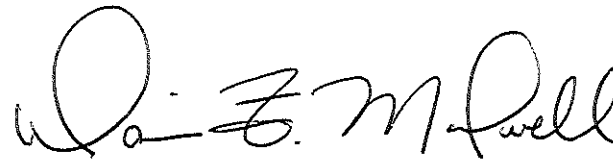
The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department, the Auditing Department, the Revenue Department, and the Research and Budget Department, as well as the independent auditors. We express appreciation to all staff members who contributed to its preparation.

In summary, the financial condition of the City entity is favorable. Our diversity of revenue sources, resistance to recessionary downturns, growing economic base, and professional conservative financial management with a strong propensity for planning, provide a firm foundation for maintaining our strong financial footing into the future.

Respectfully submitted,



Stephanie S. Cutter  
City Manager



David F. Maxwell  
Chief Financial Officer

**CITY OF SAVANNAH, GEORGIA  
PRINCIPAL OFFICIALS  
2013**

**ELECTED OFFICIALS**

**MAYOR**

Edna B. Jackson

**ALDERMEN**

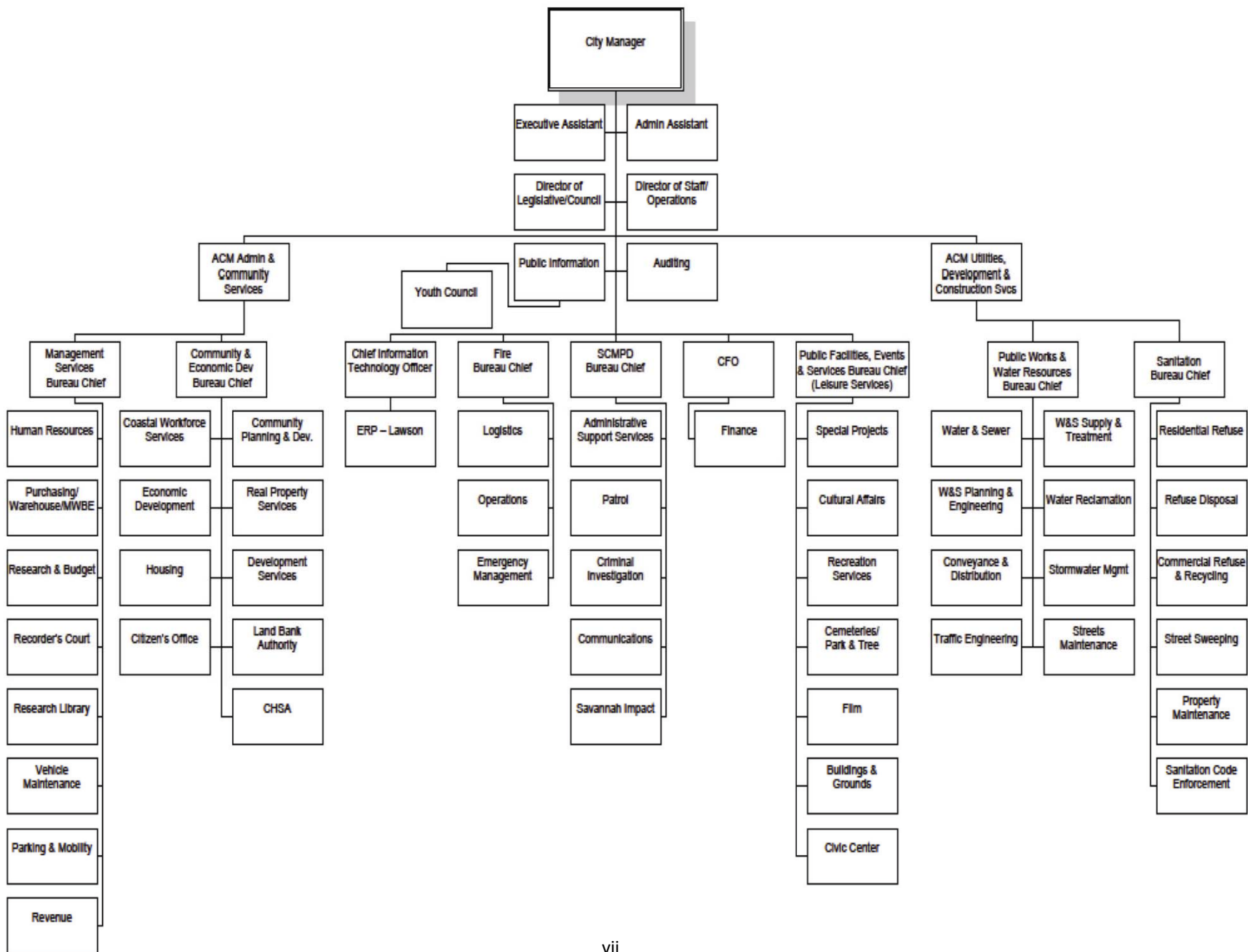
Carol Bell  
Van R. Johnson II  
John Hall  
Dr. Estella Edwards Shabazz

Tom Bordeaux  
Mary Osborne  
Mary Ellen Sprague  
Tony Thomas

**OTHER OFFICIALS**

Stephanie Cutter ..... City Manager  
Peter Shonka ..... Assistant City Manager  
David F. Maxwell..... Chief Financial Officer  
Melissa Carter ..... Budget Director  
Megan Duffy..... Auditing Director







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

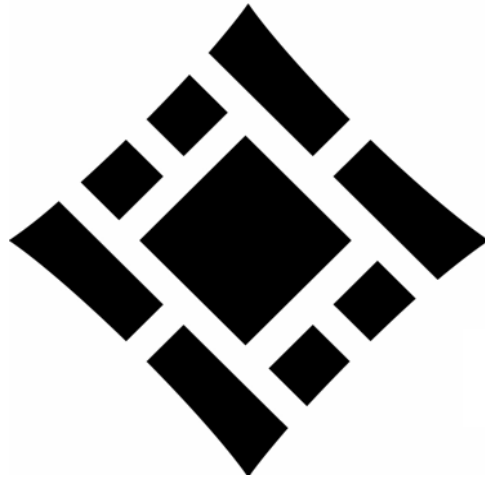
**City of Savannah  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan".

Executive Director/CEO



## **FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

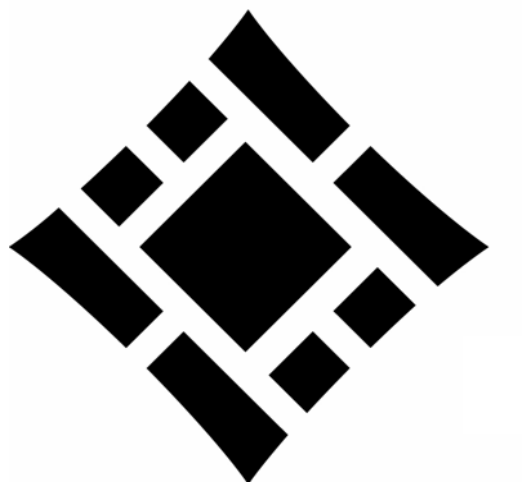
MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

- BUDGET AND ACTUAL SCHEDULES
- SCHEDULE OF FUNDING PROGRESS
- SCHEDULE OF EMPLOYER CONTRIBUTIONS
- SCHEDULE OF VALUATION DETAILS
- NOTES TO REQUIRED SUPPLEMENTARY INFORMATION





6600 ABERCORN STREET, Suite 200  
SAVANNAH, GEORGIA 31405  
(912) 232-0475

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Savannah, Georgia:

### **Report on the Financial Statements**

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

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

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

### **Auditors' 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 of 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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2013, and the

respective changes in financial position, and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the required supplementary information other than the management's discussion and analysis on pages 73 through 81 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's basic financial statements. The supplementary data, combining and individual nonmajor 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 and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and related 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 account and other records used to prepare the basic financial statements or to the basic financials 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, the combining and individual nonmajor fund financial statements and schedules are 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 have 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 them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2014, on our consideration of the City'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 the City's internal control over financial reporting and compliance.

*KRT CPAs, PC*

Savannah, Georgia  
May 19, 2014

## Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) section offers readers of the City of Savannah's financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i - v of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2013 by \$1,142,770,696 (net position). Of this amount, \$168,671,497 is unrestricted net position.
- The government's total net position increased by \$39,749,170 during 2013. Approximately 54.7% of this increase is attributable to governmental activities - operating and capital grants/contributions. The remaining 45.3% is attributable to business-type activities, primarily the water and sewer utility.
- As of the close of 2013, the City's governmental funds reported combined ending fund balances of \$169,823,574, an increase of \$24,247,274 for the year ended December 31, 2013. The increase is mostly attributable to the collection of intergovernmental revenues within the SPLOST 2009-2014 Fund.
- The unassigned fund balance for the general fund at the end of 2013 was \$31,765,800 or 18.3% of total general fund expenditures and transfers-out for that year. For the year ended December 31, 2013, the fund balance in the general fund increased \$383,691.
- The City's total long term liabilities experienced a net decrease of \$13,493,618 during the 2013 fiscal year. Of this amount, \$4,993,618 was recognized in the governmental activities and \$8,500,000 was recognized in the business-type activities. The decrease was attributable to scheduled debt service payments due in 2013 on previously outstanding borrowings and credit for contributions made to the City's OPEB Trust Fund.
- The City's Net OPEB Obligation at the end of 2013 was \$13,167,432 as compared to \$15,980,378 at the end of 2012. In 2013, the City contributed \$10,929,545 to the OPEB Trust Fund, which was 134.7% of the 2013 annual other post-employment benefits cost.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The "statement of net position" presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The "statement of activities" presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police, fire, facilities maintenance (i.e. public works type activities), leisure services, social and cultural activities, tourism enhancement and public development. The business-type activities of the City include the water and sewer utility, sanitation (i.e. solid waste collection and disposal), resource recovery, parking services, civic center, and golf course.

The Resource Recovery Development Authority for the City of Savannah, although legally separate, functions for all practical purposes as a component of the City, and therefore has been included as an integral part of the primary government. See the Notes to the Financial Statements Note 1 - Summary of Significant Accounting Policies (A) Reporting Entity for a discussion of other entities which are not considered part of the primary government.

The government-wide financial statements can be found on pages 14 - 15 of this report.

**Fund financial statements.** A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, community development fund, and the SPLOST 2009-2014 fund, which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund and the community development fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 16 -19 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, sanitation activities, resource recovery, parking services, civic center, and golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses internal service funds to account for a revolving fund (which includes vehicle maintenance and information services) and a risk management fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.



The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, sanitation operation, and parking services operation, each of which are considered to be major funds of the City. Data from the other three enterprise funds (which are non-major funds) is combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23 - 24 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 72 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees, progress in funding its obligation to provide post employment benefits to its retirees, and budgetary comparisons for the general fund and the community development fund. Required supplementary information can be found on pages 73 - 81 of this report.

The "combining statements" referred to earlier in connection with non-major governmental and enterprise funds, and internal service funds are presented immediately following the required supplementary information in the Supplemental Section. Combining and individual fund statements and schedules can be found on pages 82 - 109 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,142,770,696 at the close of the most recent fiscal year.

The following table provides a comparative summary of the City's net position for 2013 and 2012:

**City of Savannah -- Net Position (\$000)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$242,603	\$222,669	\$148,403	\$137,329	\$391,006	\$359,998
Capital assets	579,285	582,085	401,709	404,289	980,994	986,374
Total assets	<u>821,888</u>	<u>804,754</u>	<u>550,112</u>	<u>541,618</u>	<u>1,372,000</u>	<u>1,346,372</u>
Deferred outflows of resources			172	101	172	101
Total assets and deferred outflows of resources	<u>\$821,888</u>	<u>\$804,754</u>	<u>\$550,284</u>	<u>\$541,719</u>	<u>\$1,372,172</u>	<u>\$1,346,473</u>
Other liabilities	13,387	12,473	26,230	27,157	39,617	39,630
Long-term liabilities outstanding	64,429	69,421	120,571	129,072	185,000	198,493
Total liabilities	<u>77,816</u>	<u>81,894</u>	<u>146,801</u>	<u>156,229</u>	<u>224,617</u>	<u>238,123</u>
Deferred inflows of resources	4,785	5,328			4,785	5,328
Net position:						
Net investment in capital assets	564,426	564,537	282,641	276,219	847,067	840,756
Restricted	124,687	105,611	2,345	2,344	127,032	107,955
Unrestricted	<u>50,174</u>	<u>47,384</u>	<u>118,497</u>	<u>106,927</u>	<u>168,671</u>	<u>154,311</u>
Total net position	<u>739,287</u>	<u>717,532</u>	<u>403,483</u>	<u>385,490</u>	<u>1,142,770</u>	<u>1,103,022</u>
Total liabilities, deferred inflows of resources and net position	<u>\$821,888</u>	<u>\$804,754</u>	<u>\$550,284</u>	<u>\$541,719</u>	<u>\$1,372,172</u>	<u>\$1,346,473</u>

The largest portion of the City's net position (74.1% or \$847,066,967) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11.1% or \$127,032,232) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (14.8% or \$168,671,497) may be used to meet the government's ongoing obligations to citizens and creditors. However, much of this unrestricted balance is earmarked for future capital projects. As of the end of the 2013 fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

During the current fiscal year, the government's net position increased by \$39,749,170. About 54.7% of this increase is attributable to governmental activities mainly due to operating and capital grants/contributions received in 2013. The remaining increase (45.3%) is attributable to business-type activities, primarily the water and sewer utility. This increase is earmarked for funding capital projects in future years for the City's business-type activities.

The following table summarizes changes in net position for the years ended December 31, 2013 and 2012:

**City of Savannah - Changes in Net Position (\$000)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 38,516	\$ 40,087	\$ 103,185	\$ 100,238	\$ 141,701	\$ 140,325
Operating grants and contributions	9,439	11,867	63	71	9,502	11,938
Capital grants and contributions	37,677	35,836	942	530	38,619	36,366
General revenues:						
Property taxes	59,874	55,627			59,874	55,627
General sales taxes	36,115	42,623			36,115	42,623
Other taxes	46,658	45,347			46,658	45,347
Grants and contributions not restricted as to use	1,393	1,131			1,393	1,131
Other	2,087	2,443	483	565	2,570	3,008
Total revenues	<u>231,759</u>	<u>234,961</u>	<u>104,673</u>	<u>101,404</u>	<u>336,432</u>	<u>336,365</u>
Expenses (net of indirect costs):						
General administration and management	8,865	8,454			8,865	8,454
Facilities maintenance	39,905	36,408			39,905	36,408
Public safety	93,134	96,426			93,134	96,426
Leisure services, social and cultural	32,311	32,515			32,311	32,515
Public development	6,281	9,165			6,281	9,165
Community development and workforce training	14,890	16,290			14,890	16,290
Interest on long-term debt and capital leases	965	1,021			965	1,021
Water and sewer			53,493	53,240	53,493	53,240
Sanitation and solid waste disposal			23,584	23,257	23,584	23,257
Parking services			10,209	10,264	10,209	10,264
Civic center and golf course			3,756	3,138	3,756	3,138
Total expenses	<u>196,351</u>	<u>200,279</u>	<u>91,042</u>	<u>89,899</u>	<u>287,393</u>	<u>290,178</u>
Increase in net position before contributions and transfers	35,408	34,682	13,631	11,505	49,039	46,187
Contributions	240	212			240	212
Extraordinary items	(9,530)				(9,530)	
Transfers	(4,363)	(4,761)	4,363	4,761		
Change in net position	<u>21,755</u>	<u>30,133</u>	<u>17,994</u>	<u>16,266</u>	<u>39,749</u>	<u>46,399</u>
Net position - January 1	<u>717,532</u>	<u>687,399</u>	<u>385,489</u>	<u>369,223</u>	<u>1,103,021</u>	<u>1,056,622</u>
Net position - December 31	<u>\$ 739,287</u>	<u>\$ 717,532</u>	<u>\$ 403,483</u>	<u>\$ 385,489</u>	<u>\$ 1,142,770</u>	<u>\$ 1,103,021</u>

**Governmental activities.** Governmental activities increased the City's net position by \$21,755,234. Key elements of this increase are as follows:

- Capital grants and contributions were recognized in 2013 in the amount of \$37,676,749. Most of this revenue, \$29,313,441, was special purpose local option sales taxes received from Chatham County. An additional amount totaling \$1,778,066 was the value of infrastructure assets such as roads and bridges constructed by other governments and private developers, which were conveyed to the City during the year.
- Property taxes increased by \$4,246,845 (7.6%) during the year as compared to 2012. This increase resulted from increased collection efforts for current year taxes and delinquent receivables. In addition, first year collections of the newly enacted title ad valorem tax fee totaled \$3,306,164, which helped account for the increase.
- General sales tax revenues decreased in 2013 compared to the previous year by \$6,508,087 (15.3%). This decrease resulted from a lower percentage share for the City of the county-wide local option sales tax as a result of the recently completed sharing agreement. Additional decreases reflect the exclusion of vehicle sales from the local option sales tax, which resulted from a state law enacted in 2013.
- Selective sales tax revenues increased in 2013 by \$803,945 (4.2%) compared to 2012. This increase is mostly attributable to increased tourist traffic for the City in 2013 compared to 2012, which increased the hotel/motel revenues by \$689,278.

For 2013, overall governmental activity expenses decreased by \$3,927,370 (2.0%) as compared to 2012. The general administration and management activity increased \$409,512 in 2013. This increase was driven by increased costs for legal services (\$286,658), human resources (\$121,370) and treasury (\$64,265).

In 2013, the public safety activity, which includes police and fire protection, experienced a net decrease in expenses of \$3,291,046. Within the public safety activity, expenses for police services decreased by \$2,425,738 (3.6%) for 2013 as compared to 2012. In addition, expenses for fire protection services decreased by \$740,550 (2.8%) in 2013 as compared to 2012 and expenses for recorder's court were lower by \$124,758 (5.5%). Significant expense decreases in the public safety activity can be mainly attributed to a decrease in expenses for jail services (\$978,437), OPEB (\$1,056,822) and the police function of professional standards and training (\$311,154). Expenses increased in 2013 compared to 2012 in the police function of patrol and special operations by \$1,087,652.

The facilities maintenance activity, which includes maintenance of streets, drainage ways and public intersections, increased expenses by \$3,496,815 (9.6%) in 2013 compared to the prior year. Most of this increase (\$4,101,136) can be attributed to the inclusion of development services expenses within this activity for 2013. Development services expenses had previously been reported within the public development activity. The street maintenance function increased expenses by \$219,303 (4.8%) in 2013. Expense decreases occurred in stormwater management, which reduced expenses by \$126,958 or 2.4% and for OPEB, which was reduced by \$170,423 for 2013.

The leisure services, social and cultural activity expenses were virtually unchanged from 2012, decreasing by \$202,088 (0.6%) in 2013. Tourism enhancement expenses were lower by \$443,236 in 2013 and social and cultural expenses were higher in 2013 by \$236,464.

Expenses related to public development decreased in 2013 by \$2,884,384,678 (31.5%) compared to 2012. Most of this decrease can be attributed to the removal of the development services function from this activity for 2013. Specific increases in 2013 were experienced by the citizens' office, which increased \$43,994, the bureau chief's office, which increased \$293,260 and the entrepreneurial center, which increased \$166,556. Expense reductions related to public development were experienced in economic development (\$77,584), community services (\$38,831) and OPEB (\$36,618).

An extraordinary item for \$9,530,000 was recognized in 2013. This item resulted from the settlement of a lawsuit reached with a citizen who was injured by a falling tree limb.

**Business-type activities.** Business-type activities increased the City's net position by \$17,993,936. Key elements of this increase are as follows:

- Charges for services for business-type activities overall increased by \$2,945,593 or 2.9%. The water and sewer activity increased charges for services by \$2,496,718 or 4.1% in 2013 as compared to 2012. This increase is attributable to higher metered water and sewer revenues for both in-side the city and out-side the city utility customers. The sanitation activity increased charges for services by \$442,448 or 1.8%. This increase resulted from higher revenues for services provided to both residential and commercial collection and disposal customers. Parking facility charges for services decreased in 2013 by \$161,113 or 1.3% compared to 2012. This decrease resulted mainly from a decrease of \$457,513 or 18.2% in parking citation revenues.
- Capital grants and contributions, all of which were associated with the water and sewer activity, in the amount of \$942,341 were recognized in 2013. This amount represents the value of infrastructure such as water and sewer lines contributed by developers to the City during the year. In 2013, the amount of capital grants and contributions recognized was higher than the amount recognized in 2012 by \$412,196.

Overall, expenses for business-type activities increased in 2013 by \$1,141,641, or 1.3%. The majority of this increase was due to increased expenses in the civic center activity, which increased expenses by \$623,976 (20.1%) in 2013, compared to 2012. Within the civic center activity for 2013, expense increases were related to personal services (\$186,495), contractual services (\$140,749) and commodities (\$145,242). Within the water and sewer activity, 2013 expenses were higher by \$252,120 (0.5%) compared to 2012. In the sanitation activity, overall expenses were higher by \$325,910 for 2013 compared to 2012. Increases in the sanitation director function totaled \$159,192 (28.9%), residential refuse increased \$343,099 (4.4%) and commercial refuse rose by \$46,760 (2.9%). Overall expenses in the parking facilities activity was slightly lower in 2013 compared to 2012 by \$54,724 (0.5%).

### **Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Government funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2013 fiscal year, the City's governmental funds reported combined ending fund balances of \$169,823,574, an increase of \$24,247,274 for the year ended December 31, 2013. Approximately 18.7% of the fund balance (\$31,765,800) is classified as unassigned in the City's general fund. These funds are available for spending in future years without restrictions. The largest portion of fund balance, \$94,834,174 or 55.8% is classified as restricted. These balances are available for spending in future years but are restricted for specific purposes. Of the restricted amount reported at year end, \$75,676,797 is for SPLOST projects, \$15,282,948 is for tax allocation district projects, \$2,647,770 is for public safety purposes, \$927,191 is for debt service and \$299,468 is for economic development purposes. The City's committed fund balance at year end was \$37,652,250. Committed fund balances represent amounts that have been constrained by the mayor and council for specific purposes. As of December 31, 2013, committed fund balance consisted of \$35,532,703 for other capital projects, \$1,424,174 for property redevelopment and \$695,373 in open purchase orders. The final category of fund balance shown is nonspendable and consists of assets set aside for perpetual care of the City's cemeteries. Nonspendable fund balance at year end was \$5,571,350.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$31,765,800. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 18.3% of total general fund expenditures plus transfers-out.

The fund balance of the City's general fund increased in 2013 by \$383,691. Key factors in this increase are as follows:

- Property tax revenues increased by \$3,480,463 (6.1%) compared to the prior year. This increase in property tax revenues resulted mainly from increased collections of delinquent taxes and an improved collection rate for the current year levy compared to 2012.
- Revenues from inspection fees increased by \$275,244 (13.0%) compared to the prior year. The additional revenue was derived from increased permitting activity for commercial and residential construction.
- General sales tax revenues decreased \$6,508,087 (15.3%) in 2013 compared to the prior year. This decrease resulted from a lower City share of the county wide tax under the newly created sharing agreement with Chatham County. In addition, the tax base was reduced as a newly enacted state law exempted the purchase of vehicles from the tax.
- Business tax revenues were higher in 2013 by \$227,591 (3.1%) compared to 2012. This increase can be attributed to an increase in insurance premium taxes of \$239,823.

Overall total expenditures (and transfers out) of the general fund decreased \$2,611,551 (1.5%) for 2013 compared to the prior year. Significant increases in general fund expenditures were related to facilities maintenance \$4,018,917 (17.0%), leisure services \$473,023 (2.3%) and fire \$369,076 (1.5%). Significant decreases in general fund expenditures were related to police \$769,152 (1.3%) and public development \$2,533,131 (25.0%). General fund transfers out decreased a total of \$3,884,468 during 2013 compared to 2012. General fund transfers to the capital improvement fund decreased \$3,378,048 (36.2%). General fund transfers to the civic center fund increased \$371,410 (37.1%).

The community development fund is used by the City to account for the receipt and expenditure of federal grant program funds such as community development block grant funds, HOME program funds and several revolving loan programs. In 2013, this fund expended \$8,095,056 on the City's community development program and its administration. In addition, in 2013 the community development fund expended \$154,542 for debt service payments related to Section 108 loans owed by the City.

The City also maintains the SPLOST 2009-2014 fund, which is used to account for revenues and expenditures related to the special purpose local option sales tax referendum passed by local voters in 2006. The City began receiving tax revenues associated with this referendum in 2010. In 2013, the SPLOST 2009-2014 fund received \$28,813,441 in special purpose local option sales tax revenues and expended \$6,416,392 for the construction of capital projects. As of the end of 2013, the SPLOST 2009-2014 fund had a fund balance of \$47,498,891, all of which is required for projects specified within the authorizing referendum.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$100,505,672, which is an increase from the prior year of \$8,680,208. Though not restricted as such, this balance is earmarked for capital improvements needed for the water and sewer system in future years. Unrestricted sanitation fund net position at year end was a deficit of \$4,730,309, an increase from 2012 of \$471,579. Unrestricted parking services net position increased by \$2,655,797 for 2013 and ended the year with a balance of \$20,333,012. Unrestricted net position for the non-major enterprise funds at the end of 2013 was \$2,388,915, which is \$237,162 (9.0%) lower than the prior year end.

## General Fund Budgetary Highlights

The difference between the original budget appropriations and the final amended budget appropriation for expenditures and transfers out reflects an increase of \$2,451,563 which is 1.4%. Significant budget changes included an increase in the appropriation for transfers to the capital improvement fund of \$2,493,132, an increase in the appropriation for facilities maintenance expenditures of \$3,137,622 and an increase in the appropriation for fire expenditures of \$629,797. Significant budget decreases included amounts appropriated for management and financial services (reduced \$241,038), police (reduced \$1,974,816), and public development (reduced \$1,764,979). Overall for the general fund in 2013, actual expenditures and transfers out were below the final budget amount by \$4,123,939 or about 2.3%. Unfavorable budgetary variances between the final amended budget and actual results were experienced during 2013 in general administration (\$74,011 or 1.7%), management and financial services (\$15,572 or 0.2%), leisure services (\$96,177 or 0.5%) and public development (\$80,370 or 1.1%).

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of December 31, 2013, amounted to \$980,993,447 (net of accumulated depreciation). The investment in capital assets includes land; plants and buildings; improvements other than buildings; machinery, equipment and fixtures; streets and drainage; and construction in progress. The total net decrease in the value of the City's investment in capital assets for the current fiscal year was \$5,379,202 (a \$2,799,641 net decrease for governmental activities and a \$2,579,561 net decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Various governmental capital asset projects, including land purchases, with a total value of \$28,058,689 were completed or acquired during the year. The total value of governmental capital assets of all types still under construction at year end was \$97,794,275.
- A variety of street and drainage construction projects with a total value of \$9,710,818 were completed or acquired during the year. Machinery and other rolling stock valued at \$3,197,412 were placed into service during the year. Buildings and other improvements valued at \$9,186,735 were completed during the year.
- Various business-type plant capital asset projects, including land purchases, with a total value of \$10,654,223 were completed or acquired during the year. The total value of business-type capital assets of all types still under construction at year end was \$57,117,318.

The following table summarizes the City's governmental activity and business-type activity capital assets by major category as of the end of 2013 and 2012:

	City of Savannah - Capital Assets (\$000)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 68,769	\$ 62,805	\$ 7,896	\$ 7,896	\$ 76,665	\$ 70,701
Plants and Buildings	51,244	49,950	591,903	582,496	643,147	632,446
Improvements other than buildings	75,894	68,002	34,372	33,835	110,266	101,837
Machinery, equipment and fixtures	102,472	100,576	34,511	33,813	136,983	134,389
Streets and drainage	477,040	467,329			477,040	467,329
Construction in progress	97,794	104,780	57,117	54,669	154,911	159,449
Less accumulated depreciation	(293,929)	(271,358)	(324,091)	(308,421)	(618,020)	(579,779)
Total	<u>\$579,284</u>	<u>\$582,084</u>	<u>\$401,708</u>	<u>\$404,288</u>	<u>\$980,992</u>	<u>\$986,372</u>

Additional information on the City's capital assets can be found in Notes to the Financial Statements Note 5 - Capital Assets on pages 46 - 49 of this report.

**Long-term debt.** At the end of year 2013, the City had total bonded debt (excluding special assessment debt) outstanding of \$40,744,923 (net of unamortized premiums and discounts). In addition to bonded debt, the City also had outstanding notes of \$27,049,813, and contractual obligations that secured bonds issued by certain public authorities (which are not part of the City entity) totaling \$60,724,355. All three types of debt obligations totaled \$128,519,091. Of this amount, \$55,611,433 comprises debt backed by the full faith and credit of the City and \$72,907,658 represents bonds secured by specified revenue sources.

The following table summarizes outstanding debt of the City as of the end of 2013 and 2012:

**City of Savannah - Outstanding Debt (\$000)\*  
(General obligation bonds, notes, revenue bonds and contractual obligations)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue bonds	\$ -	\$ -	\$ 40,745	\$ 45,867	\$ 40,745	\$ 45,867
Contractual obligations	28,562	31,106	32,163	33,349	60,725	64,455
Notes	700	840	26,350	28,801	27,050	29,641
Total	<u>\$ 29,262</u>	<u>\$ 31,946</u>	<u>\$ 99,258</u>	<u>\$ 108,017</u>	<u>\$ 128,520</u>	<u>\$ 139,963</u>

\* Excluding special assessment debt.



As of the end of 2013, the City's total debt had decreased by \$11,296,477 (8.1%) when compared to the amount outstanding at the end of 2012. This decrease resulted from the City meeting regularly scheduled debt service payments during 2013. The City's general obligation credit rating is "AA+" by Standard & Poor's, and "Aa2" by Moody's. The credit rating assigned to water and sewer revenue debt of the City is "AA+" by Standard & Poor's, and "Aa2" by Moody's.

State statutes limit the amount of general obligation bonded debt a governmental entity may issue up to 10% of its total assessed valuation. The current debt limitation for the City is \$460,317,459. As of December 31, 2013 the City had no outstanding general obligation bonded debt.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements [Note 6 - Long-Term Liabilities](#) on pages 50 - 59 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Savannah MSA as of the end of 2013 was 6.6% compared to 8.0% as of the end of 2012. The unemployment rate for the Savannah MSA as of December 2013 was lower than that of the state of Georgia as a whole (7.4%). The national average as of December 2013 was 6.7%.
- The City's property tax digest has decreased in total value 8.1% over the past five years. The City's property tax digest value reached a peak in 2009 and declined in each of the years 2010-2012. During those years of decline, the average annual decrease was 3.2%. The City's property tax digest value increased in 2013, compared to 2012, by 1.49%.
- Hotel motel collections were the highest on record at the City and were 5.0% higher in 2013 compared to 2012.

All of these factors were considered in preparing the City of Savannah's budget for the 2014 fiscal year. The 2014 adopted budget is balanced and includes a tentative property tax millage rate of 12.48 mills, which is equivalent to the adopted millage for 2013.

Rates for water and sewer service for 2014 are increased from 2013. The base charges will remain the same; however, consumption charges will increase for the median inside City customer by \$1.50 per month, or 4.08%. The increase is necessary to fund anticipated increases in the operation and maintenance cost of the system and to fund the water and sewer system capital improvement/capital maintenance plan. Rates for the sanitation fund are also increased in 2013. The monthly cost of residential curbside pickup is increased \$1.50 per month for 2014, increasing to \$29.00 and the commercial disposal fee is increased from \$3.85/cy to \$4.00/cy, or 3.9%.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Savannah's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Savannah, Post Office Box 1027, Savannah, Georgia 31402.

CITY OF SAVANNAH, GEORGIA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and investments	\$ 86,292,259	\$ 126,611,790	\$ 212,904,049
Receivables (net)	30,942,855	14,963,194	45,906,049
Internal balances	(72,774)	72,774	
Inventories	934,210	91,825	1,026,035
Restricted assets:			
Cash and investments	96,783,623	6,578,528	103,362,151
Accounts receivable	132,320	84,916	217,236
Net pension asset	220,526		220,526
Notes receivable, due within one year	2,891,717		2,891,717
Notes receivable, long term	23,928,839		23,928,839
Property held for resale	550,025		550,025
Capital assets:			
Land and construction in progress	166,563,400	65,013,561	231,576,961
Other capital assets, net of depreciation	412,721,457	336,695,029	749,416,486
Total assets	<u>821,888,457</u>	<u>550,111,617</u>	<u>1,372,000,074</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts from refunding of debt		172,534	172,534
Total assets and deferred outflows of resources	<u>\$ 821,888,457</u>	<u>\$ 550,284,151</u>	<u>\$ 1,372,172,608</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 7,860,438	\$ 22,513,446	\$ 30,373,884
Interest payable	518,884	657,925	1,176,809
Payable from restricted assets:			
Deposits	3,655,410	2,722,305	6,377,715
Interest payable	5,429	82,583	88,012
Unexpended grant proceeds	1,347,675		1,347,675
Current portion of debt payable		252,917	252,917
Long-term liabilities:			
Due within one year	13,283,819	10,768,250	24,052,069
Due in more than one year	40,994,626	106,785,648	147,780,274
Net OPEB Obligation	10,149,787	3,017,645	13,167,432
Total liabilities	<u>77,816,068</u>	<u>146,800,719</u>	<u>224,616,787</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable program income	4,235,100		4,235,100
Unavailable property sale proceeds	550,025		550,025
Total deferred inflows of resources	<u>4,785,125</u>		<u>4,785,125</u>
<b>NET POSITION</b>			
Net investment in capital assets	564,425,883	282,641,084	847,066,967
Restricted for:			
Sales Tax Capital projects	75,676,797		75,676,797
Other Capital Projects	15,282,948		15,282,948
Community Development projects	24,287,992		24,287,992
HUD Section 108 projects	392,273		392,273
Nonexpendable perpetual care	5,672,885		5,672,885
Debt service	522,501	2,345,058	2,867,559
Public safety communications	2,150,656		2,150,656
Other grants	701,122		701,122
Unrestricted	50,174,207	118,497,290	168,671,497
Total net position	<u>739,287,264</u>	<u>403,483,432</u>	<u>1,142,770,696</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 821,888,457</u>	<u>\$ 550,284,151</u>	<u>\$ 1,372,172,608</u>

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

**CITY OF SAVANNAH, GEORGIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT COSTS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
General administration	\$ 4,496,852	\$ -	\$ -	\$ -	\$ -	\$ (4,496,852)		\$ (4,496,852)
Management and financial services	8,210,590	(3,843,233)	2,791,431	4,125		(1,571,801)		(1,571,801)
Facilities maintenance	39,904,750		852,644		36,869,477	(2,182,629)		(2,182,629)
Police	65,396,088		25,007,057	348,113		(40,040,918)		(40,040,918)
Recorder's court	2,159,489		2,689,823			530,334		530,334
Fire	25,559,090	19,641	385,874	70,248		(25,122,609)		(25,122,609)
Leisure services	21,692,384		874,321	351,673		(20,466,390)		(20,466,390)
Tourism enhancement	8,665,322		1,243,138			(7,422,184)		(7,422,184)
Social and cultural	1,954,496					(1,954,496)		(1,954,496)
Public development	6,280,594		2,896,083			(3,384,511)		(3,384,511)
Grant program and administration	5,317,518	108,509		4,819,739	807,272	200,984		200,984
Community development program and administration	9,155,979	308,446	1,775,521	3,844,947		(3,843,957)		(3,843,957)
Interest on long-term debt	958,881					(958,881)		(958,881)
Interest on capital leases	5,694					(5,694)		(5,694)
<b>Total governmental activities</b>	<b>199,757,727</b>	<b>(3,406,637)</b>	<b>38,515,892</b>	<b>9,438,845</b>	<b>37,676,749</b>	<b>(110,719,604)</b>		<b>(110,719,604)</b>
<b>Business-type activities:</b>								
Water and sewer	51,230,414	2,261,906	64,144,892	63,093	942,341		\$ 11,658,006	11,658,006
Sanitation	22,867,835	715,406	25,424,153				1,840,912	1,840,912
Parking facilities	9,874,437	334,920	11,964,355				1,754,998	1,754,998
Civic Center	3,629,046	94,405	1,650,678				(2,072,773)	(2,072,773)
Golf Course	32,962						(32,962)	(32,962)
Resource Recovery								
<b>Total business-type activities</b>	<b>87,634,694</b>	<b>3,406,637</b>	<b>103,184,078</b>	<b>63,093</b>	<b>942,341</b>		<b>13,148,181</b>	<b>13,148,181</b>
<b>Total</b>	<b>\$ 287,392,421</b>	<b>\$ -</b>	<b>\$ 141,699,970</b>	<b>\$ 9,501,938</b>	<b>\$ 38,619,090</b>	<b>(110,719,604)</b>	<b>13,148,181</b>	<b>(97,571,423)</b>
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property taxes						59,873,926		59,873,926
Intangible, transfer and franchise taxes						19,014,466		19,014,466
General sales taxes						36,115,270		36,115,270
Selective sales taxes						19,975,107		19,975,107
Business taxes						7,668,837		7,668,837
Penalties and interest on delinquent taxes						1,215,894		1,215,894
Grants and contributions not restricted to specific programs						1,392,873		1,392,873
Investment earnings, unrestricted						47,340	51,048	98,388
Gain on sale of capital assets						319,651	(1,076)	318,575
Miscellaneous revenue						503,720	433,059	936,779
Contributions to Cemetery Perpetual Care						240,478		240,478
Extraordinary items						(9,530,000)		(9,530,000)
Transfers						(4,362,724)	4,362,724	
<b>Total general revenues, contributions, and transfers</b>						<b>132,474,838</b>	<b>4,845,755</b>	<b>137,320,593</b>
Change in net position						21,755,234	17,993,936	39,749,170
<b>Net position, beginning</b>						<b>717,532,030</b>	<b>385,489,496</b>	<b>1,103,021,526</b>
<b>Net position, ending</b>						<b>\$ 739,287,264</b>	<b>\$ 403,483,432</b>	<b>\$ 1,142,770,696</b>

**CITY OF SAVANNAH, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	<u>GENERAL</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>SPLOST 2009-2014</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 54,372,843	\$ 515,507	\$ -	\$ 8,487,583	\$ 63,375,933
Receivables, net	16,093,292			1,434,584	17,527,876
Due from other funds	880,554			28,955,827	29,836,381
Due from other governments	6,688,765	1,419,637		1,607,471	9,715,873
Restricted assets:					
Cash and investments		126,961	46,172,439	50,484,223	96,783,623
Receivables, net				13,050	13,050
Special assessment receivable, net				119,623	119,623
Due from other governments			2,266,531		2,266,531
Notes receivable, long-term		26,727,751		92,805	26,820,556
Property held for resale	550,025				550,025
<b>Total assets</b>	<b><u>\$ 78,585,479</u></b>	<b><u>\$ 28,789,856</u></b>	<b><u>\$ 48,438,970</u></b>	<b><u>\$ 91,195,166</u></b>	<b><u>\$ 247,009,471</u></b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 2,519,278	\$ 194,943	\$ 940,079	\$ 1,284,531	\$ 4,938,831
Accrued liabilities	1,466,480				1,466,480
Due to other funds	28,955,827			953,328	29,909,155
Payable from restricted assets:					
Unexpended grant proceeds		1,143,667		204,008	1,347,675
Escrow deposits	3,528,449	126,961			3,655,410
<b>Total liabilities</b>	<b><u>36,470,034</u></b>	<b><u>1,465,571</u></b>	<b><u>940,079</u></b>	<b><u>2,441,867</u></b>	<b><u>41,317,551</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Deferred revenue - other					
Unavailable property taxes	7,157,358				7,157,358
Unavailable program income	522,715	27,324,285		313,963	28,160,963
Unavailable property sale proceeds	550,025				550,025
<b>Total deferred inflows of resources</b>	<b><u>8,230,098</u></b>	<b><u>27,324,285</u></b>		<b><u>313,963</u></b>	<b><u>35,868,346</u></b>
<b><u>FUND BALANCES</u></b>					
Nonspendable				5,571,350	5,571,350
Restricted			47,498,891	47,335,283	94,834,174
Committed	2,119,547			35,532,703	37,652,250
Unassigned	31,765,800				31,765,800
<b>Total fund balance</b>	<b><u>33,885,347</u></b>		<b><u>47,498,891</u></b>	<b><u>88,439,336</u></b>	<b><u>169,823,574</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 78,585,479</u></b>	<b><u>\$ 28,789,856</u></b>	<b><u>\$ 48,438,970</u></b>	<b><u>\$ 91,195,166</u></b>	<b><u>\$ 247,009,471</u></b>

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

**CITY OF SAVANNAH, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

Amounts reported for governmental activities on the Statement of Net Position (page 14) differs from the amount reported on the Balance Sheet for Governmental Funds because:

Total fund balances for Governmental Funds (page 16)	\$	169,823,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		556,040,646
Additional assets shown in governmental activities that are not shown in the funds due to differences in revenue recognition criteria		220,526
Other long-term assets are not available to pay for current-period expenditures and are not recognized as revenues at the fund level		31,083,221
Internal service funds are used by management to charge costs of fleet management, information services, engineering, real property services, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		37,295,152
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		<u>(55,175,855)</u>
Net position of governmental activities (page 14)	\$	<u><u>739,287,264</u></u>

**CITY OF SAVANNAH, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>GENERAL</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>SPLOST 2009-2014</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>					
Property taxes	\$ 60,693,447	\$ -	\$ -	\$ 281,695	\$ 60,975,142
Intangible, transfer and franchise taxes	19,014,466				19,014,466
General sales tax	36,115,270				36,115,270
Selective sales taxes	4,074,071			15,901,036	19,975,107
Business taxes	7,668,837				7,668,837
Penalties and interest on delinquent taxes	1,215,894				1,215,894
Licenses and permits	1,839,524				1,839,524
Inspection fees	2,399,426				2,399,426
Intergovernmental revenue	1,796,896	3,844,947	28,813,441	12,716,446	47,171,730
Charges for services	23,023,206	2,252,585		5,613,856	30,889,647
Indirect cost allocations	4,329,022				4,329,022
Special assessments				696	696
Fines and forfeitures	2,751,900				2,751,900
Investment income	4,301	248,366	1,780	33,456	287,903
Miscellaneous revenue	981,860	4,049		388,662	1,374,571
Total revenues	<u>165,908,120</u>	<u>6,349,947</u>	<u>28,815,221</u>	<u>34,935,847</u>	<u>236,009,135</u>
<b>EXPENDITURES:</b>					
Current:					
General administration	4,407,234				4,407,234
Management and financial services	7,695,351				7,695,351
Facilities maintenance	27,686,890				27,686,890
Police	60,645,804			6,038,257	66,684,061
Recorder's court	2,230,737				2,230,737
Fire	25,417,059			519,984	25,937,043
Leisure services	20,608,174				20,608,174
Tourism enhancement	1,819,335			6,850,943	8,670,278
Social and cultural	1,954,496				1,954,496
Public development	7,585,531				7,585,531
Grant program and administration				6,255,868	6,255,868
Community development program and administration	18,040	8,095,056			8,113,096
Debt Service:					
Principal		140,000		2,540,000	2,680,000
Interest and fiscal charges		14,542		976,599	991,141
Capital outlay				7,753,779	7,753,779
Capital outlay - SPLOST funded			6,416,392	2,804,152	9,220,544
Total expenditures	<u>160,068,651</u>	<u>8,249,598</u>	<u>6,416,392</u>	<u>33,739,582</u>	<u>208,474,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,839,469</u>	<u>(1,899,651)</u>	<u>22,398,829</u>	<u>1,196,265</u>	<u>27,534,912</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	7,605,715	1,899,651		9,366,029	18,871,395
Transfers out	<u>(13,061,493)</u>			<u>(9,097,540)</u>	<u>(22,159,033)</u>
Total other financing sources (uses)	<u>(5,455,778)</u>	<u>1,899,651</u>		<u>268,489</u>	<u>(3,287,638)</u>
Net change in fund balances	383,691		22,398,829	1,464,754	24,247,274
Fund balances, beginning of year	33,501,656		25,100,062	86,974,582	145,576,300
Fund balances, end of year	<u>\$ 33,885,347</u>	<u>\$ -</u>	<u>\$ 47,498,891</u>	<u>\$ 88,439,336</u>	<u>\$ 169,823,574</u>

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

**CITY OF SAVANNAH, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

Amounts reported for governmental activities in the Statement of Activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$ 24,247,274
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(191,292)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	1,778,066
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,217,585)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,684,559
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.	1,652,142
Internal service funds are used by management to charge costs of fleet management, information services, and risk management to individual funds.	3,016,770
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(9,214,700)</u>
Change in net position of governmental activities (page 15)	<u><u>\$ 21,755,234</u></u>

CITY OF SAVANNAH, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013

	ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 92,545,012	\$ 9,641,920	\$ 21,812,282	\$ 2,612,576	\$ 126,611,790	\$ 22,916,326
Receivables, net	11,284,190	3,665,432	4,197	9,375	14,963,194	1,432,222
Due from other funds				72,774	72,774	
Inventories	52,522			39,303	91,825	934,210
Total current assets	<u>103,881,724</u>	<u>13,307,352</u>	<u>21,816,479</u>	<u>2,734,028</u>	<u>141,739,583</u>	<u>25,282,758</u>
Noncurrent assets:						
Restricted assets:						
Cash and investments	4,939,178	1,092,891		546,459	6,578,528	
Accounts receivable				84,916	84,916	
Capital assets:						
Land	1,975,960	1,910,772	1,810,415	2,199,096	7,896,243	
Plant, buildings, stations, reservoirs, etc	486,741,894	195,269	87,270,738	17,695,046	591,902,947	2,479,758
Improvements, other than buildings		29,545,901	935,083	3,891,108	34,372,092	419,908
Machinery and equipment	7,514,619	21,030,550	3,430,175	1,524,127	33,499,471	69,571,674
Machinery and equipment under capital lease						2,440,982
Other capital assets				1,011,977	1,011,977	
Less accumulated depreciation	(240,698,532)	(39,177,969)	(23,995,253)	(20,219,704)	(324,091,458)	(51,668,111)
Construction in progress	49,991,352	2,723,817	740,874	3,661,275	57,117,318	
Total noncurrent assets	<u>310,464,471</u>	<u>17,321,231</u>	<u>70,192,032</u>	<u>10,394,300</u>	<u>408,372,034</u>	<u>23,244,211</u>
Total assets	<u>414,346,195</u>	<u>30,628,583</u>	<u>92,008,511</u>	<u>13,128,328</u>	<u>550,111,617</u>	<u>48,526,969</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amounts from refunding of debt	12,840	111,776	41,746	6,172	172,534	
Total assets and deferred outflows of resources	<u>\$ 414,359,035</u>	<u>\$ 30,740,359</u>	<u>\$ 92,050,257</u>	<u>\$ 13,134,500</u>	<u>\$ 550,284,151</u>	<u>\$ 48,526,969</u>
<b>LIABILITIES AND NET POSITION</b>						
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,380,149	\$ 169,272	\$ 20,780,207	\$ 183,818	\$ 22,513,446	\$ 1,455,126
Interest payable	100,891	80,892	476,089	53	657,925	
Current portion of contractual obligations			1,215,000	465,000	1,680,000	
Current portion of notes and bonds payable	5,344,148	2,695,000			8,039,148	
Current portion of compensated absences	552,765	324,890	105,859	65,588	1,049,102	190,793
Current portion of claims and judgments payable						4,696,841
Total current liabilities	<u>7,377,953</u>	<u>3,270,054</u>	<u>22,577,155</u>	<u>714,459</u>	<u>33,939,621</u>	<u>6,342,760</u>
Noncurrent liabilities:						
Payable from restricted assets:						
Customer deposits	2,090,930			631,375	2,722,305	
Interest payable	82,583				82,583	
Current portion of revenue bonds payable	252,917				252,917	
Contractual obligations			30,014,619	516,033	30,530,652	
Notes payable	23,787,748				23,787,748	
Revenue bonds payable, net of discount	19,937,723	15,201,817			35,139,540	
Compensated absences	628,615	699,650	71,203	106,145	1,505,613	186,164
Accrued landfill closure costs		15,822,095			15,822,095	
Claims and judgments						4,702,893
Net OPEB Obligation	1,374,017	941,762	601,317	100,549	3,017,645	
Total noncurrent liabilities	<u>48,154,533</u>	<u>32,665,324</u>	<u>30,687,139</u>	<u>1,354,102</u>	<u>112,861,098</u>	<u>4,889,057</u>
Total liabilities	<u>55,532,486</u>	<u>35,935,378</u>	<u>53,264,294</u>	<u>2,068,561</u>	<u>146,800,719</u>	<u>11,231,817</u>
NET POSITION						
Net investment in capital assets	255,975,819	(464,710)	18,452,951	8,677,024	282,641,084	23,244,211
Restricted for:						
Debt service	2,345,058				2,345,058	
Unrestricted	100,505,672	(4,730,309)	20,333,012	2,388,915	118,497,290	14,050,941
Total net position	<u>358,826,549</u>	<u>(5,195,019)</u>	<u>38,785,963</u>	<u>11,065,939</u>	<u>403,483,432</u>	<u>37,295,152</u>
Total liabilities and net position	<u>\$ 414,359,035</u>	<u>\$ 30,740,359</u>	<u>\$ 92,050,257</u>	<u>\$ 13,134,500</u>	<u>\$ 550,284,151</u>	<u>\$ 48,526,969</u>

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



**CITY OF SAVANNAH, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<b>ENTERPRISE FUNDS</b>				<b>TOTALS</b>	<b>INTERNAL SERVICE FUNDS</b>
	<b>WATER AND SEWER</b>	<b>SANITATION</b>	<b>PARKING SERVICES</b>	<b>NONMAJOR ENTERPRISE FUNDS</b>		
<b>OPERATING REVENUES:</b>						
Metered sales	\$ 53,855,197	\$ -	\$ -	\$ -	\$ 53,855,197	\$ -
Charges for services	10,096,474	25,424,153			35,520,627	19,298,610
Rental fees	256,314		11,964,355	1,178,867	13,399,536	
Recreation fees				471,811	471,811	
Risk management fees						27,956,731
Miscellaneous	115,458	205,127	112,474		433,059	
Total operating revenues	<u>64,323,443</u>	<u>25,629,280</u>	<u>12,076,829</u>	<u>1,650,678</u>	<u>103,680,230</u>	<u>47,255,341</u>
<b>OPERATING EXPENSES:</b>						
Personal services	16,738,829	11,270,796	3,279,817	1,735,036	33,024,478	
Contractual services	12,737,002	4,348,123	2,716,452	996,654	20,798,231	
Commodities	5,145,712	1,668,977	197,972	245,346	7,258,007	
Internal service	5,016,508	3,268,348	787,225	373,826	9,445,907	
Landfill closure and post closure care		1,009,238			1,009,238	
Depreciation	12,453,080	1,189,736	1,669,733	366,322	15,678,871	6,734,822
Central garage						4,961,983
Information services						5,650,362
Risk management						36,421,404
Total operating expenses	<u>52,091,131</u>	<u>22,755,218</u>	<u>8,651,199</u>	<u>3,717,184</u>	<u>87,214,732</u>	<u>53,768,571</u>
<b>Operating Income (Loss)</b>	<u>12,232,312</u>	<u>2,874,062</u>	<u>3,425,630</u>	<u>(2,066,506)</u>	<u>16,465,498</u>	<u>(6,513,230)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Interest earned	44,037	6,918		93	51,048	14,023
Interest expense	(1,411,222)	(624,698)	(1,403,798)	(15,424)	(3,455,142)	(5,694)
Gain (loss) on disposal of assets	(1,076)				(1,076)	259,524
Debt issuance costs		(179,468)	(114,475)	(16,770)	(310,713)	
Amortization	10,033	(23,857)	(39,885)	(7,035)	(60,744)	
Total nonoperating revenues (expenses)	<u>(1,358,228)</u>	<u>(821,105)</u>	<u>(1,558,158)</u>	<u>(39,136)</u>	<u>(3,776,627)</u>	<u>267,853</u>
Income (loss) before contributions and transfers	10,874,084	2,052,957	1,867,472	(2,105,642)	12,688,871	(6,245,377)
<b>CAPITAL CONTRIBUTIONS</b>	1,231,128		837,263		2,068,391	
<b>TRANSFERS IN</b>		422,038		2,818,153	3,240,191	47,447
<b>TRANSFERS OUT</b>	<u>(3,517)</u>				<u>(3,517)</u>	
Change in net position	12,101,695	2,474,995	2,704,735	712,511	17,993,936	(6,197,930)
Total net position - beginning	<u>346,724,854</u>	<u>(7,670,014)</u>	<u>36,081,228</u>	<u>10,353,428</u>	<u>385,489,496</u>	<u>43,493,082</u>
Total net position - ending	<u>\$ 358,826,549</u>	<u>\$ (5,195,019)</u>	<u>\$ 38,785,963</u>	<u>\$ 11,065,939</u>	<u>\$ 403,483,432</u>	<u>\$ 37,295,152</u>

**CITY OF SAVANNAH, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	ENTERPRISE FUNDS					
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 62,853,523	\$ 18,622,573	\$ 11,543,136	\$ 1,434,885	\$ 94,454,117	\$ -
Cash received from other funds for services	564,502	6,717,382	535,094		7,816,978	19,296,982
Customer deposits received	824,520				824,520	
Customer deposits returned	(751,270)				(751,270)	
Cash received for services and fees						27,730,022
Cash paid to suppliers	(18,709,030)	(6,510,978)	(2,865,694)	(1,176,928)	(29,262,630)	(10,653,253)
Cash paid to other funds for services	(5,016,508)	(3,268,348)	(787,225)	(373,826)	(9,445,907)	
Cash paid to employees	(16,738,829)	(11,270,796)	(3,279,817)	(1,735,036)	(33,024,478)	
Cash paid for supplies and insurance						(36,256,067)
Net cash provided (used) by operating activities	<u>23,026,908</u>	<u>4,289,833</u>	<u>5,145,494</u>	<u>(1,850,905)</u>	<u>30,611,330</u>	<u>117,684</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>						
Repayment of due to (from) other funds	-			(8,798)	(8,798)	
Bond proceeds used to refinance debt	-	12,950,000	6,485,000		19,435,000	
Issuance costs, premiums and discounts on issuance of bonds	-	495,529	81,201		576,730	
Other nonoperating revenues	63,093				63,093	
Transfers in		422,038		2,818,153	3,240,191	47,447
Transfer out	(3,517)	-		-	(3,517)	
Net cash provided (used) by non capital financing activities	<u>59,576</u>	<u>13,867,567</u>	<u>6,566,201</u>	<u>2,809,355</u>	<u>23,302,699</u>	<u>47,447</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Principal paid on long-term debt	(5,441,722)	(15,770,000)	(7,495,000)	(1,400,000)	(30,106,722)	(395,385)
Interest paid	(1,430,192)	(836,944)	(1,520,339)	(36,293)	(3,823,768)	(17,081)
Proceeds from sale of equipment	4,427				4,427	289,476
Acquisition and construction of capital assets	(8,880,724)	(884,200)	(265,086)	(1,006,416)	(11,036,426)	(2,378,356)
Net cash provided (used) by capital and related financing activities	<u>(15,748,211)</u>	<u>(17,491,144)</u>	<u>(9,280,425)</u>	<u>(2,442,709)</u>	<u>(44,962,489)</u>	<u>(2,501,346)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income	44,037	6,918	-	93	51,048	14,023
Net cash provided by investing activities	<u>44,037</u>	<u>6,918</u>	<u>-</u>	<u>93</u>	<u>51,048</u>	<u>14,023</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,382,310	673,174	2,431,270	(1,484,166)	9,002,588	(2,322,192)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$6,698,870 IN 2012)	90,101,880	10,061,637	19,381,012	3,678,938	123,223,467	25,238,518
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$6,578,528 IN 2013)	<u>\$ 97,484,190</u>	<u>\$ 10,734,811</u>	<u>\$ 21,812,282</u>	<u>\$ 2,194,772</u>	<u>\$ 132,226,055</u>	<u>\$ 22,916,326</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 12,169,219	\$ 2,874,062	\$ 3,425,630	\$ (2,066,506)	\$ 16,402,405	\$ (6,513,230)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	12,453,080	1,189,736	1,669,733	366,322	15,678,871	6,734,822
Change in assets and liabilities:						
(Increase) decrease in receivables	(769,075)	(289,325)	1,401	(50,428)	(1,107,427)	(228,337)
(Increase) decrease in prepaid items and inventories	(3,257)			12,769	9,512	(49,193)
Increase (decrease) in accounts and other payables	(823,059)	515,360	48,730	(113,062)	(372,031)	173,622
Net cash provided (used) by operating activities	<u>\$ 23,026,908</u>	<u>\$ 4,289,833</u>	<u>\$ 5,145,494</u>	<u>\$ (1,850,905)</u>	<u>\$ 30,611,330</u>	<u>\$ 117,684</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>						
Contributions of capital assets from developers/other entities	\$ 942,341	\$ -	\$ -	\$ -	\$ 942,341	\$ -
Contributions of capital assets from government	288,787		837,263		1,126,050	

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

**CITY OF SAVANNAH, GEORGIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2013**

	<b>PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS</b>	<b>AGENCY FUNDS</b>	
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 51,054,385	\$ 217,787	
Accrued income	796,674		
Accounts receivable:			
From employer	15,623		
From participants	47,929	38	
Investments, at fair value:			
U.S. government obligations	49,445,558		
Foreign corporate bonds	3,310,844		
Corporate bonds	17,874,586		
Domestic stocks	132,245,943		
Domestic stock fund	37,095,741		
Foreign stocks	4,357,123		
International stock fund	35,935,048		
Real estate fund	29,101,169		
Total investments	309,366,012		
Total assets	361,280,623	\$ 217,825	
<b><u>LIABILITIES AND NET POSITION</u></b>			
Liabilities:			
Payable from restricted assets:			
Accounts payable	\$ 298,648	\$ 48,507	
Employee benefits payable		68,570	
Benefit plan surplus		100,748	
Total liabilities	298,648	\$ 217,825	
Net position:			
Held in trust for:			
Pension benefits	314,387,972		
OPEB	46,594,003		
Total net position	\$ 360,981,975		

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

**CITY OF SAVANNAH, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<b>PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 22,563,596
Plan members	9,013,696
Total contributions	<u>31,577,292</u>
Investment income	
Interest	1,861,252
Dividends	2,692,696
Real estate net income	2,561,915
Net appreciation (depreciation) in fair value of investments	<u>44,909,681</u>
Total investment income	52,025,544
Less investment expense	<u>923,325</u>
Net investment income (loss)	<u>51,102,219</u>
Total additions	<u>82,679,511</u>
<b>DEDUCTIONS</b>	
Benefits	27,549,218
Refunds of contributions	1,529,626
Administrative expense	<u>396,207</u>
Total deductions	<u>29,475,051</u>
Change in net position	53,204,460
Net position:	
Beginning of year - January 1	<u>307,777,515</u>
End of year - December 31	<u>\$ 360,981,975</u>

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

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Savannah, incorporated in 1789, operates under a Council-Manager form of government. The City's major functions include police protection, fire protection, sanitation services, economic development programs, recreation programs, water and sewer services, and street, traffic and drainage maintenance.

The accompanying financial statements report on the financial activity for the City of Savannah, Georgia for the year ended December 31, 2013. They include all the activities controlled by the City Council of Savannah, Georgia. The financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) as applied to government units. This summary of the City of Savannah's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented herein, should be viewed as an integral part of the accompanying financial statements.

**(A) Reporting Entity**

In June, 1992, the Governmental Accounting Standards Board issued Statement No. 14, "The Financial Reporting Entity." In accordance with this Statement, the City herein presents those entities that comprise the primary government along with its component units, entities for which the City is considered to be financially accountable. The City's reporting entity consists of the City of Savannah and the Resource Recovery Development Authority.

Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City of Savannah. The Resource Recovery Development Authority ("Authority") is a blended component unit of the City of Savannah. The Authority is controlled and managed by a board of five members appointed by the Mayor and Alderman of the City. Under the Resource Recovery Development Authorities Law, Chapter 63 of Title 36 of the Official Code of Georgia Annotated, the Authority is empowered to issue revenue bonds. The revenue bonds are secured by a Waste Disposal Contract between the City and the Authority. This contract constitutes a legal obligation of the City. The Authority has a December 31 year-end and is presented as a blended component unit classified as an enterprise fund. A separate financial report has not been issued for the Authority.

Discretely presented component units, on the other hand, are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. They are reported in a separate column in the basic financial statements to emphasize that they are legally separate. The City has no discretely presented component units.

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission (CRC), and is required to pay annual dues thereto. Membership in a CRC is required by the Official Code of Georgia Annotated

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(OCGA) Section 50-8-34, which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from:

Coastal Regional Commission of Georgia  
1181 Coastal Drive  
Darien, GA 31305

The Downtown Savannah Authority (DSA) is composed of a board of six members selected by the City Council, and one non-voting member selected by the City's delegation in the Georgia General Assembly. The City's accountability for the DSA does not extend beyond making the appointments, and, accordingly, the DSA is not considered a part of the City entity for financial reporting purposes. The City has contractual obligations with the DSA relating to various bond issues which funded capital projects of the City. Under the contracts, the City is obligated to make payments sufficient to pay principal and interest on the bonds when due. These contractual obligations are described in Note 6 - Long-Term Liabilities.

Two other local development authorities, the Development Authority for the City of Savannah and the Downtown Development Authority for the City of Savannah, currently exist; however, these authorities are not active.

The Housing Authority of Savannah, created by an act of the Georgia legislature, is not a part of the City's reporting entity. While the Mayor of Savannah appoints a voting majority of commissioners for the Housing Authority of Savannah, the commissioners can not be city or county employees or officers. Thus, the City can not impose its will on the Housing Authority, nor does the City provide financial support to the Housing Authority as the Authority derives its revenues from federal funds and resident rents.

The Savannah Airport Commission was established to administer the improvement, maintenance and operation of the Savannah Airport and to provide services to airlines and airline-related businesses in the area. The commission is a municipal corporation created under the Savannah City Code and governed by five members who are appointed by the Mayor and Aldermen of the City of Savannah. The City has no other participation in the operation of the Commission. Accordingly, the commission has not been included in the reporting entity. A discussion of the City's conduit debt obligations in regards to the City of Savannah, Georgia Airport Refunding Bonds can be found in Note 15 – Conduit Debt Obligations.

**(B) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus. However, in the fund financial statements, the measurement focus differs by fund types:

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present sources/increases (i.e., revenues and other financing sources) and uses/decreases (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- All proprietary funds utilize a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet using this measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flow. Proprietary fund equity is classified as net position. Proprietary Fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.
- All trust funds utilize the flow of economic resources measurement focus. Agency funds are not involved in the measurement of results of operations so no measurement focus is applied to agency funds.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized as soon as they are earned, and expenses are recognized when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they become "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 30 days after year end and available to pay obligations of the current period. Franchise fees are considered available if collectible within 90 days after year end. Revenues considered susceptible to accrual are franchise taxes, sales taxes, property taxes, charges for services, grants, and investment income. In applying the "susceptible to accrual" concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as deferred outflows of resources by the provider and a liability by the recipient. Expenditures, including capital outlay, are recognized in the accounting period in which the related fund liability is incurred, except for unmatured interest on long-term debt and certain similar accrued obligations, which are recognized when due.

All proprietary and fiduciary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred or the economic asset used.

Differences exist between the governmental activities columns reported in the government-wide statements and the corresponding total columns reported in the fund financial statements. The differences are the result of the use of the two different measurement focuses between these statements.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As stated above, the government-wide statements present governmental activities on the economic resources measurement focus while the fund financial statements present governmental funds on the current financial resources measurement focus. Additional detailed information about the reconciling items can be found in Note 2 – Reconciliation of Government-wide and Fund Financial Statements.

**(C) Basis of Presentation**

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Statement of Activities shows an allocation of indirect expenses to different functions of the City. These expenses are allocated based upon different allocation criteria within the function such as square footage, number of FTEs, etc. and strive to approximate the value of indirect services being provided to the functions.

Fund Financial Statements – Fund financial statements reflect the activities of the City's individual funds. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (General fund) or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City exclusively follows the standards set forth by the GASB and has implemented accounting standards as set forth through GASB statement number 66.

As a general rule, the effects of internal activity have been eliminated from the government-wide statements. Amounts charged through the City's indirect cost allocation plan are broken out in a separate column on the Statement of Activities. Where internal activity is representative of an interfund service provided and used, no elimination has been made. Internal activities have not been eliminated from the fund financial statements.

Program revenues are derived directly from a particular program or from parties outside the City's taxpayers or citizenry. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. All taxes are included in general revenues.

In proprietary funds, operating revenues and expenses result from the provision of goods and/or services as well as the production and delivery of goods and/or services. Nonoperating revenues and expenses would include all revenues and expenses related to capital and related financing and contributions, noncapital financing, taxes, or investment activities.

**(D) Columnar Headings and Description of Funds**

The City uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds shown in the basic financial statements are described below:

(1) Major Governmental Funds

The City's major governmental funds are the General Fund, the Community Development Fund and the SPLOST 2009-2014 Fund.

(a) General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources not accounted for in other funds.

(b) Community Development Fund - The Community Development Fund accounts for revenues received from the Department of Housing and Urban Development under the Community Development Block Grant Program. All revenues received by this fund are used in implementing the Community Development program.

(d) SPLOST 2009 – 2014 Fund – This fund accounts for special purpose local option sales tax resources provided to the City by Chatham County in accordance with a 2006 Special Purpose Local Option Sales Tax referendum, which was passed on a county-wide basis. The current SPLOST commenced on October 1, 2008 and will expire on September 30, 2014. These funds are used by the City to design and construct major capital improvements that will benefit the entire county. Projects include streets, drainage improvements, public buildings and other community development.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(2) Major Proprietary Funds

The major Proprietary funds of the City are the Water and Sewer fund, the Sanitation fund, and the Parking Services Fund.

- (a) Water and Sewer Fund - The Water and Sewer Fund accounts for the operations of the water and sewer systems of the City and includes the operations of the Industrial and Domestic Water Supply Fund. The system supplies water and sewer service to area residents and to industrial and commercial users along the Savannah River.
- (b) Sanitation Fund - The Sanitation Fund accounts for the operation of the sanitation bureau of the City. The bureau supplies refuse pick-up service to commercial and residential customers in the area.
- (c) Parking Services – The Parking Services Fund accounts for the operation of the Parking Services Department of the City. The Department supplies public parking facilities such as garages and also on street parking meter enforcement.

(3) Other Reported Fund Types

- (a) Internal Service Funds – The Internal Service Funds account for goods and services, provided by one department to other departments on a cost-reimbursement basis. In addition, certain services are supplied to outside agencies for a fee; however, City departments are the predominant customers. The City accounts for its data processing, vehicle maintenance, and risk management functions in internal service funds.
- (b) Fiduciary Funds – The Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for others. The pension trust funds account for the assets and liabilities of the City of Savannah Employees' Retirement Plan and the City's Old Pension Trust Fund. The OPEB Trust Fund accounts for the assets and liabilities of the City of Savannah Employees' Post-Employment Benefits Plan. The agency funds report: 1) the Recorder's Court Fund, used to account for bail bonds posted in Recorder's Court as well as various fines and forfeitures of other governmental agencies and, 2) the Flexible Benefits Plan Fund, which accounts for the Section 125 Flexible Benefits Plan administered by the City for its employees.

The City has other funds that are not considered major. They are described in the supplementary information.

(E) Cash and Cash Equivalents

Cash, except for that which must remain segregated due to bond restrictions or federal regulations, is pooled and invested. Interest earned by the pooled cash is allocated to each of the funds based on each fund's average equity balance during the month. Funds that incur a negative balance in the pooled cash during the month are charged for interest. Investments are stated at fair value based on quoted market prices.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City considers currency-on-hand, demand deposits with banks, amounts included in pooled cash and investment accounts to be cash and cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they mature in three months or less.

For the purpose of the proprietary fund Statement of Cash Flows, all short-term investments that are highly liquid are considered to be cash equivalents.

**(F) Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are shown net of related allowance accounts. Allowances for uncollectible accounts are based upon an aging of the receivable balance. Major receivable balances for the governmental activities include property taxes, sales taxes, franchise fees and grants. Within business-type activities, the largest portion of the receivables results from water and sewer billing activity.

**(G) Interfund Receivables and Payables**

During the course of operations, transactions may occur between individual funds that result in amounts owed between funds. Activity that is representative of lending/borrowing arrangements outstanding at the end of the fiscal period is referred to as either "due to/from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (non-current portion) are reported as "advances to/from other funds." Interfund receivables and payables between the same fund type, i.e. within governmental activities or within business-type activities, are eliminated on the Statement of Net Position. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

**(H) Inventories**

Inventories are determined by actual physical count and are stated at cost determined on a first-in, first-out method. The cost of inventory items is charged to expense when used.

**(I) Prepaid Items**

Prepaid items represent payments that the City has made for services in anticipation of future period expenses.

**(J) Restricted Assets & Flow Assumption for Restricted Resources**

Restricted asset amounts shown on the Statement of Net Position are separated from other assets because of contractual agreements, legislative provisions or bond covenants limiting their use. The restricted assets shown originate from a variety of sources including i) customer deposits, ii) escrow deposits, iii) resources set aside by legislation for SPLOST (special purpose local option sales tax) projects or public safety communication

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

projects, iv) resources set aside under grant agreements, v) street paving assessments receivables, the collection of which is used to pay debt service on paving assessment bonds, and vi) resources held for perpetual care. Also, certain proceeds of enterprise fund revenue bonds as well as resources set aside for their repayment are shown as restricted.

When both restricted and unrestricted assets are available for certain uses, the City follows the policy of utilizing restricted resources prior to applying unrestricted resources.

**(K) Net Pension Asset**

The Net Pension Asset represents the cumulative difference between annual pension cost and the City's contributions to the plan. An asset reflects that the City has contributed amounts in excess of the annual pension cost.

**(L) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads, bridges and sidewalks) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial cost of \$5,000 or more, and an estimated life of more than one year. Capital assets have been recorded at cost, if purchased, and if donated, at fair market value on the date of donation. Depreciation is calculated on the straight-line basis, with one-half year's depreciation recorded in the year of acquisition and one-half year's depreciation recorded in the year of disposal. Major improvements that extend the life of an asset are capitalized. Normal maintenance and repairs are charged to expense as incurred. Interest costs are included as part of capital assets in business-type activities, but not in governmental activities.

Prior to 1975, adequate records were not maintained to properly account for capital assets. The assets were recorded at appraised values as of December 31, 1974. The appraised values were based upon market values and historical cost data when available. Assets acquired since 1975 have been recorded at cost. Infrastructure capital assets acquired by the City, such as streets and drainage, have been capitalized since 1977, additional infrastructure assets, which were acquired by the City through donations, have been capitalized in accordance with GASB 34.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Construction in progress is the total actual cost incurred to-date on uncompleted construction projects. Depreciation expense is based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 - 40
Building improvements	5 - 40
Public domain infrastructure	5 - 50
Vehicles	3 - 7
Machinery and Equipment	3 - 20

**(M) Compensated Absences**

City employees earn vacation leave at the rate of twelve days per year for the first five years of service, increasing to twenty-three (23) days per year after twenty-five years of service. Vacation leave may be accumulated up to four times the employees' annual rate. At termination, employees with at least six months of service receive payment for any unused vacation leave. Sick leave is earned at the rate of one day per month and may be accumulated up to two hundred sixty days. Employees are not paid for unused sick leave at termination; therefore, no sick leave liability is accrued.

Vacation pay 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.

**(N) Long-term Obligations**

In the government-wide financial statements, long-term debt and other liabilities are reported as liabilities of governmental activities or business-type activities. They are also reported as liabilities in the proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the straight line method unless it is materially different than the effective interest method, in which case, the effective interest method is used. Bond discounts and premiums are presented as adjustments to the face amount of the bonds payable. Bond issuance costs are recognized as period expenses and any loss or gain on the refunding of debt is recorded as a deferred outflow of resources and amortized.

In the governmental fund financial statements, long-term debt is not reported as a liability. Instead, the face amount of debt issued is reported as other financing sources, and payments of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(O) Equity Classifications**

- 1) Government-wide statements – Equity is classified as net position, and displayed in three components:
  - (a) 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 debt attributable to the acquisition, construction or improvement of those assets.
  - (b) Restricted net position – Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
  - (c) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”
- 2) Fund financial statements – Governmental fund equity is classified as fund balance. Fund balance can be restricted, committed, assigned or unassigned. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Proprietary fund equity is classified the same as in the government-wide statements.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between the governmental fund balances and what is shown on the government-wide statements as net position. Details of the reconciliation include the following:

- (1) The addition of capital assets, net of accumulated depreciation, to the government-wide financial statements. This reconciling item is needed since the fund financial statements under the modified accrual basis of accounting do not recognize capital assets but, instead, show expenditures for any capital item purchased. Governmental net capital assets of \$556,040,646 were added to the government-wide statements.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

- (2) Other assets added to the Statement of Net Position that result from differences in recognition criteria between the modified accrual basis and the accrual basis of accounting include \$220,526 for the net pension asset.
- (3) Certain amounts shown as deferred outflows of resources in the fund financial statements are reclassified on the entity-wide statements. Amounts shown as deferred outflows of resources on the fund financial statements included \$7,157,358 related to taxes, \$119,623 related to special assessment receivables, \$169,225 related to cemetery receivables, and \$23,637,015 related to loan receivables that will be used in grant programs in future periods.
- (4) Governmental long term liabilities were added to governmental activities on the entity-wide statements as follows:

<u>Type of Long-term Liability</u>	<u>Amount</u>
Contractual obligations payable	(\$28,561,620)
Compensated absences payable	(15,240,135)
Net OPEB obligation	(10,149,787)
Section 108 notes payable	(700,000)
Accrued interest payable	(524,313)
	<u>(\$55,175,855)</u>

**(B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities**

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between the net changes in fund balances – total governmental funds to the change in net position of governmental activities that is reported in the government-wide statement of activities. Significant items in this reconciliation include:

- (1) Items expensed in governmental funds during the year as capital outlay but shown as assets on the entity-wide statements totaled \$16,916,240.
- (2) Depreciation expense during the year recorded on the government-wide statements but not on the fund financial statements was \$17,107,532.
- (3) The net effect of various miscellaneous transactions involving capital assets during the year was \$1,778,066; this entire amount represents the value of asset donations.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

(4) Repayment of long-term debt consumes the current financial resources of governmental funds; however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The details are as follows:

Principal repayments:

Contractual obligations	\$ 2,540,000
HUD Section 108 Note	140,000
Amortization of premiums	<u>4,559</u>
	\$ <u>2,684,559</u>

(5) 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. The details of this \$1,652,142 are as follows:

Net OPEB expense	\$ (1,883,632)
Compensated absences	259,191
Accrued interest	<u>(27,701)</u>
	\$ <u>(1,652,142)</u>

**NOTE 3 - DEPOSITS AND INVESTMENTS**

The City follows the practice of pooling cash and investments of all funds, except for restricted funds generally held by outside custodians for investments of the Pension Fund. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized as follows:

*Deposits.* Custodial Credit Risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12. The City has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.
- The face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.
- If a depository elected the pooled method (O.C.G.A. Section 45-8-13.11), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc). The City does not have a custodial credit risk policy that is more restrictive than state statutes. As of December 31, 2013, all of the City's deposits were either covered by federal depository insurance or collateralized by pledged collateral.

*Investments.* In its investment of both public funds and pension trust funds, the City follows state statutes and adopted investment policies. As of December 31, 2013, the investments of the Primary Government and the City of Savannah Employees Retirement Plan were as follows:

Type of Investment	Average Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-3	4-5	Greater than 5
<b>Primary Government:</b>						
Georgia Fund I	AAAf	\$204,756,337	\$204,756,337	\$ -	\$ -	\$ -
Georgia Extended Asset Pool	AA+f	60,011,971	60,011,971			
<b>Pension Trust Fund:</b>						
US Government/Agency Securities	Aaa	49,445,558	3,623,442	10,382,990	48,560	35,390,566
Corporate Bonds						
Various	A	4,731,155	1,588,933	864,857	1,513,352	764,013
Various	Aa	2,118,656	458,155	541,347	626,959	492,195
Various	Aaa	2,472,194			1,191,195	1,280,999
Various	Ba	284,382				284,382
Various	Baa	8,584,867	2,471,078	538,966	1,430,499	4,144,324
Private Placement Bonds	NR	2,994,176	365,180	850,482		1,778,514
Domestic Stock	NR	169,341,684				
International Equity Funds	NR	40,292,171				
Real Estate Investment Trust	NR	29,101,169				
Total Investments		<u>\$574,134,320</u>	<u>\$273,275,096</u>	<u>\$13,178,642</u>	<u>\$4,810,565</u>	<u>\$44,134,993</u>

Under state law, investments of the City's public funds may be placed in obligations of (or obligations guaranteed by) the U.S. government, obligations of any state or any political subdivision of any state, certificates of deposit or time deposits of financial institutions with deposits insured by FDIC, prime bankers acceptances, repurchase agreements, and investment pools operated by the Georgia State Treasurer's Office. During the year, the City invested public funds in certificates of deposits and time deposits of local banks and the Georgia Fund 1 and the Georgia Extended Asset Pool, which are managed by the State Treasurer.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

State law also governs the investment of retirement funds (O.C.G.A. 47-20-84) and limits investments to maximum concentrations by investment category (at cost). The City's defined benefit plan qualifies as a "large retirement system," a designation which allows the plan additional investments in equity securities.

The Georgia Fund 1 is considered to be a 2a7-like-pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Georgia Fund 1 was created under O.C.G.A. 36-83-8 and is managed by the State of Georgia's office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The fair value of the pool is the same as the value of the pool shares. As a public fund, Georgia Fund 1 is exempt from any disclosure of custodial credit risk. The Georgia Extended Asset Pool (GEAP) is a variable net asset value investment pool that follows Standard and Poor's criteria for AAAf money market funds. The pool is not registered with the SEC as an investment company. GEAP invests its assets in U.S. Treasury bills, U.S. Treasury notes, securities issued by federal agencies and instrumentalities, bankers' acceptances, and repurchase agreements with highly rated counterparties. The maximum final maturity of any security purchased by the pool is limited to five years. As a public fund, the GEAP is exempt from any disclosure of custodial credit risk.

Deposit and investment transactions are subject to a variety of risks. The City's adopted investment policies seek to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the value of an investment. The City's Investment Policy states that the City will create its portfolio with investments having maturity dates at or prior to the time cash is prudently projected to be required to meet disbursement needs, thereby avoiding the need to sell securities prior to their maturity. The Policy limits investment maturities to a maximum of five years from the date of purchase. As of December 31, 2013, the City had investments of \$204,756,337 in Georgia Fund 1, which reported a weighted average maturity on its entire portfolio of 43 days. Also at December 31, 2013, the City had investments of \$60,011,971 in GEAP, which reported a weighted average maturity on its entire portfolio of .26% of a year.

Policies of the City of Savannah Employees Retirement Plan limit short-term investments to a maximum of 1.8% of the total portfolio, with a target amount of less than one percent. As of December 31, 2013, the City of Savannah Employees Retirement Plan had 1.5% of its portfolio in short-term investments.

*Credit risk* is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The City's Investment Policy seeks to minimize credit risk through diversification of investments within the choices allowed under state statutes. The City has no stated minimum credit quality for its investment portfolio.

All of the City's investments in U.S. Treasury and Agency securities carry the explicit guarantee of the U.S. government. U.S. Agency securities underlie repurchase agreements.

*Foreign currency risk* is the risk that exchange rates may affect the valuation of an investment. The Pension Plan has investments in international equity positions and individual foreign corporate bonds of \$40,292,171 and \$3,310,844 respectively. These investments are subject to foreign currency risk consisting of various currencies. Policies of the City of Savannah Employees Retirement Plan limit investment in international equities to 10% of the market value of the fund.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

*Concentration of credit risk* is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The City's investment policy restricts investments in a single issuer of more than 25% of the total investment portfolio, not including the investment pools operated by the Georgia State Treasurer's Office and obligations of the U.S. government.

In addition, the City of Savannah Employees Retirement Plan seeks a diversified portfolio of fully negotiable, equity, fixed income, and money market securities, with target percentages for each, which are based on market values. Percentage allocations are intended to serve as long-term guidelines and, therefore, may result in a temporary imbalance in asset mix. Temporary imbalances may result from market conditions or an investment transition; however, periodic asset rebalancing is performed on a regular basis. The target percentages and allocation ranges are presented below for each asset class.

<u>Asset Class</u>	<u>Target Percentage</u>	<u>Allocation Range</u>
U.S. Equities	50%	35% to 66%
Non U.S. Equities	10%	5% to 15%
Fixed Income Debt Obligations	30%	21% to 45%
Real Estate	10%	5% to 15%

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

**Basic financial statements:**

Cash and investments	\$ 212,904,049
Restricted cash	103,362,151
Pension and agency funds	<u>360,638,184</u>
Total	<u>\$ 676,904,384</u>

**Notes to financial statements:**

Cash on Hand	\$ 42,450
Deposits	102,727,614
Investments	<u>574,134,320</u>
Total	<u>\$ 676,904,384</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4 - PENSION PLANS**

**(A) City of Savannah Employees' Retirement Plan**

**Summary of Significant Accounting Policies**

The City maintains an agent multiple-employer defined benefit pension plan (the City of Savannah Employees' Retirement Plan) which was established by City ordinance in July 1972 to provide retirement and disability benefits for all full-time general and uniformed personnel of the City. Membership by all full-time City employees is required by ordinance. Employees of the Savannah Airport Commission, Metropolitan Planning Commission, and Youth Futures Authority are also eligible to participate in the Plan. City ordinance specifies types and levels of Plan benefits as well as Plan member contribution requirements. The Plan is administered by a Retirement Board whose primary functions include making benefit eligibility determinations, selecting a plan actuary, reviewing annual actuarial valuations, adopting an investment strategy, and engaging and evaluating investment managers in accordance with terms of the Plan and State statutes. While the City's General Fund bears most of the costs related to administering the Plan, the costs of external consultants and investment managers are funded by the Plan. The Plan does not issue a stand-alone financial report.

**Basis of Accounting.** The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are recognized when incurred.

**Method Used to Value Investments.** Investments are reported at fair value and are managed by third party money managers. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value.

**Contributions.** The Plan is a defined benefit plan to which employees are required to contribute 6.65% of their earnings on a pre-tax basis and the City contributes such additional amounts as are necessary, based on actuarial valuations, in order to provide the plan with assets sufficient to meet future benefits payable to plan members. The employer contribution as a percentage of payroll determined by the most recent actuarial valuation is 11.06%.

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4 - PENSION PLANS (CONTINUED)**

**Plan Description.** As of January 1, 2013, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,244
Terminated employees entitled to benefits but not yet receiving them	<u>93</u>
	<u>1,337</u>
Active plan participants:	
Vested	1,546
Nonvested	<u>1,016</u>
Total	<u>2,562</u>

Under the Plan, pension benefits vest after five years of service. Normal retirement for general employees is age 57. Normal retirement for uniformed public safety employees (police officers and fire fighters) is age 55. The normal monthly benefit is calculated as follows:

Final average earnings times

- 2.1% for each year of service earned before January 1, 2000, plus 2.3% for each year of service earned after January 1, 2000 (to a maximum of 30 years of service) plus
- 1% of final average earnings times years of service in excess of 30 years to a maximum of 100%.

Final average earnings is defined as the average monthly salary for the highest sixty consecutive months during the last ten years of employment.

The Plan also provides early retirement, occupational disability, survivors, non-occupational disability and death benefits to plan members and beneficiaries.

In 1999, the Plan added a provision for automatic post-retirement pension increases. Once a pensioner reaches the age of 65 and has received pension benefits for at least five years, an increase of 5% is automatically given to the pensioner in the month both conditions are met. Every year thereafter an automatic increase of 1% is granted to the pensioner. In March 2000, the Plan was further enhanced to allow accumulated sick leave as pensionable service for eligibility and benefit purposes.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4 - PENSION PLANS (CONTINUED)**

**Annual Pension Cost and Net Pension Obligation.** The Plan's annual pension cost and net pension obligation for the year 2013 are as follows:

Annual required contribution	\$ 11,311,352
Interest on net pension obligation (asset)	<u>(16,336)</u>
Annual Pension Cost	\$ 11,295,016
Contributions made	<u>(11,311,347)</u>
Increase (decrease) in net pension obligation	( 16,331)
Net pension obligation (asset), beginning of year	<u>( 204,195)</u>
Net pension obligation (asset), end of year	\$ <u>( 220,526)</u>

Data relating to the Plan for the past three years is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2011	\$ 8,683,174	100.16%	\$ (189,070)
2012	9,713,946	100.16%	(204,195)
2013	11,295,016	100.14%	(220,526)

**Funded Status and Funding Progress.** The funded status of the Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded/ (Overfunded) AAL (UAAL) (b)-(a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)</u>
\$ 261,418,338	\$ 368,261,194	\$ 106,842,856	70.99%	\$ 101,065,407	105.72%

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4 - PENSION PLANS (CONTINUED)**

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Assumptions.** Additional information as of the latest actuarial valuation follows:

- Valuation date January 1, 2013
- Actuarial cost method Projected cost method
- Amortization method Level percent of payroll
- Remaining amortization period Open 30 years
- Asset valuation method Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
  
- Investment rate of return 7.75%
- Inflation rate 3.75%
- Projected salary increases Varies by age
- Cost of living adjustments 5.00% at participant's adjustment date, 1.00% annually thereafter

**(B) Old Pension Plan**

In 1972, the Old Pension Plan was terminated and replaced by the current City of Savannah Employees' Retirement Plan. A new fund was established in 1983 to fund the benefits payable to persons who were retired and/or vested under the old plan prior to 1972. The City contributed \$1,619,320 in 1983, \$471,692 in 1984, and \$185,000 in 1985 to fund the actuarially expected future benefits beginning in July 1985. Old pension benefits until July 1985 were funded by the General Fund. As a result of these contributions, the Old Pension Fund became fully funded as of July 1985. There are no active employees covered by the Old Pension Plan, accordingly, there were no employee contributions in 2013. Benefits to be paid under the Old Pension Plan were fully funded as of December 31, 2006; therefore, no employer contributions were made to the Old Pension Plan during 2013.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4 - PENSION PLANS (CONTINUED)**

**(C) Statement of Fiduciary Net Position for Individual Pension Plans**

CITY OF SAVANNAH  
STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
DECEMBER 31, 2013

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 4,202,042	\$ 258,340	\$ 4,460,382
Accrued income	796,674		796,674
Accounts receivable:			
From employers	15,623		15,623
From participants	47,929		47,929
Investments, at fair value:			
U.S. government obligations	49,445,558		49,445,558
Foreign corporate bonds	3,310,844		3,310,844
Domestic corporate bonds	17,874,586		17,874,586
Domestic stocks	132,245,943		132,245,943
Domestic stock fund	37,095,741		37,095,741
Foreign stocks	4,357,123		4,357,123
International stock fund	35,935,048		35,935,048
Real estate fund	29,101,169		29,101,169
Total investments	<u>309,366,012</u>		<u>309,366,012</u>
Total assets	<u>314,428,280</u>	<u>258,340</u>	<u>314,686,620</u>
<b><u>LIABILITIES</u></b>			
Payable from restricted assets:			
Accounts payable	\$ 298,648	\$ -	\$ 298,648
Total liabilities	<u>298,648</u>		<u>298,648</u>
<b><u>NET POSITION</u></b>			
Held in trust for:			
Pension benefits	<u>\$ 314,129,632</u>	<u>\$ 258,340</u>	<u>\$ 314,387,972</u>



CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4 - PENSION PLANS (CONTINUED)**

**(D) Statement of Changes in Fiduciary Net Position for Individual Pension Plans**

CITY OF SAVANNAH  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
YEAR ENDED DECEMBER 31, 2013

	<b>EMPLOYEES' RETIREMENT</b>		
	<b>PENSION TRUST</b>	<b>OLD PENSION TRUST</b>	<b>TOTAL</b>
<b><u>ADDITIONS</u></b>			
Contributions			
Employer	\$ 11,311,347	\$ -	\$ 11,311,347
Plan members	6,687,095		6,687,095
Total contributions	<u>17,998,442</u>		<u>17,998,442</u>
Investment income			
Interest	1,835,543	177	1,835,720
Dividends	2,692,696		2,692,696
Real estate net income	2,561,915		2,561,915
Net appreciation (depreciation) in fair value of investments	44,909,681		44,909,681
Total investment income	51,999,835	177	52,000,012
Less investment expense	923,325		923,325
Net investment income (loss)	<u>51,076,510</u>	<u>177</u>	<u>51,076,687</u>
Total additions	<u>69,074,952</u>	<u>177</u>	<u>69,075,129</u>
<b><u>DEDUCTIONS</u></b>			
Benefits	21,108,006	20,556	21,128,562
Refunds of contributions	1,529,626		1,529,626
Administrative expense	141,013		141,013
Total deductions	<u>22,778,645</u>	<u>20,556</u>	<u>22,799,201</u>
Change in net position	46,296,307	(20,379)	46,275,928
Net position:			
Beginning of year - January 1	267,833,325	278,719	268,112,044
End of year - December 31	<u>\$ 314,129,632</u>	<u>\$ 258,340</u>	<u>\$ 314,387,972</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 5 – CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 62,805,401	\$ 5,963,724	\$ -	\$ -	\$ 68,769,125
Construction in progress	104,780,301	17,360,992	24,347,018		97,794,275
Total capital assets, not being depreciated	<u>167,585,702</u>	<u>23,324,716</u>	<u>24,347,018</u>	-	<u>166,563,400</u>
Capital assets, being depreciated					
Plants and buildings	49,949,792	1,294,287			51,244,079
Improvements other than buildings	68,001,720	7,892,448			75,894,168
Machinery, equipment and vehicles	100,576,491	3,197,412	1,301,655		102,472,248
Streets and drainage	467,328,861	9,710,818			477,039,679
Total capital assets, being depreciated	<u>685,856,864</u>	<u>22,094,965</u>	<u>1,301,655</u>	-	<u>706,650,174</u>
Less: Accumulated Depreciation					
Plants and buildings	18,103,015	1,492,998			19,596,013
Improvements other than buildings	23,548,474	1,357,147			24,905,621
Machinery, equipment and vehicles	62,154,776	8,461,532	1,271,702		69,344,606
Streets and drainage	167,551,803	12,530,676			180,082,479
Total accumulated depreciation	<u>271,358,068</u>	<u>23,842,353</u>	<u>1,271,702</u>	-	<u>293,928,719</u>
Total capital assets, being depreciated, net	<u>414,498,796</u>	<u>(1,747,388)</u>	<u>29,953</u>	-	<u>412,721,455</u>
Governmental activities capital assets, net	<u>\$ 582,084,498</u>	<u>\$ 21,577,328</u>	<u>\$ 24,376,971</u>	<u>\$ -</u>	<u>\$ 579,284,855</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 7,895,743	\$ 500	\$ -	\$ -	\$ 7,896,243
Construction in progress	54,668,882	10,699,938	8,251,502		57,117,318
Total capital assets, not being depreciated	<u>62,564,625</u>	<u>10,700,438</u>	<u>8,251,502</u>	<u>-</u>	<u>65,013,561</u>
Capital assets, being depreciated					
Plants, buildings, stations and reservoirs	582,495,685	9,407,262			591,902,947
Improvements other than buildings	33,835,237	536,855			34,372,092
Machinery and equipment	33,813,486	709,606	11,644		34,511,448
Total capital assets, being depreciated	<u>650,144,408</u>	<u>10,653,723</u>	<u>11,644</u>	<u>-</u>	<u>660,786,487</u>
Less: Accumulated Depreciation					
Plants, buildings, stations and reservoirs	259,076,812	13,912,972			272,989,784
Improvements other than buildings	23,131,670	790,940			23,922,610
Machinery and equipment	26,212,400	974,959	8,295		27,179,064
Total accumulated depreciation	<u>308,420,882</u>	<u>15,678,871</u>	<u>8,295</u>	<u>-</u>	<u>324,091,458</u>
Total capital assets, being depreciated, net	<u>341,723,526</u>	<u>(5,025,148)</u>	<u>3,349</u>	<u>-</u>	<u>336,695,029</u>
Business-type activities capital assets, net	<u>\$ 404,288,151</u>	<u>\$ 5,675,290</u>	<u>\$ 8,254,851</u>	<u>\$ -</u>	<u>\$ 401,708,590</u>

As part of its flood mitigation program, the City has entered into certain grant agreements with the Georgia Emergency Management Agency to purchase flood prone properties located within the city limits. These properties, when purchased, are included in the land category of governmental capital assets at historical cost. Certain covenants restrict the use and resale of these properties once acquired by the City. The value of these properties included in the governmental capital assets as of December 31, 2013 is \$18,669,791.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

During 2013, depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General administration	\$ 160,578
Management and financial services	827,004
Facilities maintenance	12,805,918
Police	629,126
Fire	636,308
Leisure services	1,732,403
Public development	315,868
Grant program and administration	<u>327</u>
Total depreciation expense – governmental activities	17,107,531
Depreciation expense on Internal Service Fund Capital Assets	<u>6,734,822</u>
Total depreciation expense allocated to governmental activities	<u>\$23,842,353</u>

Business-type activities:

Water and sewer	\$ 12,453,080
Sanitation	1,189,736
Parking facilities	1,669,733
Civic Center	333,360
Golf course	<u>32,962</u>
Total depreciation expense allocated to business-type activities	<u>\$15,678,871</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

As of December 31, 2013, the City had the following commitments with respect to unfinished capital projects:

<u>Project by Type</u>	<u>Project Authorization</u>	<u>Expended at Year-end</u>	<u>Committed</u>	<u>Required Future Financing</u>
Drainage	\$49,412,901	\$13,611,202	\$35,801,699	NONE
Public Buildings	28,533,836	27,922,486	611,350	NONE
Recreation	12,438,732	9,581,259	2,857,473	NONE
Sanitation	3,056,755	2,723,817	332,938	NONE
Sewerage	73,638,524	31,006,087	42,632,437	NONE
Squares	7,277,092	5,699,999	1,577,093	NONE
Street Paving	8,991,771	4,771,611	4,220,160	NONE
Traffic Engineering	35,435,523	8,203,691	27,231,832	NONE
Water	41,313,201	18,889,255	22,423,946	NONE
Other	59,149,745	32,502,186	26,647,559	NONE
Total	<u>\$319,248,080</u>	<u>\$154,911,593</u>	<u>\$164,336,487</u>	

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6- LONG-TERM LIABILITIES**

(A) The following shows the composition of bonds, notes, and contractual obligations payable at December 31, 2013 and the annual maturities of long-term liabilities:

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/13	2014	2015	2016	2017	2018	2019-2023	2024-2028	2029-2032
<b><u>GOVERNMENTAL ACTIVITIES PRINCIPAL PORTION</u></b>											
Contractual Obligations Related to:											
2009 Downtown Savannah Authority Bonds Series "A"	2.25/3.50	\$ 16,845,000	\$ 9,780,000	\$ 1,845,000	\$ 1,895,000	\$ 1,950,000	\$ 2,015,000	\$ 2,075,000	\$ -	\$ -	\$ -
2009 Downtown Savannah Authority Bonds Series "B"	2.3/5.70	20,155,000	18,695,000	745,000	765,000	780,000	800,000	825,000	4,495,000	5,305,000	4,980,000
Total Contractual Obligations		<u>37,000,000</u>	<u>28,475,000</u>	<u>2,590,000</u>	<u>2,660,000</u>	<u>2,730,000</u>	<u>2,815,000</u>	<u>2,900,000</u>	<u>4,495,000</u>	<u>5,305,000</u>	<u>4,980,000</u>
Notes:											
2011-A Series HUD Section 108 Note	1.60/2.92	595,000	515,000	50,000	50,000	50,000	65,000	100,000	200,000		
2010-A Series HUD Section 108 Note	1.70/2.91	485,000	185,000	50,000	50,000	50,000	35,000				
Total Notes Payable		<u>1,080,000</u>	<u>700,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>		
Total Governmental Activities Principal Portion		<u>\$ 38,080,000</u>	<u>\$ 29,175,000</u>	<u>\$ 2,690,000</u>	<u>\$ 2,760,000</u>	<u>\$ 2,830,000</u>	<u>\$ 2,915,000</u>	<u>\$ 3,000,000</u>	<u>\$ 4,695,000</u>	<u>\$ 5,305,000</u>	<u>\$ 4,980,000</u>
<b><u>GOVERNMENTAL ACTIVITIES INTEREST PORTION</u></b>											
Contractual Obligations			12,013,691	1,245,322	1,175,358	1,091,732	1,002,032	902,545	3,554,480	2,320,337	721,885
Section 108 Notes			56,563	13,029	11,795	10,229	8,289	6,270	6,950		
Total Governmental Activities Interest Portion			<u>12,070,254</u>	<u>1,258,351</u>	<u>1,187,153</u>	<u>1,101,961</u>	<u>1,010,321</u>	<u>908,815</u>	<u>3,561,430</u>	<u>2,320,337</u>	<u>721,885</u>
Total Governmental Activities Debt Service Requirements			<u>\$ 41,245,254</u>	<u>\$ 3,948,351</u>	<u>\$ 3,947,153</u>	<u>\$ 3,931,961</u>	<u>\$ 3,925,321</u>	<u>\$ 3,908,815</u>	<u>\$ 8,256,430</u>	<u>\$ 7,625,337</u>	<u>\$ 5,701,885</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

	Lowest/Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/13	2014	2015	2016	2017	2018	2019-2023	2024-2028	2029-2033
<b>BUSINESS-TYPE ACTIVITIES PRINCIPAL PORTION</b>											
<b>WATER AND SEWER SYSTEM</b>											
2003 Water and Sewer Revenue Bonds	2.0/4.0	\$ 42,210,000	\$ 3,765,000	\$ -	\$ 160,000	\$ 2,495,000	\$ 1,110,000	\$ -	\$ -	\$ -	\$ -
2009 Water and Sewer Revenue Bonds Series "A"	2.0/3.0	12,725,000	4,460,000	2,295,000	2,165,000						
2009 Water and Sewer Revenue Bonds Series "B"	2.25/5.25	16,175,000	14,730,000	740,000	755,000	770,000	795,000	815,000	4,445,000	5,250,000	1,160,000
SRF Notes	2.0/4.0	49,441,933	26,723,111	2,562,065	2,440,529	1,938,111	1,618,708	1,670,431	8,006,547	7,411,170	1,075,550
Total Water and Sewer Bonds and Notes		<u>120,551,933</u>	<u>49,678,111</u>	<u>5,597,065</u>	<u>5,520,529</u>	<u>5,203,111</u>	<u>3,523,708</u>	<u>2,485,431</u>	<u>12,451,547</u>	<u>12,661,170</u>	<u>2,235,550</u>
<b>SANITATION</b>											
2009 Resource Recovery Bonds	2.0/3.0	12,315,000	4,245,000	2,095,000	2,150,000						
2013 Resource Recovery Bonds	2.0/3.0	12,950,000	12,950,000	600,000	450,000	2,880,000	2,940,000	3,005,000	3,075,000		
Total Sanitation Bonds		<u>25,265,000</u>	<u>17,195,000</u>	<u>2,695,000</u>	<u>2,600,000</u>	<u>2,880,000</u>	<u>2,940,000</u>	<u>3,005,000</u>	<u>3,075,000</u>		
<b>PARKING SERVICES</b>											
Contractual Obligations Related to:											
2005 Downtown Savannah Authority Bonds	4.25/5.0	24,820,000	24,820,000						6,700,000	9,140,000	8,980,000
2013 Downtown Savannah Authority Bonds	2.0	6,485,000	6,485,000	1,215,000	1,140,000	1,155,000	1,185,000	1,215,000	575,000		
Total Parking Services Contractual Obligations		<u>31,305,000</u>	<u>31,305,000</u>	<u>1,215,000</u>	<u>1,140,000</u>	<u>1,155,000</u>	<u>1,185,000</u>	<u>1,215,000</u>	<u>7,275,000</u>	<u>9,140,000</u>	<u>8,980,000</u>
<b>CIVIC CENTER</b>											
Contractual Obligations Related to:											
2013 Downtown Savannah Authority Bonds	2.0	4,090,000	950,000	465,000	485,000						
Total Business-type Activities Principal Portion		<u>\$ 181,211,933</u>	<u>99,128,111</u>	<u>9,972,065</u>	<u>9,745,529</u>	<u>9,238,111</u>	<u>7,648,708</u>	<u>6,705,431</u>	<u>22,801,547</u>	<u>21,801,170</u>	<u>11,215,550</u>
<b>BUSINESS-TYPE ACTIVITIES INTEREST PORTION</b>											
Water and Sewer Bonds			7,545,580	990,993	898,093	800,717	670,117	593,917	2,381,093	1,149,750	60,900
Water and Sewer Notes			5,898,922	801,386	718,689	641,400	585,330	533,606	1,866,140	752,371	-
Sanitation Resource Recovery Bonds			1,384,840	318,090	342,250	268,750	211,150	152,350	92,250		
Parking Services Contractual Obligations			15,823,781	1,217,769	1,247,150	1,224,350	1,201,250	1,177,550	5,226,137	3,444,212	1,085,363
Civic Center Contractual Obligations			20,836	11,136	9,700						
Total Business-type Activities Interest Portion			<u>30,673,958</u>	<u>3,339,374</u>	<u>3,215,882</u>	<u>2,935,217</u>	<u>2,667,847</u>	<u>2,457,423</u>	<u>9,565,620</u>	<u>5,346,333</u>	<u>1,146,263</u>
Total Business-type Activities Debt Service Requirements			<u>\$ 129,802,069</u>	<u>\$ 13,311,439</u>	<u>\$ 12,961,411</u>	<u>\$ 12,173,328</u>	<u>\$ 10,316,555</u>	<u>\$ 9,162,854</u>	<u>\$ 32,367,167</u>	<u>\$ 27,147,503</u>	<u>\$ 12,361,813</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

The following are changes in the long-term liabilities for the year ended December 31, 2013:

	Balance 12/31/12	2013 Issues	2013 Retirements	Balance 12/31/13	Unamortized (Discounts)/ Premiums	Balance 12/31/13	Amounts Due Within One Year	Accrued Interest at 12/31/2013
<b>Governmental Activities:</b>								
Bonds and notes payable:								
Contractual Obligations relating to:								
Downtown Savannah Authority Bonds, 2009	\$31,015,000	\$ -	\$ 2,540,000	\$ 28,475,000	\$ 86,620	\$ 28,561,620	\$ 2,590,000	\$ 518,884
Series 2011-A HUD Section 108 Note	555,000		40,000	515,000		515,000	50,000	3,617
Series 2010-A HUD Section 108 Note	285,000		100,000	185,000		185,000	50,000	1,812
Total bonds and notes payable	\$31,855,000		2,680,000	29,175,000	86,620	29,261,620	2,690,000	524,313
Other liabilities:								
Capital leases	395,385		395,385					
Compensated absences	15,364,676	6,956,854	6,704,439	15,617,091		15,617,091	5,896,978	
Net OPEB obligation	12,033,419	6,171,445	8,055,077	10,149,787		10,149,787		
Claims and judgments	9,682,190	36,138,948	36,421,404	9,399,734		9,399,734	4,696,841	
Total other liabilities	37,475,670	49,267,247	51,576,305	35,166,612		35,166,612	10,593,819	
Governmental Activities long-term liabilities	\$ 69,330,670	\$ 49,267,247	\$ 54,256,305	\$ 64,341,612	\$ 86,620	\$ 64,428,232	\$ 13,283,819	\$ 524,313
<b>Business-type Activities:</b>								
Bonds and notes payable:								
Water and Sewer Revenue Bonds 2003	\$ 3,765,000		\$ -	\$ 3,765,000	\$ (8,343)	\$ 3,756,657	\$ -	\$ 12,517
Water and Sewer Revenue Bonds 2009	22,150,000		2,960,000	19,190,000	13,225	19,203,225	3,035,000	70,066
Sewer SRF Loan	29,204,838		2,481,727	26,723,111	(373,298)	26,349,813	2,562,065	100,891
Resource Recovery Bonds 2003	13,715,000		13,715,000					
Resource Recovery Bonds 2009	6,300,000		2,055,000	4,245,000	14,484	4,259,484	2,095,000	48,698
Resource Recovery Bonds 2013		12,950,000		12,950,000	575,557	13,525,557	600,000	32,194
Contractual obligations relating to:								
Downtown Savannah Authority Bonds 2003	8,895,000		8,895,000					
Downtown Savannah Authority Bonds 2005	24,820,000			24,820,000	(271,056)	24,548,944		475,729
Downtown Savannah Authority Bonds 2013		7,435,000		7,435,000	178,791	7,613,791	1,680,000	413
Total bonds and notes payable	108,849,838	20,385,000	30,106,727	99,128,111	129,360	99,257,471	9,972,065	740,508
Other liabilities:								
Compensated absences	2,440,588	1,226,040	1,111,913	2,554,715		2,554,715	1,049,102	
Net OPEB obligation	3,946,959	1,945,154	2,874,468	3,017,645		3,017,645		
Closure and Postclosure Liability	14,812,857	1,009,238		15,822,095		15,822,095		
Total other liabilities	21,200,404	4,180,432	3,986,381	21,394,455		21,394,455	1,049,102	
Business-type Activities long-term liabilities	\$ 130,050,242	\$ 24,565,432	\$ 34,093,108	\$ 120,522,566	\$ 129,360	\$ 120,651,926	\$ 11,021,167	\$ 740,508



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

Bond discounts and premiums are amortized over the term of the bonds using the straight line method unless the result is materially different from the effective interest method, in which case the effective interest method is used. Bond discounts and premiums are presented as adjustments to the face amount of contractual obligations and bonds payable.

Liquidations of long-term liabilities other than debt have typically occurred in prior years in the following manner:

- 1) Compensated absences and Net OPEB liability are paid by the fund where the employee's position is budgeted. Most of the City's employees are paid from the General Fund.
- 2) Claims and judgments are paid from the Risk Management Fund, an internal service fund funded by all City departments.
- 3) Capital lease payments are made by the Revolving Fund, an internal service fund that includes the City's vehicle maintenance, vehicle replacement, and information technology programs.
- 4) Contractual obligations relating to the Downtown Savannah Authority Bonds, Series 2009A are liquidated by the General Obligation Bonds Debt Service Fund, a non-major fund. Contractual obligations relating to the Downtown Savannah Authority Bonds, Series 2009B are liquidated by the Tax Allocation District I Fund, a non-major fund.
- 5) Section 108 Notes are liquidated by the Community Development Fund.

**(B) Governmental Activities Bonds and Notes Payable**

The unmatured principal of these liabilities is shown on the Statement of Net Position in the governmental activities column. In the fund financial statements, current debt service is reported in the debt service funds.

(1) General Obligation Bonds

The City is authorized to issue, under the provision of the Constitution of the State of Georgia, general obligation bonds for street and drainage improvements without a referendum, provided that (1) the issuance of such bonds is authorized at a public meeting held for such purpose and (2) not more than 10% of the total unused bond capacity of the City, and in no event more than \$2,000,000 in the aggregate principal amount of such bonds, shall be issued in any fiscal year. The City did not issue any general obligation bonds during 2013, and as of December 31, 2012 had no general obligation debt outstanding.

(2) Contractual Obligations

In 2009, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 2009A, tax-exempt bonds issued in the principal amount of \$16,845,000. The proceeds of the bond sale were used to currently refund the Downtown Savannah Authority Revenue Bonds, Series 1998, which had a principal balance of \$16,995,000 at refunding, and to cover issuance costs. The refunding was undertaken to reduce total future debt service payments.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

The Series 2009A bonds bear interest at fixed rates ranging from 2.25% to 3.50% depending on maturity. The bonds mature serially beginning in 2010 and ending in 2018.

Also in 2009, the City entered into a contractual obligation related to the Downtown Savannah Authority Capital Improvement Revenue Bonds, Series 2009B. The Series 2009B bonds were issued as taxable Build America Bonds in the principal amount of \$20,155,000. The Series 2009B bonds were used for the purposes of providing the funds required to acquire, construct and equip improvements to the downtown area of the City and pay all issuance costs related to the bonds.

The Authority's Series 2009B bonds bear interest at fixed rates ranging from 2.30% to 5.70% depending on maturity. The bonds mature serially beginning in 2010 and ending in 2027. The bonds are subject to redemption prior to maturity based on optional redemption and extraordinary optional redemption features. The Series 2009B bonds maturing on or after August 1, 2010, are subject to optional redemption by the Authority at the option of the City prior to maturity in part or in whole at any time after August 1, 2019, at a redemption price of 100% of the principal amount, plus accrued interest to the redemption date. The Series 2009B bonds are subject to redemption prior to maturity by the Authority at the option of the City in whole or in part on any date during the period from the date of issuance of the Series 2009B bonds until August 1, 2019, in the event that the government of the United States of America evidences, in the sole judgment of the City, by action or failure to act that it will not provide for the payments to be made to the Authority or the City in an amount equal to or greater than the applicable percentage of the interest payable on the Series 2009B bonds on any interest payment date. The extraordinary redemption price will be 100% of the principal amount of such Series 2009B bonds, plus accrued interest to the redemption date.

The Authority's Series 2009A and 2009B bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required payments will be sufficient to pay the principal and interest on the bonds when due. Such contractually required amounts are presented on page 50.

(3) Notes

In 2010, the City issued a Section 108 Note in the principal amount of \$485,000 guaranteed by the Secretary of Housing and Urban Development, the proceeds of which were used to pay all outstanding amounts on the City's Series 2000A Section 108 Note. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$89,052 and a reduction of \$93,226 in future debt service payments.

In 2011, the City issued a Section 108 Note in the principal amount of \$595,000 guaranteed by the Secretary of Housing and Urban Development, the proceeds of which were used to pay all outstanding amounts on the City's Series 2001A Section 108 Note. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$157,360 and a reduction of \$167,096 in future debt service payments.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

Both of the City's remaining Section 108 notes are secured by the City's future CDBG obligations, and are part of a total loan commitment for the Section 108 guarantee of \$3,000,000. Proceeds of the notes can only be used in accordance with approved Section 108 activities as specified in the Contract for Loan Guarantee Assistance between the City and HUD. In summary, the approved activities are limited to the funding of certain business loans and to costs associated with renovations to a planned Entrepreneurial Center.

The outstanding balances of the notes are shown on the Statement of Net Position in the governmental activities column. Principal and interest payments on the note are paid through the Community Development Fund, a major governmental fund.

The 2010 Section 108 note bears interest at fixed rates between 1.70% and 2.91%, depending on maturity. The first maturity of the 2010 note occurs in 2011 and the final maturity is in 2017. The 2011 Section 108 note bears interest at fixed rates between 1.70% and 2.92%, depending on maturity. The first maturity of the 2011 note occurs in 2012 and the final maturity is in 2020. A maturity schedule for the notes is shown on page 50.

(4) Capital Leases

In 2006, the City entered into a capital lease agreement for the purpose of financing the acquisition of certain fire fighting equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the lease inception date.

The capital lease activity and outstanding liabilities as of December 31, 2013, are as follows:

<u>Internal Service Fund</u>	<u>Original Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding at 12/31/2012</u>	<u>2013 Issues</u>	<u>2013 Retirements</u>	<u>Balance Outstanding at 12/31/2013</u>
Fire Fighting Equipment	2013	4.32%	\$ 395,385	\$ -	\$ 395,385	\$ -
			<u>\$ 395,385</u>	<u>\$ -</u>	<u>\$ 395,385</u>	<u>\$ -</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

The assets acquired through capital leases are as follows:

Asset:	<u>Amount</u>
Machinery and equipment	\$ 2,440,982
Less accumulated depreciation	<u>1,415,289</u>
Net assets recorded under capital leases	\$ <u>1,025,693</u>

The leases are shown on the Statement of Net Position in the governmental activities column. In the fund financial statements, the leases are shown in the revolving internal service fund.

**(C) Business-type Bonds and Notes Payable**

The unmatured principal of revenue bonds, notes, and contractual obligations are shown on the Statement of Net Position in the business-type activities column. In the fund financial statements, the outstanding balances are included in the respective proprietary funds and paid through these funds.

(1) Water and Sewer Revenue Bonds

In 2003, the City issued \$42,210,000 Water and Sewer Revenue Refunding and Improvement Bonds Series 2003. The proceeds of this issue were used to (1) construct improvements to the Water and Sewer System, (2) refund all of the City's outstanding Water and Sewer Revenue Refunding and Improvements Bonds, Series 1993 Bonds, (3) pre-pay certain loans made to the City by the Georgia Environmental Facilities Authority, and (4) pay costs incidental to the bond issue. The bonds bear interest at fixed rates ranging from 2.00% to 4.00% depending on maturity. The bonds mature serially beginning in 2003 and ending in 2017. A maturity schedule for the Series 2003 bonds is shown on page 51.

In 2009, the City issued Water and Sewer Refunding Revenue Bonds, Series 2009A in the principal amount of \$12,725,000. The proceeds of this issue were used to (1) refund all of the City's outstanding Series 1997 bonds in the principal amount of \$13,350,000, (2) fund a debt service reserve account for the Series 2009A bonds and, (3) pay all costs incidental to the issuance of the Series 2009A bonds. The Series 2009A bonds bear interest at fixed rates ranging from 2.00% to 3.00% depending on maturity. The bonds mature serially beginning in 2009 and ending in 2015. A maturity schedule for the Series 2009A bonds is shown on page 51.

Also in 2009, the City issued Water and Sewer Improvement Revenue Bonds, Series 2009B. The Series 2009B bonds were issued as taxable Build America Bonds in the principal amount of \$16,175,000. The Series 2009B bonds were used for the purposes of providing the funds required to (1) construct extensions, additions, and improvements to the Water and Sewer System, (2) fund a debt service reserve account for the Series 2009B bonds and, (3) pay all costs incidental to the issuance of the Series 2009B bonds.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

The Series 2009B bonds bear interest at fixed rates ranging from 2.25% to 5.25% depending on maturity. The bonds mature serially beginning in 2012 and ending in 2020. The bonds are subject to redemption prior to maturity based on optional redemption and extraordinary optional redemption features. The Series 2009B bonds maturing on or after August 1, 2010, are subject to optional redemption by the City prior to maturity in part or in whole at any time on or after December 1, 2019, at a redemption price of 100% of the principal amount, plus accrued interest to the redemption date. The Series 2009B bonds are subject to redemption prior to maturity at the option of the City in whole or in part on any date during the period from the date of issuance of the Series 2009B bonds until December 19, 2019, in the event that the government of the United States of America evidences, in the sole judgment of the City, by action or failure to act that it will not provide for the payments to be made to the Authority or the City in an amount equal to or greater than thirty-five percent of the interest payable on the Series 2009B bonds on any interest payment date. The extraordinary redemption price will be 100% of the principal amount of such Series 2009B bonds, plus accrued interest to the redemption date. A maturity schedule for the Series 2009B bonds is shown on page 51.

The Series 2003 and the Series 2009 Bond resolutions require the contribution of monthly installments for future principal and interest payments, and the maintenance of a debt service reserve in a Sinking Fund. For December 31, 2013 the debt service reserve requirement is calculated as 10% of the par amount of bonds outstanding, which is \$2,295,500. The debt service reserve requirement is met with a Debt Service Reserve Surety Bond and cash held in the Sinking Fund. Monies in the debt service reserve or draws on the insurance policy can be used only to pay principal and interest on the bonds if there would otherwise be a default. The Series 2003 and the Series 2009 bonds are secured solely by a first lien upon the gross revenues derived from the water and sewer system and are not secured by the general credit of the City.

At December 31, 2013, the sinking fund requirements and actual balances were as follows:

Sinking Fund Requirements:	
Interest requirements (for June 1, 2014)	\$ 82,583
Principal requirements (for December 1, 2014)	252,917
Debt Service Reserve	<u>2,295,500</u>
Total requirements at December 31, 2013	<u>2,631,000</u>
Sinking Fund Resources:	
Cash and investments in sinking fund at December 31, 2013	2,680,558
Debt Service Reserve Surety Bond	<u>376,500</u>
Total resources at December 31, 2013	<u>3,057,058</u>
Surplus	\$ <u>426,058</u>

(2) Water and Sewer Loan Agreements

Other liabilities of the Water and Sewer Fund include loan agreements the City has entered into with the State of Georgia under the State Revolving Fund Program (SRF). The SRF makes low interest loans to public sewer systems for capital improvements. The SRF program is

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

funded by a combination of State funds and a grant to the State from the Federal Environmental Protection Agency. The following table shows details of all the SRF loans at December 31, 2013.

<u>Year of Loan</u>	<u>Project Description</u>	<u>Total Loan Commitment</u>	<u>Interest Rate (%)</u>	<u>Amortization Period (Years)</u>	<u>Amount Drawn</u>	<u>-As of December 31, 2013-</u>	
						<u>Principal Retired</u>	<u>Loan Payable</u>
1990	Georgetown Sewage Plant & Gateway Area Force Main	\$ 6,719,514	2.00	20	\$ 6,719,514	\$ 6,117,394	\$ 602,120
1996	President Street Plant	10,020,200	4.00	18	10,020,200	8,242,090	1,778,110
2000	I & D Plant Improvement	8,205,660	3.53	20	8,205,660	4,222,029	3,983,631
2005	Crossroads Wastewater Plant	<u>24,496,559</u>	3.00	20	<u>24,496,559</u>	<u>4,137,309</u>	<u>20,359,250</u>
		<u>\$49,441,933</u>			<u>\$49,441,933</u>	<u>\$22,718,822</u>	<u>\$ 26,723,111</u>

A maturity schedule for the SRF loans is located on page 51.

(3) Parking Services Contractual Obligations

In 2005, the City entered into a contractual obligation related to Downtown Savannah Authority Revenue Bonds (City of Savannah Ellis Square Parking Project), Series 2005 issued in the principal amount of \$24,820,000. The proceeds of the bond sale were made available to the City to provide a portion of the funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City. The bonds bear interest at fixed rates ranging from 4.25% to 5.00% and mature serially beginning August 1, 2019.

In 2013, the City entered into a contractual obligation related to Downtown Savannah Authority Revenue Refunding, Series 2013 issued in the principal amount of \$7,435,000. The proceeds of the bond sale were made available to the City to (1) refund and redeem all of the Authority's Series 2003 Bonds currently outstanding and (2) fund all expenses incidental to the issuance of the Bonds. The portion of the bond proceeds used by the City's Parking Fund to finance refund debt and pay issuance costs amounted to \$6,485,000 and has been allocated to the Parking Fund. The bonds bear interest at a fixed rate of 2.00% and mature serially beginning August 1, 2014. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$41,746. This amount is classified as a deferred outflow of resources in the Parking Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$441,319 and a reduction of \$449,231 in future debt service payments.

The Authority's Series 2005 and Series 2013 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 51.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6- LONG-TERM LIABILITIES (CONTINUED)**

(4) Sanitation Fund Resource Recovery Bonds

In 2009, the Resource Recovery Development Authority issued its Revenue Refunding Bonds, Series 2009 in the principal amount of \$12,315,000. In conjunction with the Series 2009 bond offering, the Authority and the City of Savannah entered into a contract, under which, the City will use the proceeds of the Series 2009 bonds to refund all of the Authority's outstanding Series 1997 bonds in the principal amount of \$12,330,000 and pay all costs incidental to the issuance of the Series 2009 bonds.

In 2013, the Resource Recovery Development Authority issued its Revenue Refunding Bonds, Series 2013 in the principal amount of \$12,950,000. In conjunction with the Series 2013 bond offering, the Authority and City of Savannah entered into a contract, under which, the City will use the proceeds of the Series 2013 bonds to refund all of the Authority's outstanding Series 2003 bonds in the principal amount of \$13,285,000 and pay all costs incidental to the issuance of the Series 2013 bonds. The bonds bear interest at fixed rates ranging from 2.00% to 3.00% and mature serially beginning August 1, 2014. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$99,440. This amount is classified as a deferred outflow of resources in the Sanitation Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$1,396,815 and a reduction of \$1,436,710 in future debt service payments.

The Authority's Series 2009 and Series 2013 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 51.

(5) Civic Center Fund Contractual Obligations

As disclosed previously, in 2013 the City entered into a contractual obligation related to Downtown Savannah Authority Revenue Refunding, Series 2013 issued in the principal amount of \$7,435,000. The proceeds of the bond sale were made available to the City to (1) refund and redeem all of the Authority's Series 2003 Bonds currently outstanding, and (2) fund all expenses incidental to the issuance of the Bonds. The portion of the bond proceeds used by the City's Civic Center Fund to refund debt and pay issuance costs amounted to \$950,000 and has been allocated to the Civic Center Fund. The bonds bear interest at a fixed rate of 2.00% and mature serially beginning August 1, 2014. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$6,172. This amount is classified as a deferred outflow of resources in the Civic Center Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$31,848 and a reduction of \$31,814 in future debt service payments.

The Authority's Series 2013 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 51.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 7 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision is being recognized based on the estimated future closure and postclosure care costs to be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of landfill capacity utilized during the year. In 2013, the City recognized a postclosure expense of \$1,009,238, which is based on 69.59% usage (filled) of the landfill. It is estimated that an additional \$6,913,951 will be recognized as closure and postclosure care expenses through the date the landfill is expected to be filled to capacity. The estimated total cost of the landfill closure and postclosure care (\$22,736,046) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2013. Based on landfill capacity, the estimated remaining useful life of the landfill is approximately 12.04 years. The actual cost of closure and postclosure care may fluctuate annually due to inflation, changes in technology, or changes in environmental laws and regulations.

At December 31, 2013, the City had accrued \$15,822,095 in landfill closure and postclosure costs. This amount was determined as follows:

Estimated total cost of closure and postclosure care	\$ 22,736,046
Percent utilized at 12/31/13	<u>69.59</u>
Total postclosure and closure liability at 12/31/13	15,822,095
Less amount recognized in prior years	<u>14,812,857</u>
Current year closure/postclosure expense (credit)	\$ <u>1,009,238</u>

The City will fund the closure and postclosure care costs with user fees and subsidies from the General Fund. As of December 31, 2013, no amount of assets had been restricted for the payment of closure and postclosure care costs. The landfill postclosure and closure liability of \$15,822,095 is included in long-term liabilities on the Statement of Net Position.

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

(1) Plan Description

The City maintains an agent multiple-employer defined benefit OPEB plan (the City of Savannah Employee Benefit Plan) to provide medical and life insurance benefits to its retirees. Membership in the Plan by City retirees is voluntary. In addition to eligible City retirees, eligible retirees of the Savannah Airport Commission, Metropolitan Planning Commission and Chatham-Savannah Youth Futures Authority may also participate in the Plan. The Savannah Airport Commission elected to discontinue coverage under the Plan for active employees; however, it continues to cover retirees who elected coverage previously.



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

The Plan covers both general and uniform employees of the participating employers. As of December 31, 2012, the latest valuation date, employee membership data related to the OPEB plan was as follows:

Retirees and beneficiaries currently receiving benefits	795
Active plan participants	<u>2,560</u>
Total	<u>3,355</u>

The Plan provides members, upon eligible retirement, with healthcare insurance and life insurance benefits. The benefits provided are not guaranteed and are subject to change at any time. In addition, the benefit provisions are subject to annual appropriation of funds by the City's Mayor and Alderman. The Plan does not provide for automatic or ad hoc postretirement benefit increases; however, the benefit provisions provided by the Plan may be amended, established or terminated at any time by a vote of the City's Mayor and Alderman. The Plan Document specifies the types and levels of Plan benefits as well as member contribution requirements. The City of Savannah provides administration of the Plan, including setting funding policies, and reports the Plan as a fiduciary fund in its Comprehensive Annual Financial Report. The Plan does not issue a stand-alone financial report.

(2) Summary of Significant Accounting Policies

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid. Plan investments, if any, are reported at their fair value at the reporting date. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller and for financial reporting purposes is measured by the market price unless such prices are not available, in which case, fair value is estimated. As of December 31, 2013 the Plan reported \$46,594,003 in assets.

(3) Contributions and Reserves

As administrator of the Plan, the Mayor and Alderman of the City of Savannah are the authority under which the obligations of the plan members and the employers to contribute to the plan are established and are amended.

The funding of the plan is derived from two sources: member contributions and employer contributions. Member contributions are set at a level sufficient to achieve 30 percent of the expected funding target for pre-Medicare retirees and 25 percent for post-Medicare retirees. Employers are required to contribute the remaining amounts needed to achieve expected funding target. The funding target for a given year is set at a level sufficient to cover expected medical and prescription claims, insurance premiums and administration costs.

Benefit claims of the Plan are funded on a pay-as-you-go basis. Additional contributions were made to the Plan in 2013 by the City of Savannah in the amount of \$6,903,000. Required contribution rates of plan members for the valuation dated December 31, 2012 were set as follows:

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

<u>Class of Retiree</u>	<u>Monthly Contribution Per Retiree</u>
• Single retiree with Medicare	\$ 85.58
• Single retiree without Medicare	245.00
• 2 – Party Retiree, one with Medicare and one without Medicare	330.58
• 2 – Party Retiree, both with Medicare	171.16
• 2 – Party Retiree, neither with Medicare	490.00

The Plan has entered into no long-term contracts for contributions to the Plan with either employers or participants and, therefore, no amounts of contractually required contributions were outstanding at the reporting date.

Each of the participating employers (Savannah Airport Commission, Metropolitan Planning Commission and Youth Futures Authority) are required by Statement No. 45 of the Governmental Accounting Standards Board to disclose additional information with regard to funding policy, the employer's annual OPEB cost and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used.

(4) OPEB Cost

For the fiscal year ended December 31, 2013, the Plan's annual OPEB cost was \$8,874,900, which was made up of the annual required contribution plus certain adjustments for interest on the net OPEB obligation. The dollar amount contributed toward the OPEB cost was \$11,252,249. As of December 31, 2013 the Plan had a net OPEB obligation of \$18,206,390, the components of which are disclosed as the following:

Annual required contribution	\$ 8,629,426
Interest on net OPEB obligation	1,440,862
Adjustments to annual required contributions	<u>(1,195,388)</u>
Annual OPEB cost	\$ 8,874,900
Contributions made	<u>(11,252,249)</u>
Increase/(decrease) in net OPEB obligation	(2,377,349)
Net OPEB obligation – beginning of year	<u>20,583,739</u>
Net OPEB obligation – end of year	<u>\$18,206,390</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

For the fiscal year ended December 31, 2013, the City's annual OPEB cost was \$8,116,598, which was made up of the annual required contribution plus certain adjustments for interest on the net OPEB obligation. The dollar amount contributed by the City toward the OPEB cost was \$10,929,545. As of December 31, 2013 the City had a net OPEB obligation of \$13,167,431.

The Plan's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent years is as follows:

Plan Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 14,751,873	256.3%	\$ 21,027,968
12/31/2012	10,981,163	104.0%	20,583,739
12/31/2013	8,874,900	126.8%	18,206,390

(5) Funded Status and Funding Progress

As of the Plan's most recent OPEB actuarial valuation, dated December 31, 2012, the actuarial accrued liability for benefits was \$104,329,839, of which, \$64,664,368 was unfunded. As of the valuation date, the Plan had assets with an actuarial value of \$39,665,471. Other information about the funded status of the Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll
12/31/2012	\$39,665,471	\$104,329,839	\$64,664,368	38.0%	\$100,925,268	64.1%

The projection of future benefit payments for an ongoing plan involves 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 with 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 information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

(6) 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 of benefit costs between the employer and plan members to that point. The methods and assumption 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.

For the actuarial valuation dated December 31, 2012, the actuarial cost method used in determining the Annual Required Contribution (ARC) was the projected unit credit method. In addition, the asset valuation method used was the market value. Other significant assumptions used to determine the ARC were as follows:

- The inflation rate was assumed to be 3.75 percent annually.
- The investment rate of return was assumed to be 7.00 percent annually.
- Projected salary increases were 5.60 percent at age 20 graded to 3.75 percent at age 62.
- The medical cost trend used was 7.50 percent graded to 5.00 percent over 5 years.
- The drug cost trend used was 6.75 percent graded to 5.00 percent over 7 years.
- The medical and drug trend rate for members post 65 years of age was 6.25 percent graded to 5.00 percent over 5 years.
- The amortization method used was level percent of pay and the amortization period for the most recent actuarial valuation was 24 years and the period is closed.

(7) Statement of Fiduciary Net Position for the OPEB Plan

CITY OF SAVANNAH  
STATEMENT OF FIDUCIARY NET POSITION  
OPEB TRUST FUND  
DECEMBER 31, 2013

<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 46,594,003
Total assets	<u>46,594,003</u>
<b><u>NET POSITION</u></b>	
Held in trust for:	
OPEB	<u>\$ 46,594,003</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

(8) Statement of Fiduciary Net Position for the OPEB Plan

**CITY OF SAVANNAH  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
OPEB TRUST FUND  
YEAR ENDED DECEMBER 31, 2013**

<b><u>ADDITIONS</u></b>	
Contributions	
Employer	\$ 11,252,249
Plan members	<u>2,326,601</u>
Total contributions	<u>13,578,850</u>
Investment income	
Interest	<u>25,532</u>
Total additions	<u>13,604,382</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	6,420,656
Administrative expense	<u>255,194</u>
Total deductions	<u>6,675,850</u>
Change in net position	6,928,532
Net position:	
Beginning of year - January 1	<u>39,665,471</u>
End of year - December 31	<u><u>\$ 46,594,003</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 9 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the risk management program, the Risk Management Internal Service Fund provides coverage for worker's compensation claims, general liability claims, employee health benefit claims, unemployment compensation claims, and property damage claims. The City purchases property and liability insurance for claims in excess of coverage provided by the fund. As in the past three fiscal years, settled property damage claims in 2013 did not exceed commercial coverage.

All funds of the City participate in the program and make payments to the Risk Management Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. During 2013, premiums paid into the fund by both the City and its employees were exceeded by liabilities incurred for the various types of claims covered by \$8,457,935. The amount available for catastrophic losses at December 31, 2013 had a total net liability balance of \$6,087,288.

The Risk Management Fund establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of potential claims that have occurred but not yet been reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in the aggregate amount finally paid, particularly for coverages such as general liability. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

The claims liability of \$9,399,734 reported as of year end is based on the requirements of Governmental Accounting Standards Board Statement 30, which requires that a liability for claims be established if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. At December 31, 2013, \$4,702,893 of those covered liabilities is considered to be long-term and \$4,696,841 is considered to be due within one year. Changes in the fund's claims liability amount for the current and prior fiscal years are presented below:

<b>Year</b>	<b>Beginning of Year Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>End of Year Liability</b>
2011	\$ 11,437,019	\$ 23,650,928	\$ (24,501,065)	\$ 10,586,882
2012	10,586,882	25,959,599	(26,864,291)	9,682,190
2013	9,682,190	36,138,948	(36,421,404)	9,399,734

During 2013, the City settled one claim that was unusual and infrequent. The \$9.5 million settlement was reached with a citizen who suffered injuries when struck by a falling tree limb.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 10 - INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES**

Interfund transfers in (out) for the year ended December 31, 2013, are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Hazardous Materials Team Fund	\$ 196,211	Provide resources to fund operating expenditures.
General Fund	Grant Fund	159,370	Provide resources to fund grant match requirements.
General Fund	Civic Center Fund	1,373,775	Provide resources to fund operating expenses.
General Fund	Community Development Fund	1,899,651	Provide resources to fund operating expenditures and grant matches.
General Fund	Debt Service Fund	2,149,713	Provide resources to fund debt service expenditures.
General Fund	Sanitation Fund	422,038	Provide resources to fund operating expenses.
General Fund	Capital Improvement Fund	5,958,416	Provide resources to fund planned capital project expenditures.
General Fund	Public Safety Communications Fund	902,319	Provide resources to fund emergency communications expenditures.
Grant Fund	Internal Service Revolving Fund	47,447	Provide resources to fund purchase of vehicle related to grant.
Hotel/motel Tax Fund	Civic Center Fund	409,969	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	General Fund	7,260,912	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	Civic Center Fund	1,034,409	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	General Fund	344,803	Transfer restricted revenues to fund required to expend them.
	<b>Total</b>	<u>\$ 22,159,033</u>	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect 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 in the General Fund to finance various programs accounted for in other funds, including capital projects, in accordance with budgetary operations.

In certain years, the General Fund transfers amounts to the Tax Allocation District I Fund in order to fund debt service obligations liquidated by the Tax Allocation District I Fund. While the transfers do not meet the definition of an advance and no advance to/from is recorded on the financial statements, if future revenues within the Tax Allocation District I Fund are sufficient a repayment of these transfers is desired by the City. As of December 31, 2013, the General Fund had transferred an aggregate total of \$2,424,459 to the Tax Allocation District I Fund to pay debt service obligations of the fund.

At the fund level, the Water and Sewer Fund recorded transfers out totaling \$3,517 that represented the value of assets reassigned to the general government during 2013.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 10 - INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES (CONTINUED)**

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

<u>Payable from</u>	<u>Payable to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Improvements Fund	\$ 28,955,827	Committed funds for capital projects. Cash is transferred only as project costs are paid. This balance may not be paid within one year.
Nonmajor governmental fund	General Fund	276,630	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Nonmajor governmental fund	General Fund	446,832	Hotel/motel taxes receivable at year end which are to be transferred to General Fund when received.
Nonmajor governmental fund	General Fund	132,835	Cash to be repaid upon receipt of hazardous materials fees due from other governments.
Nonmajor governmental fund	General Fund	24,257	Auto rental taxes receivable at year end which are to be transferred to General Fund when received.
Nonmajor governmental fund	Nonmajor business-type fund	72,774	Auto rental taxes receivable at year end which are to be transferred for use by Civic Center when received.
		<u>\$ 29,909,155</u>	

**NOTE 11 – RECEIVABLE AND PAYABLE BALANCES**

Receivables at December 31, 2013 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes Receivable	\$12,795,874	
Due from other Governments	11,982,404	
Miscellaneous accounts receivable	10,810,112	\$33,852,280
Less: allowance for uncollectible	<u>4,513,215</u>	<u>18,804,170</u>
Total	<u>\$31,075,175</u>	<u>\$15,048,110</u>



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 11 – RECEIVABLE AND PAYABLE BALANCES (CONTINUED)**

Payables at December 31, 2013 consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due to vendors	\$ 6,384,320	\$ 22,513,446
Accrued payroll tax liabilities and withholdings	<u>1,476,118</u>	
Total	<u>\$ 7,860,438</u>	<u>\$ 22,513,446</u>

**NOTE 12 – FUND EQUITY AND FUND BALANCE CLASSIFICATIONS**

The Statement of Net Position shows certain amounts as restricted net position. These amounts are restricted in their use by parties outside the City such as creditors, grantors, or contributors, or restricted by law or regulation. Components of Restricted Net Position at December 31, 2013 include:

<b>Activity</b>	<b>Restricted by</b>	<b>Amount</b>
Governmental Activities:		
Sales Tax Capital Projects	Law	\$ 75,676,797
Other Capital Projects	Bond covenants	15,282,948
Community Development projects	Grantor agencies	24,287,992
HUD Section 108 projects	Creditor – U. S. Dept. of Housing & Urban Development	392,273
Nonexpendable Perpetual Care	Cemetery perpetual care	5,672,885
Debt service	Special assessment bonds	522,501
Public safety communications	Law	2,150,656
Other grants	Grantor agencies	701,122
Business-Type Activities:		
Debt service	Bond covenants	2,345,058

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 12 – FUND EQUITY AND FUND BALANCE CLASSIFICATIONS (CONTINUED)**

As of December 31, 2013, Governmental Funds' balance sheet reports fund balances as follows:

	<u>General</u>	<u>SPLOST 2009-2014</u>	<u>Other Funds</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Permanent fund principal	\$ -	\$ -	\$ 5,571,350
<b>Restricted for:</b>			
Public safety			2,647,770
Community development program and administration			299,468
Debt service			927,191
Other capital projects		47,498,891	43,460,854
<b>Committed to:</b>			
General administration	51,542		
Management and financial services	43,377		
Facilities maintenance	194,056		
Public safety	204,653		
Leisure services	116,003		
Social and cultural	78,383		
Public development	7,359		
Community development program and administration	1,424,174		
Other capital projects			35,532,703
<b>Unassigned:</b>	<u>31,765,800</u>		
Total fund balances	<u>\$ 33,885,347</u>	<u>\$ 47,498,891</u>	<u>\$ 88,439,336</u>

For fund balances reported as committed, the government's highest level of decision making authority is the Mayor and Alderman, which may establish, modify or rescind a fund balance commitment through the passage of an ordinance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to have been spent. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance could be used, the City considers committed amounts to have been spent.

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 12 – FUND EQUITY AND FUND BALANCE CLASSIFICATIONS (CONTINUED)**

The Statement of Net Position shows certain amounts as net investment in capital assets. Governmental activities net investment in capital assets included capital assets of \$579,284,857 less related debt of \$14,858,974, which includes contractor retainage payable of \$1,416,035 and contractual obligations of \$28,561,621 less unspent bonds proceeds of \$15,118,682. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities. Business-type activities net investment in capital assets included capital assets of \$401,708,590 less related debt of \$119,067,506, which includes contractor retainage payable of \$21,323,534 and debt of \$99,004,554 less unspent bond proceeds of \$1,260,582. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities.

For the year ended December 31, 2013, the Sanitation Fund reported a deficit in ending net position of \$5,195,019. The City anticipates that the deficit in the Sanitation Fund will be eliminated by increased charges for services and General Fund transfers.

For the year ended December 31, 2013, the Internal Service Risk Management Fund reported a deficit in ending net position of \$6,087,288. The City has adopted a plan to eliminate the deficit within a reasonable period of time by increasing premiums charged to user funds by a minimum of \$1,000,000 annually.

**NOTE 13 - PROPERTY TAXES**

Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied on all taxable real, public utilities, and personal property (including vehicles) located within the City. Assessed values for property tax purposes are determined by the Chatham County Board of Tax Assessors for all property except public utility. Assessed value is set at 40% of market value. Public utility assessed value is set by the State of Georgia.

The property tax calendar is as follows:

2013 (tentative) millage rate adopted by ordinance	December 31, 2012
Beginning of fiscal year for taxes	January 1, 2013
First installment real property tax bills rendered	April 11, 2013
First installment real property tax payment due	May 15, 2013
County Tax Digest approved by the State of Georgia	September 12, 2013
2013 final millage rate adopted by ordinance	July 25, 2013
Second installment real property tax bills rendered	October 4, 2013
Personal property tax bills rendered	October 11, 2013
Second installment real property tax payment due	November 21, 2013
Personal property tax payment due	November 27, 2013

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 14 - CONTINGENT LIABILITIES & VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance audits. In accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, June 1997 revision, the City will have a single audit performed for the year ended December 31, 2013. The City's compliance with applicable grant requirements will be established upon the completion of the single audit. The amount, if any, of expenditures which may be disallowed by the granting agencies can not be determined at this time although the City expects such amounts, if any, to be immaterial.

The City reviews all outstanding claims and judgments to determine if any estimated liabilities should be accrued at year end. Based on the review of the claims and past experience, it has been determined that there were no material claims and judgments outstanding at December 31, 2013, which have not been accrued.

The City is party to a lawsuit involving the construction of a City parking garage. The City's contractor alleges it is entitled to additional compensation. While the City is vigorously defending against the claim, a preliminary court decision found the City liable for additional garage construction costs. The City is currently appealing the court's decision; however, the amount of \$18,718,594 has been accrued in relation to the claim and includes amounts awarded as judgment and accrued interest to December 31, 2010. Because the claim related to construction costs of the City's Whitaker Street Parking Garage, the liability was recognized in the City's Parking Fund with a corresponding increase in the garage asset's value.

The City has been named as a potentially responsible party regarding environmental remediation of a closed landfill. A liability associated with the landfill remediation cannot be estimated; however, the City expects such amounts, if any, to be immaterial.

**NOTE 15 - CONDUIT DEBT OBLIGATIONS**

On July 1, 2011 the City issued the City of Savannah Airport Revenue Refunding Bonds which currently refunded all of the outstanding City of Savannah Airport Revenue Bonds, Series 2001, funded a debt service reserve and paid costs of issuance. The proceeds defeased the 2001 Airport Revenue Bonds that were issued to finance the acquisition and construction of certain capital improvements at the Savannah-Hilton Head International Airport and to refund the outstanding City of Savannah Airport Revenue Bonds, Series 1992. Although the Series 2011 Bonds were issued by the City, they do not constitute and are not an obligation or indebtedness of the City, Chatham County, the State of Georgia or any political subdivision thereof. The City is not obligated to levy taxes in any nature for payment of the Bonds.

As the Bonds are not an obligation of the City, and as the Savannah Airport Commission is not a component unit of the City, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2013, the Series 2011 Revenue Bonds outstanding were \$10,385,000. At December 31, 2013, all Series 1992 bonds and Series 2001 bonds had been defeased.

**NOTE 16 – EXTRAORDINARY ITEM**

During 2013, the City settled a civil claim with a private citizen for \$9.5 million. This claim arose after the citizen was injured by a falling tree limb. The payment was shown as a risk management expense at the fund level in the Risk Management Internal Service Fund.

**CITY OF SAVANNAH, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2013**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes	\$ 57,446,500	\$ 57,995,700	\$ 60,693,447	\$ 2,697,747
Intangible, transfer and franchise taxes	18,858,000	18,857,610	19,014,466	156,856
General sales tax	40,163,000	35,921,000	36,115,270	194,270
Selective sales taxes	3,867,770	4,005,000	4,074,071	69,071
Business taxes	7,052,000	7,644,600	7,668,837	24,237
Penalties and interest on delinquent taxes	700,000	1,026,000	1,215,894	189,894
Licenses and permits	1,756,000	1,796,000	1,839,524	43,524
Inspection fees	1,387,100	2,079,100	2,399,426	320,326
Intergovernmental revenue	1,384,000	1,534,350	1,796,896	262,546
Charges for services	26,866,328	25,514,676	23,023,206	(2,491,470)
Indirect cost allocations	4,329,022	4,329,022	4,329,022	
Fines and forfeitures	2,806,000	2,850,000	2,751,900	(98,100)
Investment income	104,400	50,400	4,301	(46,099)
Miscellaneous revenue	1,061,000	913,125	981,860	68,735
<b>Total revenues</b>	<b>167,781,120</b>	<b>164,516,583</b>	<b>165,908,120</b>	<b>1,391,537</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	4,495,833	4,333,223	4,407,234	(74,011)
Management and financial services	7,920,817	7,679,779	7,695,351	(15,572)
Facilities maintenance	25,201,989	28,339,611	27,686,890	652,721
Police	63,052,578	61,077,762	60,645,804	431,958
Recorder's court	2,286,816	2,249,311	2,230,737	18,574
Fire	25,041,265	25,671,062	25,417,059	254,003
Leisure services	20,556,694	20,511,997	20,608,174	(96,177)
Tourism enhancement	2,646,625	2,675,375	1,819,335	856,040
Social and cultural	1,786,372	1,959,886	1,954,496	5,390
Public development	9,270,140	7,505,161	7,585,531	(80,370)
Community development program and administration	2,100,000	2,100,000	18,040	2,081,960
<b>Total expenditures</b>	<b>164,359,129</b>	<b>164,103,167</b>	<b>160,068,651</b>	<b>4,034,516</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,421,991</b>	<b>413,416</b>	<b>5,839,469</b>	<b>5,426,053</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	7,021,400	7,637,500	7,605,715	(31,785)
Transfers out	(10,443,391)	(13,150,916)	(13,061,493)	89,423
<b>Total other financing sources (uses)</b>	<b>(3,421,991)</b>	<b>(5,513,416)</b>	<b>(5,455,778)</b>	<b>57,638</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (5,100,000)</b>	<b>383,691</b>	<b>\$ 5,483,691</b>
<b>FUND BALANCE - JANUARY 1</b>			<b>33,501,656</b>	
<b>FUND BALANCE - DECEMBER 31</b>			<b>\$ 33,885,347</b>	

**CITY OF SAVANNAH, GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 COMMUNITY DEVELOPMENT FUND  
 YEAR ENDED DECEMBER 31, 2013**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES:</b>				
Intergovernmental Revenue	\$ 10,345,403	\$ 12,545,705	\$ 3,844,947	\$ (8,700,758)
Charges for services			2,252,585	2,252,585
Interest earned			248,366	248,366
Miscellaneous revenue			4,049	4,049
Total revenues	<u>10,345,403</u>	<u>12,545,705</u>	<u>6,349,947</u>	<u>(6,195,758)</u>
<b>EXPENDITURES:</b>				
Community development program and administration	11,391,539	13,447,977	8,095,056	5,352,921
Debt Service:				
Principal	117,620	117,620	140,000	(22,380)
Interest and fiscal charges	34,403	34,403	14,542	19,861
Total expenditures	<u>11,543,562</u>	<u>13,600,000</u>	<u>8,249,598</u>	<u>5,350,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,198,159)</u>	<u>(1,054,295)</u>	<u>(1,899,651)</u>	<u>(845,356)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,198,159	1,054,295	1,899,651	845,356
Total other financing sources (uses)	<u>1,198,159</u>	<u>1,054,295</u>	<u>1,899,651</u>	<u>845,356</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<b>FUND BALANCE - JANUARY 1</b>			<u>                    </u>	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ -</u>	

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF FUNDING PROGRESS  
DECEMBER 31, 2013**

<b>Actuarial Valuation Date January 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Total Unfunded Actuarial Liability (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll ((a-b)/c)</b>
2004	\$ 192,361,400	\$ 212,365,700	\$ (20,004,300)	90.58%	\$ 75,720,800	(26.42%)
2005	197,300,627	227,073,996	(29,773,369)	86.89%	77,420,010	(38.46%)
2006	205,331,266	244,043,469	(38,712,203)	84.14%	80,920,187	(47.84%)
2007	227,010,804	262,293,852	(35,283,048)	86.55%	88,273,742	(39.97%)
2008	242,750,326	283,174,301	(40,423,975)	85.72%	96,071,023	(42.08%)
2009	241,213,658	300,886,228	(59,672,570)	80.17%	103,128,935	(57.86%)
2010	266,971,991	320,881,955	(53,909,964)	83.20%	102,212,443	(52.74%)
2011	270,411,733	337,964,954	(67,553,221)	80.01%	101,231,939	(66.73%)
2012	261,878,077	359,657,383	(97,779,306)	72.81%	98,576,795	(99.19%)
2013	261,418,338	368,261,194	(106,842,856)	70.99%	101,065,407	(105.72%)

\* Effective January 1, 2000, the method for computing the actuarial value of plan assets was changed to a method that smooths the effects of short-term volatility in the market value of investments over a four year period.

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DECEMBER 31, 2013**

<b>Year Ended December 31</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 4,177,400	100.00%
2005	5,211,200	100.00%
2006	5,998,524	100.00%
2007	6,747,106	100.00%
2008	6,944,620	100.17%
2009	7,622,577	100.00%
2010	8,552,348	100.00%
2011	8,697,179	100.00%
2012	9,729,071	100.00%
2013	11,311,352	100.00%



**CITY OF SAVANNAH, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN**  
**SCHEDULE OF FUNDING PROGRESS**  
**DECEMBER 31, 2013**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll
12/31/2005	\$ -	\$ 170,475,649	\$ 170,475,649	0.00%	\$ 75,576,872	225.57%
12/31/2007	-	160,168,208	160,168,208	0.00%	97,873,785	163.65%
12/31/2009	-	179,958,099	179,958,099	0.00%	101,788,736	176.80%
12/31/2010	-	159,649,684	159,649,684	0.00%	101,231,939	157.71%
12/31/2011	32,972,354	141,972,845	109,000,491	23.22%	97,898,141	111.34%
12/31/2012	39,665,471	104,329,839	64,664,368	38.02%	100,925,268	64.07%

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DECEMBER 31, 2013**

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 14,212,965	32.3%
2008	13,905,289	35.7%
2009	15,601,172	22.7%
2010	16,887,022	22.5%
2011	14,453,693	261.6%
2012	10,897,270	104.8%
2013	8,629,426	130.4%

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF VALUATION DETAILS  
DECEMBER 31, 2013**

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<b>Valuation date</b>	December 31, 2012
<b>Actuarial cost method</b>	Projected Unit Credit
<b>Amortization method</b>	Level percent of pay, closed, 30 years
<b>Remaining amortization period</b>	24 years as of January 1, 2013
<b>Asset valuation method</b>	Market value

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**Actuarial assumptions:**

Investment rate of return	7.00%
Inflation rate	3.75%
Projected salary increases	5.60% at age 20 graded to 3.75% at age 62
Medical cost trend rate (pre-65)	7.50% graded to 5.00% over 5 years
Drug cost trend rate (pre-65)	6.75% graded to 5.00% over 7 years
Medical and drug trend rate (post-65)	6.25% graded to 5.00% over 5 years

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**Plan membership:**

Current retirees, beneficiaries, and dependents	1,046
Current active members	2,560
Terminated members entitled but not yet eligible	-
Total	3,606

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NOTE A - BUDGET**

The City adopted annual budgets for the 2013 fiscal year for the General Fund, all Special Revenue Funds and all Debt Service Funds. Budgets for all governmental fund types are adopted on a basis consistent with generally accepted accounting principles. Budgets for capital project funds are adopted as project length budgets.

Presentation of major fund budgets can be found in the Required Supplementary Information. Nonmajor fund budgets are detailed in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue and Debt Service Funds.

The City is organized into nine major departments that are called bureaus. The bureau is the legal level of control. The legal level of control is the level at which expenditures may not legally exceed the budget without approval by the City Council. The City Manager may approve changes below the legal level of control. Appropriations lapse at year-end with two exceptions. First, in the Capital Projects Funds appropriations are carried forward until project completion. Second, encumbered appropriations do not lapse but are carried forward to the ensuing budget year as budgetary amendments.

Budgeted amounts shown in the required supplemental information are as adopted by the City Council. Budgetary activity for 2013 is presented below:

Fund	Original Appropriation	Encumbered Appropriations Carried Forward From Prior Years	Budgetary Amendments	Final Appropriations
<b>Major Funds:</b>				
General	\$ 174,802,520	\$ 820,039	\$ 1,631,524	\$ 177,254,083
Community Development	11,543,562	110,984	1,945,454	13,600,000
<b>Nonmajor Funds:</b>				
Grant	4,588,261	371,772	2,539,967	7,500,000
Economic Development	1,500,000	-	-	1,500,000
Hazardous Materials Team	541,013	32,541	26,446	600,000
Public Safety Communications	6,643,403	23,357	(66,760)	6,600,000
Hote/motel Tax	13,412,800	-	1,287,200	14,700,000
Automobile Rental Tax	1,300,000	-	200,000	1,500,000
Confiscated Assets	175,000	-	25,000	200,000
General Obligation Bond Debt Service	2,148,125	-	351,875	2,500,000
Special Assessment Debt Service	100,000	-	-	100,000

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

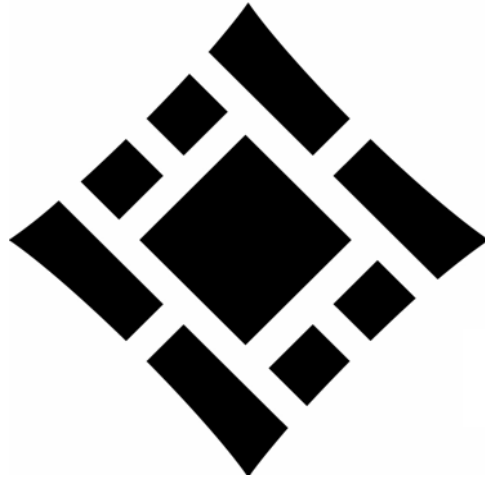
**NOTE A – BUDGET (CONTINUED)**

During 2013, General Fund expenditures in the following departments exceeded the final budgeted amounts adopted by City Council:

	<b><u>FINAL BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE WITH FINAL BUDGET</u></b>	<b><u>% Variance</u></b>
General administration	\$ 4,333,223	\$ 4,407,234	\$ (74,011)	1.71%
Management and financial services	7,679,779	7,695,351	(15,572)	0.20%
Leisure services	20,511,997	20,608,174	(96,177)	0.47%
Public development	7,505,161	7,585,531	(80,370)	1.07%

In accordance with State law, new appropriations for projects for the capital project funds were adopted by ordinance and totaled \$25,700,000 in 2013.

To prepare its budget for the next fiscal year, City Budget staff and departments work together to analyze funding needs beginning in the preceding June. The Budget Department prepares a draft budget for the City Manager in August. After reviewing the draft budget and meeting with the bureaus, the City Manager and Budget staff prepare a Recommended Service Program and Budget as well as a five year Capital Improvement Plan. Both are presented to City Council in October. Council conducts public hearings in November and December, and adopts budgeted revenues and appropriations for the upcoming fiscal year by ordinance in December. Subsequent budgetary amendments can be adopted upon majority vote of the City Council.



**SUPPLEMENTAL SECTION**  
COMBINING STATEMENTS  
OTHER SCHEDULES

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **NONMAJOR CITY FUNDS**

In the Notes to the Financial Statements, the City has described its major funds and its internal service and fiduciary funds. Other non-major funds of the City include:

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The non-major Special Revenue Funds maintained by the City follow:

Grant Fund – The Grant Fund accounts for all grants not properly accounted for in another fund. This fund's major grant revenues are received from the State of Georgia for this service area under the Workforce Investment Act.

Economic Development Fund – The Economic Development Fund reports the proceeds and uses of a Section 108 Note guaranteed by the Secretary of HUD and secured by the City's future CDBG allocations. Note proceeds will be used to fund certain business loans and costs related to the development of an entrepreneurial center.

Hazardous Materials Team Fund - The Special Revenue Fund for the Hazardous Materials Team is used to account for the activities of a group of fire personnel who work to control and reduce risks related to industrial chemical events in Chatham County. Operating revenue for the Hazardous Materials Team Fund is supplied 25% by the City, 25% by Chatham County, and 50% by area facilities that manufacture, use or store hazardous materials.

Public Safety Communications Fund - The Public Safety Communications Fund reports the operation of the City's emergency communications (E-911) system and revenues generated from telephone subscriber surcharge fees.

Hotel/motel Tax Fund – The Hotel/Motel Tax Fund is used to account for the proceeds and uses of a six percent selective sales tax applied to occupied hotel and motel rooms throughout the City. This sales tax is applied to the taxable charges for the room and collected by merchants who then remit the taxes to the City Treasurer.

Automobile Rental Tax Fund – The Automobile Rental Tax Fund is used to account for the proceeds and uses of a three percent selective sales tax applied to automotive vehicle rentals from locations within the City of Savannah. This sales tax is applied to the rental charge of each motor vehicle and collected by merchants who then remit the taxes to the City Treasurer.

Confiscated Assets Fund - Income generated from assets seized in drug-related cases as well as the use of the funds is accounted for in the Special Revenue Fund Confiscated Assets Fund.



## NONMAJOR CITY FUNDS (CONTINUED)

### Permanent Fund

The Permanent Fund accounts for assets held by the City that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Cemetery Fund - The Cemetery Fund accounts for the revenues received for the upkeep of cemetery lots located in Greenwich, Bonaventure, and Laurel Grove perpetual care cemeteries. Interest earned on investments held by this fund is transferred to the General Fund to defray a portion of the cost of cemetery maintenance.

### Debt Service Funds

Debt Service Funds account for funds accumulated and expended to pay principal, interest, and related costs of City debt, other than debt service payments made from the Enterprise Funds.

The Debt Service Funds maintained by the City are as follows:

Debt Service Fund for General Obligation Bonds - The Debt Service Fund for General Obligation Bonds accounts for the accumulation of resources for, and the payment of, general obligation principal, interest and related costs.

Debt Service Fund for Special Assessment Debt - The Debt Service Fund for Special Assessment Debt accounts for the accumulation of resources for, and the payment of, special assessment principal, interest and related costs.

### Capital Projects Funds

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital projects.

Non-major Capital Projects Funds of the City are:

Sales Tax Road Funds – Two separate Sales Tax Road Funds account for the receipt and use of special sales tax proceeds for road improvement projects.

SPLOST 1998-2003 Fund – The SPLOST 1998-2003 Fund accounts for special purpose local option sales tax (SPLOST) revenues and expenditures of those revenues. SPLOST funds were previously collected over a five-year period beginning October 1998 and ending September 2003. In years prior to 2010, this fund was entitled the Drainage Improvement Fund.

SPLOST 2003-2008 Fund – The SPLOST 2003-2008 Fund accounts for special purpose local option sales tax (SPLOST) revenues and expenditures of those revenues. SPLOST funds were previously collected over a five-year period beginning October 2003 and ending September 2008.

Capital Improvement Fund – The Capital Improvement Fund accounts for financial resources to be used for construction or acquisition of major capital projects. Projects accounted for in this fund are typically funded with local resources.

**NONMAJOR CITY FUNDS (CONTINUED)**

Tax Allocation District I Fund - The Tax Allocation District I Fund is used to account for resources devoted to construction of capital improvements in a redevelopment district located east of the City's downtown. Incremental property tax revenues derived from the increases in market values of properties located within the district will be devoted to infrastructure improvements.

Enterprise Funds

Enterprise Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charge; or, (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Non-major Enterprise Funds maintained by the City include:

Civic Center Fund - The Civic Center Fund accounts for the operation of the Savannah Civic Center.

Golf Course Fund - The Golf Course Fund accounts for the transactions related to the lease between the City and EDR Management Inc. EDR Management Inc. operates the Bacon Park Golf Course and pays the City a monthly rent.

Resource Recovery Fund - The Resource Recovery Fund accounts for the transactions related to the Resource Recovery Development Authority (Authority) for the City of Savannah. The purpose of the Authority is to provide the recovery and utilization of resources contained in solid waste.

CITY OF SAVANNAH, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS							PERMANENT	
	GRANT	ECONOMIC DEVELOPMENT	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	CONFISCATED ASSETS	TOTAL	FUND CEMETERY
<b>ASSETS</b>									
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 216,398	\$ -	\$ 497,114	\$ 713,512	\$ -
Receivables, net				342,355	893,663	97,031		1,333,049	101,535
Due from other governments	607,818		142,473	857,180				1,607,471	
Restricted assets:									
Cash and investments		286,418		959,649				1,246,067	5,571,350
Receivables, net		13,050						13,050	
Notes receivable, long-term		92,805						92,805	
<b>Total assets</b>	<b>\$ 607,818</b>	<b>\$ 392,273</b>	<b>\$ 142,473</b>	<b>\$ 2,159,184</b>	<b>\$ 1,110,061</b>	<b>\$ 97,031</b>	<b>\$ 497,114</b>	<b>\$ 5,005,954</b>	<b>\$ 5,672,885</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 127,180	\$ -	\$ 9,638	\$ 8,528	\$ 663,229	\$ -	\$ -	\$ 808,575	\$ -
Unexpended grant proceeds	204,008							204,008	
Due to other funds	276,630		132,835		446,832	97,031		953,328	
<b>Total liabilities</b>	<b>607,818</b>		<b>142,473</b>	<b>8,528</b>	<b>1,110,061</b>	<b>97,031</b>		<b>1,965,911</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable program income		92,805						92,805	101,535
<b>FUND BALANCES</b>									
Nonspendable									5,571,350
Restricted		299,468		2,150,656			497,114	2,947,238	
<b>Total fund balance</b>		<b>299,468</b>		<b>2,150,656</b>			<b>497,114</b>	<b>2,947,238</b>	<b>5,571,350</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 607,818</b>	<b>\$ 392,273</b>	<b>\$ 142,473</b>	<b>\$ 2,159,184</b>	<b>\$ 1,110,061</b>	<b>\$ 97,031</b>	<b>\$ 497,114</b>	<b>\$ 5,005,954</b>	<b>\$ 5,672,885</b>

CITY OF SAVANNAH, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013

	<u>DEBT SERVICE FUNDS</u>			<u>CAPITAL PROJECTS FUNDS</u>						<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	
	<u>GENERAL OBLIGATION BONDS</u>	<u>SPECIAL ASSESSMENTS</u>	<u>TOTAL</u>	<u>SALES TAX ROAD FUND I</u>	<u>SALES TAX ROAD FUND II</u>	<u>SPLOST 1998-2003</u>	<u>SPLOST 2003-2008</u>	<u>CAPITAL IMPROVEMENT</u>	<u>TAX ALLOCATION DISTRICT I</u>		<u>TOTAL</u>
<b><u>ASSETS</u></b>											
Cash and investments	\$ 899,694	\$ -	\$ 899,694	\$ -	\$ -	\$ -	\$ -	\$ 6,874,377	\$ -	\$ 6,874,377	\$ 8,487,583
Receivables, net											1,434,584
Due from other funds								28,955,827		28,955,827	28,955,827
Due from other governments											1,607,471
Restricted assets:											
Cash and investments		27,497	27,497	19,865	596,542	2,616,801	25,065,977		15,340,124	43,639,309	50,484,223
Receivables, net											13,050
Special assessments receivable, net		119,623	119,623								119,623
Notes receivable, long-term											92,805
Total assets	<u>\$ 899,694</u>	<u>\$ 147,120</u>	<u>\$ 1,046,814</u>	<u>\$ 19,865</u>	<u>\$ 596,542</u>	<u>\$ 2,616,801</u>	<u>\$ 25,065,977</u>	<u>\$ 35,830,204</u>	<u>\$ 15,340,124</u>	<u>\$ 79,469,513</u>	<u>\$ 91,195,166</u>
<b><u>LIABILITIES</u></b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,435	\$ 119,844	\$ 297,501	\$ 57,176	\$ 475,956	\$ 1,284,531
Unexpended grant proceeds											204,008
Due to other funds											953,328
Total liabilities						1,435	119,844	297,501	57,176	475,956	2,441,867
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>											
Unavailable program income		119,623	119,623								313,963
<b><u>FUND BALANCES</u></b>											
Nonspendable											5,571,350
Restricted	899,694	27,497	927,191	19,865	596,542	2,615,366	24,946,133		15,282,948	43,460,854	47,335,283
Committed								35,532,703		35,532,703	35,532,703
Total fund balance	<u>899,694</u>	<u>27,497</u>	<u>927,191</u>	<u>19,865</u>	<u>596,542</u>	<u>2,615,366</u>	<u>24,946,133</u>	<u>35,532,703</u>	<u>15,282,948</u>	<u>78,993,557</u>	<u>88,439,336</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 899,694</u>	<u>\$ 147,120</u>	<u>\$ 1,046,814</u>	<u>\$ 19,865</u>	<u>\$ 596,542</u>	<u>\$ 2,616,801</u>	<u>\$ 25,065,977</u>	<u>\$ 35,830,204</u>	<u>\$ 15,340,124</u>	<u>\$ 79,469,513</u>	<u>\$ 91,195,166</u>

This statement is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2013

	SPECIAL REVENUE FUNDS							PERMANENT	
	GRANT FUND	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	CONFISCATED ASSETS	TOTAL	CEMETERY
<b>REVENUES:</b>									
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 14,521,824	\$ 1,379,212	\$ -	\$ 15,901,036	\$ -
Intergovernmental revenue	6,094,261		70,248				295,763	6,460,272	
Charges for services		28,728	253,525	5,104,611				5,386,864	226,992
Investment income		13		1,379			172	1,564	
Miscellaneous revenue	49,684							49,684	
<b>Total revenues</b>	<b>6,143,945</b>	<b>28,741</b>	<b>323,773</b>	<b>5,105,990</b>	<b>14,521,824</b>	<b>1,379,212</b>	<b>295,935</b>	<b>27,799,420</b>	<b>226,992</b>
<b>EXPENDITURES:</b>									
Police				6,022,970			15,287	6,038,257	
Fire			519,984					519,984	
Tourism enhancement					6,850,943			6,850,943	
Grant program and administration	6,255,868							6,255,868	
<b>Total expenditures</b>	<b>6,255,868</b>		<b>519,984</b>	<b>6,022,970</b>	<b>6,850,943</b>		<b>15,287</b>	<b>19,665,052</b>	
Excess (deficiency) of revenues over (under) expenditures	(111,923)	28,741	(196,211)	(916,980)	7,670,881	1,379,212	280,648	8,134,368	226,992
Transfers in	159,370		196,211	902,319				1,257,900	
Transfers out	(47,447)				(7,670,881)	(1,379,212)		(9,097,540)	
<b>Total other financing sources (uses)</b>	<b>111,923</b>		<b>196,211</b>	<b>902,319</b>	<b>(7,670,881)</b>	<b>(1,379,212)</b>		<b>(7,839,640)</b>	
Net change in fund balances		28,741		(14,661)			280,648	294,728	226,992
<b>FUND BALANCES - JANUARY 1</b>		<b>270,727</b>		<b>2,165,317</b>			<b>216,466</b>	<b>2,652,510</b>	<b>5,344,358</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ -</b>	<b>\$ 299,468</b>	<b>\$ -</b>	<b>\$ 2,150,656</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 497,114</b>	<b>\$ 2,947,238</b>	<b>\$ 5,571,350</b>

This statement is continued on the next page.

CITY OF SAVANNAH, GEORGIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2013

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS						TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENTS	TOTAL	SALES TAX ROAD FUND I	SALES TAX ROAD FUND II	SPLOST 1998-2003	SPLOST 2003-2008	CAPITAL IMPROVEMENT	TAX ALLOCATION DISTRICT I			
<b>REVENUES:</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281,695	\$ 281,695	\$ 281,695	\$ 281,695
Selective sales tax												15,901,036
Intergovernmental revenue					500,000			5,514,728	241,446	6,256,174	12,716,446	12,716,446
Charges for services											5,613,856	5,613,856
Special assessments		696	696								696	696
Investment income	576	17	593	14	329	1,715	17,818	799	10,624	31,299	33,456	33,456
Miscellaneous revenue								338,978		338,978	388,662	388,662
<b>Total revenues</b>	<b>576</b>	<b>713</b>	<b>1,289</b>	<b>14</b>	<b>500,329</b>	<b>1,715</b>	<b>17,818</b>	<b>5,854,505</b>	<b>533,765</b>	<b>6,908,146</b>	<b>34,935,847</b>	<b>34,935,847</b>
<b>EXPENDITURES:</b>												
Police												6,038,257
Fire												519,984
Tourism enhancement												6,850,943
Grant program and administration												6,255,868
Debt Service:												
Principal	1,805,000		1,805,000						735,000	735,000	2,540,000	2,540,000
Interest and fiscal charges	344,713		344,713						631,886	631,886	976,599	976,599
Capital outlay								6,799,666	954,113	7,753,779	7,753,779	7,753,779
Capital outlay - SPLOST funded						66,686	2,737,466			2,804,152	2,804,152	2,804,152
<b>Total expenditures</b>	<b>2,149,713</b>		<b>2,149,713</b>			<b>66,686</b>	<b>2,737,466</b>	<b>6,799,666</b>	<b>2,320,999</b>	<b>11,924,817</b>	<b>33,739,582</b>	<b>33,739,582</b>
Excess (deficiency) of revenues over (under) expenditures	(2,149,137)	713	(2,148,424)	14	500,329	(64,971)	(2,719,648)	(945,161)	(1,787,234)	(5,016,671)	1,196,265	1,196,265
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in	2,149,713		2,149,713					5,958,416		5,958,416	9,366,029	9,366,029
Transfers out											(9,097,540)	(9,097,540)
<b>Total other financing sources (uses)</b>	<b>2,149,713</b>		<b>2,149,713</b>					<b>5,958,416</b>		<b>5,958,416</b>	<b>268,489</b>	<b>268,489</b>
Net change in fund balances	576	713	1,289	14	500,329	(64,971)	(2,719,648)	5,013,255	(1,787,234)	941,745	1,464,754	1,464,754
<b>FUND BALANCES - JANUARY 1</b>	<b>899,118</b>	<b>26,784</b>	<b>925,902</b>	<b>19,851</b>	<b>96,213</b>	<b>2,680,337</b>	<b>27,665,781</b>	<b>30,519,448</b>	<b>17,070,182</b>	<b>78,051,812</b>	<b>86,974,582</b>	<b>86,974,582</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 899,694</b>	<b>\$ 27,497</b>	<b>\$ 927,191</b>	<b>\$ 19,865</b>	<b>\$ 596,542</b>	<b>\$ 2,615,366</b>	<b>\$ 24,946,133</b>	<b>\$ 35,532,703</b>	<b>\$ 15,282,948</b>	<b>\$ 78,993,557</b>	<b>\$ 88,439,336</b>	<b>\$ 88,439,336</b>

This statement is continued from the previous page.

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<b>GRANT FUND</b>				<b>ECONOMIC DEVELOPMENT FUND</b>			
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>REVENUES:</b>								
Intergovernmental revenue	\$ 4,461,686	\$ 7,366,756	\$ 6,094,261	\$ (1,272,495)	\$ -	\$ -	\$ -	\$ -
Charges for services					1,500,000	1,500,000	28,728	(1,471,272)
Investment income							13	13
Miscellaneous revenue			49,684	49,684				
<b>Total revenues</b>	<b>4,461,686</b>	<b>7,366,756</b>	<b>6,143,945</b>	<b>(1,222,811)</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>28,741</b>	<b>(1,471,259)</b>
<b>EXPENDITURES:</b>								
Grant program and administration	4,588,261	7,500,000	6,255,868	1,244,132				
Community development program and administration					1,500,000	1,500,000		1,500,000
<b>Total expenditures</b>	<b>4,588,261</b>	<b>7,500,000</b>	<b>6,255,868</b>	<b>1,244,132</b>	<b>1,500,000</b>	<b>1,500,000</b>		<b>1,500,000</b>
Excess (deficiency) of revenues over (under) expenditures	(126,575)	(133,244)	(111,923)	21,321			28,741	28,741
Transfers in	126,575	133,244	159,370	26,126				
Total other financing sources (uses)	126,575	133,244	111,923	(21,321)				
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>28,741</b>	<b>\$ 28,741</b>
<b>FUND BALANCE - JANUARY 1</b>							<b>270,727</b>	
<b>FUND BALANCE - DECEMBER 31</b>			<b>\$ -</b>				<b>\$ 299,468</b>	

This schedule is continued on the next page.

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<b>HAZARDOUS MATERIALS TEAM</b>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 360,000	\$ 286,794	\$ 70,248	\$ (216,546)
Charges for services			253,525	253,525
Total revenues	<u>360,000</u>	<u>286,794</u>	<u>323,773</u>	<u>36,979</u>
<b>EXPENDITURES:</b>				
Fire	<u>541,013</u>	<u>600,000</u>	<u>519,984</u>	<u>80,016</u>
Total expenditures	<u>541,013</u>	<u>600,000</u>	<u>519,984</u>	<u>80,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(181,013)</u>	<u>(313,206)</u>	<u>(196,211)</u>	<u>116,995</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>181,013</u>	<u>313,206</u>	<u>196,211</u>	<u>(116,995)</u>
Total other financing sources (uses)	<u>181,013</u>	<u>313,206</u>	<u>196,211</u>	<u>(116,995)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<b>FUND BALANCE - JANUARY 1</b>			<u>                    </u>	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ -</u>	

This schedule is continued from the previous page.



CITY OF SAVANNAH, GEORGIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS  
 YEAR ENDED DECEMBER 31, 2013

	PUBLIC SAFETY COMMUNICATIONS				HOTEL/MOTEL TAX			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 13,412,800	\$ 14,700,000	\$ 14,521,824	\$ (178,176)
Charges for services	5,100,000	5,319,496	5,104,611	(214,885)				
Investment income			1,379	1,379				
Total revenues	<u>5,100,000</u>	<u>5,319,496</u>	<u>5,105,990</u>	<u>(213,506)</u>	<u>13,412,800</u>	<u>14,700,000</u>	<u>14,521,824</u>	<u>(178,176)</u>
<b>EXPENDITURES:</b>								
Police	6,643,403	6,600,000	6,022,970	577,030				
Tourism enhancement					6,706,400	7,350,000	6,850,943	499,057
Total expenditures	<u>6,643,403</u>	<u>6,600,000</u>	<u>6,022,970</u>	<u>577,030</u>	<u>6,706,400</u>	<u>7,350,000</u>	<u>6,850,943</u>	<u>499,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,543,403)</u>	<u>(1,280,504)</u>	<u>(916,980)</u>	<u>363,524</u>	<u>6,706,400</u>	<u>7,350,000</u>	<u>7,670,881</u>	<u>320,881</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	1,543,403	1,280,504	902,319	(378,185)				
Transfers out					(6,706,400)	(7,350,000)	(7,670,881)	(320,881)
Total other financing sources (uses)	<u>1,543,403</u>	<u>1,280,504</u>	<u>902,319</u>	<u>(378,185)</u>	<u>(6,706,400)</u>	<u>(7,350,000)</u>	<u>(7,670,881)</u>	<u>(320,881)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(14,661)</u>	<u>\$ (14,661)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCE - JANUARY 1</b>			2,165,317					
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ 2,150,656</u>				<u>\$ -</u>	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS  
 YEAR ENDED DECEMBER 31, 2013

	AUTOMOBILE RENTAL			CONFISCATED ASSETS				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Selective sales tax	\$ 1,300,000	\$ 1,500,000	\$ 1,379,212	\$ (120,788)	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue					175,000	200,000	295,763	95,763
Investment income							172	172
Total revenues	<u>1,300,000</u>	<u>1,500,000</u>	<u>1,379,212</u>	<u>(120,788)</u>	<u>175,000</u>	<u>200,000</u>	<u>295,935</u>	<u>95,935</u>
<b>EXPENDITURES:</b>								
Police					175,000	200,000	15,287	184,713
Total expenditures					<u>175,000</u>	<u>200,000</u>	<u>15,287</u>	<u>184,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,300,000</u>	<u>1,500,000</u>	<u>1,379,212</u>	<u>(120,788)</u>			<u>280,648</u>	<u>280,648</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers out	<u>(1,300,000)</u>	<u>(1,500,000)</u>	<u>(1,379,212)</u>	<u>120,788</u>				
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(1,500,000)</u>	<u>(1,379,212)</u>	<u>120,788</u>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>280,648</u>	<u>\$ 280,648</u>
<b>FUND BALANCE - JANUARY 1</b>							<u>216,466</u>	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ -</u>				<u>\$ 497,114</u>	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS  
 YEAR ENDED DECEMBER 31, 2013

	GENERAL OBLIGATION BOND DEBT SERVICE				SPECIAL ASSESSMENTS DEBT SERVICE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 696	\$ (99,304)
Investment income			576	576			17	17
Total revenues			576	576	100,000	100,000	713	(99,287)
<b>EXPENDITURES:</b>								
Debt Service:								
Principal	1,805,000	2,000,000	1,805,000	195,000	50,000	50,000		50,000
Interest and fiscal charges	343,125	500,000	344,713	155,287	50,000	50,000		50,000
Total expenditures	2,148,125	2,500,000	2,149,713	350,287	100,000	100,000		100,000
Excess (deficiency) of revenues over (under) expenditures	(2,148,125)	(2,500,000)	(2,149,137)	350,863	-	-	713	713
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	2,148,125	2,500,000	2,149,713	(350,287)				
Total other financing sources (uses)	2,148,125	2,500,000	2,149,713	(350,287)				
Net change in fund balance	\$ -	\$ -	576	\$ 576	\$ -	\$ -	713	\$ 713
<b>FUND BALANCE - JANUARY 1</b>			899,118				26,784	
<b>FUND BALANCE - DECEMBER 31</b>			\$ 899,694				\$ 27,497	

CITY OF SAVANNAH, GEORGIA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 DECEMBER 31, 2013

	RESOURCE RECOVERY	CIVIC CENTER	GOLF COURSE	TOTAL
<b>ASSETS</b>				
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 2,508,835	\$ 103,741	\$ 2,612,576
Receivables, net		9,375		9,375
Due from other funds		72,774		72,774
Inventories		39,303		39,303
Total current assets		2,630,287	103,741	2,734,028
Noncurrent assets:				
Restricted assets:				
Cash and investments		546,459		546,459
Accounts receivable		84,916		84,916
Capital assets:				
Land	1,592,559	606,537		2,199,096
Plant, buildings, stations, reservoirs, etc		17,465,963	229,083	17,695,046
Improvements, other than buildings		260,787	3,630,321	3,891,108
Machinery and equipment		1,469,684	54,443	1,524,127
Other capital assets		1,007,285	4,692	1,011,977
Less accumulated depreciation		(16,774,689)	(3,445,015)	(20,219,704)
Construction in progress		2,806,861	854,414	3,661,275
Total noncurrent assets	1,592,559	7,473,803	1,327,938	10,394,300
Total assets	1,592,559	10,104,090	1,431,679	13,128,328
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts from refunding of debt		6,172		6,172
Total assets and deferred outflows of resources	\$ 1,592,559	\$ 10,110,262	\$ 1,431,679	\$ 13,134,500
<b>LIABILITIES AND NET POSITION</b>				
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 183,818	\$ -	\$ 183,818
Interest payable		53		53
Current portion of contractual obligations		465,000		465,000
Current portion of compensated absences		65,588		65,588
Total current liabilities		714,459		714,459
Noncurrent liabilities:				
Payable from restricted assets:				
Customer deposits		631,375		631,375
Contractual obligations		516,033		516,033
Compensated absences		106,145		106,145
Net OPEB obligation		100,549		100,549
Total noncurrent liabilities		1,354,102		1,354,102
Total liabilities		2,068,561		2,068,561
NET POSITION				
Net investment in capital assets	1,592,559	5,756,527	1,327,938	8,677,024
Restricted for:				
Unrestricted		2,285,174	103,741	2,388,915
Total net position	1,592,559	8,041,701	1,431,679	11,065,939
Total liabilities and net position	\$ 1,592,559	\$ 10,110,262	\$ 1,431,679	\$ 13,134,500

**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>RESOURCE RECOVERY</u>	<u>CIVIC CENTER</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>				
Rental fees	\$ -	\$ 1,178,867	\$ -	\$ 1,178,867
Recreation fees		471,811		471,811
		<u>1,650,678</u>		<u>1,650,678</u>
<b>OPERATING EXPENSES:</b>				
Personal services		1,735,036		1,735,036
Contractual services		996,654		996,654
Commodities		245,346		245,346
Internal service		373,826		373,826
Depreciation		333,360	32,962	366,322
		<u>3,684,222</u>	<u>32,962</u>	<u>3,717,184</u>
<b>Operating Income (Loss)</b>		<u>(2,033,544)</u>	<u>(32,962)</u>	<u>(2,066,506)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest earned			93	93
Interest expense		(15,424)		(15,424)
Debt issuance costs		(16,770)		(16,770)
Amortization		(7,035)		(7,035)
		<u>(39,229)</u>	<u>93</u>	<u>(39,136)</u>
Income (loss) before contributions and transfers		(2,072,773)	(32,869)	(2,105,642)
<b>TRANSFERS IN</b>		<u>2,818,153</u>		<u>2,818,153</u>
Change in net position		745,380	(32,869)	712,511
Total net position - beginning	1,592,559	7,296,321	1,464,548	10,353,428
Total net position - ending	<u>\$ 1,592,559</u>	<u>\$ 8,041,701</u>	<u>\$ 1,431,679</u>	<u>\$ 11,065,939</u>

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	<b>CIVIC CENTER</b>	<b>GOLF COURSE</b>	<b>TOTALS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,434,885	\$ -	\$ 1,434,885
Cash paid to suppliers	(1,176,928)		(1,176,928)
Cash paid to other funds for services	(373,826)		(373,826)
Cash paid to employees	(1,735,036)		(1,735,036)
Net cash provided (used) by operating activities	<u>(1,850,905)</u>	<u>-</u>	<u>(1,850,905)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>			
Repayment of due to (from) other funds	(8,798)		(8,798)
Bond proceeds used to refinance debt	950,000		950,000
Issuance costs, premiums and discounts on issuance of bonds	(16,770)		(16,770)
Premium	31,033		31,033
Transfers in	2,818,153		2,818,153
Net cash provided (used) by non capital financing activities	<u>3,773,618</u>	<u>-</u>	<u>3,773,618</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	(1,400,000)		(1,400,000)
Interest paid	(36,293)		(36,293)
Acquisition and construction of capital assets	(963,221)	(43,195)	(1,006,416)
Net cash provided (used) by capital and related financing activities	<u>(2,399,514)</u>	<u>(43,195)</u>	<u>(2,442,709)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	-	93	93
Net cash provided by investing activities	<u>-</u>	<u>93</u>	<u>93</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(476,801)	(43,102)	(519,903)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$752,877 IN 2012)	<u>3,532,095</u>	<u>146,843</u>	<u>3,678,938</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$546,459 IN 2013)	<u>\$ 3,055,294</u>	<u>\$ 103,741</u>	<u>\$ 3,159,035</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,033,544)	\$ (32,962)	\$ (2,066,506)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	333,360	32,962	366,322
Change in assets and liabilities:			
(Increase) decrease in receivables	(50,428)		(50,428)
(Increase) decrease in prepaid items and inventories	12,769		12,769
Increase (decrease) in accounts and other payables	(113,062)		(113,062)
Net cash provided (used) by operating activities	<u>\$ (1,850,905)</u>	<u>\$ -</u>	<u>\$ (1,850,905)</u>

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2013**

	<b>REVOLVING</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>			
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 20,199,663	\$ 2,716,663	\$ 22,916,326
Receivables, net	51,444	1,380,778	1,432,222
Inventories	934,210		934,210
Total current assets	21,185,317	4,097,441	25,282,758
Capital assets:			
Plant, buildings, stations, reservoirs, etc	2,479,758		2,479,758
Improvements, other than buildings	419,908		419,908
Machinery and equipment	69,571,674		69,571,674
Machinery and equipment under capital lease	2,440,982		2,440,982
Less accumulated depreciation	(51,668,111)		(51,668,111)
Total noncurrent assets	23,244,211		23,244,211
Total assets	\$ 44,429,528	\$ 4,097,441	\$ 48,526,969
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 670,131	\$ 784,995	\$ 1,455,126
Current portion of compensated absences	190,793		190,793
Current portion of claims and judgments		4,696,841	4,696,841
Total current liabilities	860,924	5,481,836	6,342,760
Noncurrent liabilities:			
Compensated absences	186,164		186,164
Claims and judgments		4,702,893	4,702,893
Total noncurrent liabilities	186,164	4,702,893	4,889,057
Total liabilities	1,047,088	10,184,729	11,231,817
<b>NET POSITION</b>			
Net investment in capital assets	23,244,211		23,244,211
Unrestricted	20,138,229	(6,087,288)	14,050,941
Total net position	43,382,440	(6,087,288)	37,295,152
Total liabilities and net position	\$ 44,429,528	\$ 4,097,441	\$ 48,526,969

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 19,298,610	\$ -	\$ 19,298,610
Risk management fees		27,956,731	27,956,731
Total operating revenues	<u>19,298,610</u>	<u>27,956,731</u>	<u>47,255,341</u>
<b>OPERATING EXPENSES:</b>			
Depreciation	6,734,822		6,734,822
Central garage	4,961,983		4,961,983
Information services	5,650,362		5,650,362
Risk management		36,421,404	36,421,404
Total operating expenses	<u>17,347,167</u>	<u>36,421,404</u>	<u>53,768,571</u>
<b>Operating Income (Loss)</b>	<u>1,951,443</u>	<u>(8,464,673)</u>	<u>(6,513,230)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest earned	7,285	6,738	14,023
Interest expense	(5,694)		(5,694)
Gain (loss) on disposal of assets	259,524		259,524
Total nonoperating revenues (expenses)	<u>261,115</u>	<u>6,738</u>	<u>267,853</u>
Income (loss) before contributions	<u>2,212,558</u>	<u>(8,457,935)</u>	<u>(6,245,377)</u>
<b>TRANSFERS IN</b>	<u>47,447</u>		<u>47,447</u>
Change in net position	2,260,005	(8,457,935)	(6,197,930)
Total net position - beginning	<u>41,122,435</u>	<u>2,370,647</u>	<u>43,493,082</u>
Total net position - ending	<u>\$ 43,382,440</u>	<u>\$ (6,087,288)</u>	<u>\$ 37,295,152</u>



**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	REVOLVING	RISK MANAGEMENT	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from other funds for services	\$ 19,296,982	\$ -	\$ 19,296,982
Cash received for services and fees		27,730,022	27,730,022
Cash paid to suppliers	(10,653,253)		(10,653,253)
Cash paid for supplies and insurance		(36,256,067)	(36,256,067)
Net cash provided (used) by operating activities	8,643,729	(8,526,045)	117,684
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Transfers In	47,447	-	47,447
Net cash provided (used) by non capital financing activities	47,447	-	47,447
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Payments of obligations under capital lease	(395,385)		(395,385)
Interest paid	(17,081)		(17,081)
Proceeds from sale of equipment	289,476		289,476
Acquisition and construction of capital assets	(2,378,356)		(2,378,356)
Net cash provided (used) by capital and related financing activities	(2,501,346)	-	(2,501,346)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	7,285	6,738	14,023
Net cash provided by investing activities	7,285	6,738	14,023
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,197,115	(8,519,307)	(2,322,192)
CASH AND CASH EQUIVALENTS, JANUARY 1	14,002,548	11,235,970	25,238,518
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 20,199,663	\$ 2,716,663	\$ 22,916,326
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 1,951,443	\$ (8,464,673)	\$ (6,513,230)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	6,734,822		6,734,822
Change in assets and liabilities:			
(Increase) decrease in receivables	(1,628)	(226,709)	(228,337)
(Increase) decrease in prepaid items	(27,721)		(27,721)
(Increase) decrease in inventories	(21,472)		(21,472)
Increase (decrease) in accounts payables	15,062	447,793	462,855
Increase (decrease) in compensated absences	(6,777)		(6,777)
Increase (decrease) in claims and judgments payable		(282,456)	(282,456)
Net cash provided (used) by operating activities	\$ 8,643,729	\$ (8,526,045)	\$ 117,684

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
TRUST FUNDS AND AGENCY FUNDS  
DECEMBER 31, 2013**

	<u>TRUST FUNDS</u>				<u>AGENCY FUNDS</u>		
	<u>PENSION TRUST</u>	<u>OLD PENSION TRUST</u>	<u>OPEB TRUST</u>	<u>TOTAL</u>	<u>RECORDERS COURT</u>	<u>FLEXIBLE BENEFITS</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 4,202,042	\$ 258,340	\$ 46,594,003	\$ 51,054,385	\$ 48,160	\$ 169,627	\$ 217,787
Accrued income	796,674			796,674			
Accounts receivable:							
From employers	15,623			15,623			
From participants	47,929			47,929		38	38
Investments, at fair value:							
U.S. government obligations	49,445,558			49,445,558			
Foreign corporate bonds	3,310,844			3,310,844			
Domestic corporate bonds	17,874,586			17,874,586			
Domestic stocks	132,245,943			132,245,943			
Domestic stock fund	37,095,741			37,095,741			
Foreign stocks	4,357,123			4,357,123			
International stock fund	35,935,048			35,935,048			
Real estate fund	29,101,169			29,101,169			
Total investments	<u>309,366,012</u>			<u>309,366,012</u>			
Total assets	<u>314,428,280</u>	<u>258,340</u>	<u>46,594,003</u>	<u>361,280,623</u>	<u>\$ 48,160</u>	<u>\$ 169,665</u>	<u>\$ 217,825</u>
<b><u>LIABILITIES AND NET POSITION</u></b>							
Liabilities:							
Payable from restricted assets:							
Accounts payable	\$ 298,648	\$ -	\$ -	\$ 298,648	\$ 48,160	\$ 347	\$ 48,507
Benefits payable						68,570	68,570
Benefit plan surplus						100,748	100,748
Total liabilities	<u>298,648</u>			<u>298,648</u>	<u>\$ 48,160</u>	<u>\$ 169,665</u>	<u>\$ 217,825</u>
Net Position:							
Held in trust for:							
Pension benefits	314,129,632	258,340		314,387,972			
OPEB			46,594,003	46,594,003			
Total net position	<u>\$ 314,129,632</u>	<u>\$ 258,340</u>	<u>\$ 46,594,003</u>	<u>\$ 360,981,975</u>			

**CITY OF SAVANNAH, GEORGIA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 TRUST FUNDS  
 YEAR ENDED DECEMBER 31, 2013**

	<b>PENSION (AND OTHER EMPLOYEE BENEFITS)</b>			
	<b>PENSION TRUST</b>	<b>OLD PENSION TRUST</b>	<b>OPEB TRUST</b>	<b>TOTAL</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 11,311,347	\$ -	\$ 11,252,249	\$ 22,563,596
Plan members	6,687,095		2,326,601	9,013,696
Total contributions	<u>17,998,442</u>		<u>13,578,850</u>	<u>31,577,292</u>
Investment income:				
Interest	1,835,543	177	25,532	1,861,252
Dividends	2,692,696			2,692,696
Real estate net income	2,561,915			2,561,915
Net appreciation (depreciation) in fair value of investments	<u>44,909,681</u>			<u>44,909,681</u>
Total investment income	51,999,835	177	25,532	52,025,544
Less investment expense	<u>923,325</u>			<u>923,325</u>
Net investment income (loss)	<u>51,076,510</u>	<u>177</u>	<u>25,532</u>	<u>51,102,219</u>
Total additions	<u>69,074,952</u>	<u>177</u>	<u>13,604,382</u>	<u>82,679,511</u>
<b>DEDUCTIONS</b>				
Benefits	21,108,006	20,556	6,420,656	27,549,218
Refunds of contributions	1,529,626			1,529,626
Administrative expense	<u>141,013</u>		<u>255,194</u>	<u>396,207</u>
Total deductions	<u>22,778,645</u>	<u>20,556</u>	<u>6,675,850</u>	<u>29,475,051</u>
Change in net position	46,296,307	(20,379)	6,928,532	53,204,460
Beginning of year - January 1	<u>267,833,325</u>	<u>278,719</u>	<u>39,665,471</u>	<u>307,777,515</u>
End of year - December 31	<u>\$ 314,129,632</u>	<u>\$ 258,340</u>	<u>\$ 46,594,003</u>	<u>\$ 360,981,975</u>

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 2013**

	<u>JANUARY 1, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>DECEMBER 31, 2013</u>
<b>RECORDER'S COURT</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 52,566	\$ 4,632,026	\$ 4,636,432	\$ 48,160
Total assets	<u>\$ 52,566</u>	<u>\$ 4,632,026</u>	<u>\$ 4,636,432</u>	<u>\$ 48,160</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 52,566	\$ 4,632,026	\$ 4,636,432	\$ 48,160
Total liabilities	<u>\$ 52,566</u>	<u>\$ 4,632,026</u>	<u>\$ 4,636,432</u>	<u>\$ 48,160</u>
<b>FLEXIBLE BENEFITS PLAN</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 175,768	\$ 526,206	\$ 532,347	\$ 169,627
Accounts receivable	1,946	38	1,946	38
Total assets	<u>\$ 177,714</u>	<u>\$ 526,244</u>	<u>\$ 534,293</u>	<u>\$ 169,665</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 10,896	\$ 347	\$ 10,896	\$ 347
Benefits payable	61,131	524,298	516,859	68,570
Benefit plan surplus	105,687	13,007	17,946	100,748
Total liabilities	<u>\$ 177,714</u>	<u>\$ 537,652</u>	<u>\$ 545,701</u>	<u>\$ 169,665</u>
<b>TOTAL</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 228,334	\$ 5,158,232	\$ 5,168,779	\$ 217,787
Accounts receivable	1,946	38	1,946	38
Total assets	<u>\$ 230,280</u>	<u>\$ 5,158,270</u>	<u>\$ 5,170,725</u>	<u>\$ 217,825</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 63,462	\$ 4,632,373	\$ 4,647,328	\$ 48,507
Benefits payable	61,131	524,298	516,859	68,570
Benefit plan surplus	105,687	13,007	17,946	100,748
Total liabilities	<u>\$ 230,280</u>	<u>\$ 5,169,678</u>	<u>\$ 5,182,133</u>	<u>\$ 217,825</u>

CITY OF SAVANNAH, GEORGIA  
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

PROJECT NUMBER	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
				PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance
<b>SALES TAX FUND I:</b>							
		\$ 10,875,470					
DR0208	Local Road, Sidewalk and Drainage Projects Broughton Street Cave-In	\$ 593,522	\$ 27,953	\$ 27,953	\$ -	\$ 27,953	\$ -
OP0204	Forsyth & Daffin Sidewalk Replacement	19,083	10,000	10,000		10,000	
OP0301	LARP Paving Project	42,000	42,000	42,000		42,000	
OP0305	Liberty Parkway Sidewalk	343,355	295,033	295,033		295,033	
OP0306	School Sidewalks-Phase 1	28,842	28,842	28,842		28,842	
OP0307	Windsor Forest School Sidewalks	19,690	19,690	19,690		19,690	
OP0308	Juliette Lowe School Sidewalks	23,690	23,690	23,690		23,690	
OP0309	Spencer, Bartow, Hodge School Sidewalks	26,118	26,118	26,118		26,118	
OP0310	Heard, Smith School Sidewalks	6,204	6,204	6,204		6,204	
OP0311	Haven, Pulaski School Sidewalks	96	96	96		96	
OP0312	Largo-Tibet School Sidewalks	31,948	31,948	31,948		31,948	
OP0608	Habersham Street Sidewalks	69,209	69,209	69,209		69,209	
OP0609	Whitebluff Sidewalks	69,306	69,305	69,305		69,305	
OP0610	Daffin Park Perimeter	88,517	88,517	88,517		88,517	
OP0611	Eastside Sidewalks	500,778	483,510	483,510		483,510	
OP0612	WB Elementary Sidewalks	83,066	82,864	82,864		82,864	
OP0614	Thomas Square Sidewalks	55,831	907	907		907	
OP0615	Richards Street Sidewalks	111,534	1,534	1,534		1,534	
OP0617	Stillwood & Butler Sidewalks	57,514	57,514	57,514		57,514	
OP0621	Forsyth Sidewalks-Phase II	11,766	11,766	11,766		11,766	
OP0903	Gwinnett St. Underpass	350,037	94,887	94,887		94,887	
PD0801	West 57th St. Blvd.	1,895,192	230,000	230,000		230,000	
RE0503	Daffin Jogging Path	24,826	22,000	22,000		22,000	
SP0111	Hazardous Sidewalk Repair	1,066,067	358	358		358	
SP0200	Twickenham Area Paving	845,561	387,672	387,672		387,672	
SP0201	Atlantic Paving	1,551,020	814,120	814,120		814,120	
SP0202	Bon-Air, Riviera, Rogers & Leeward Paving	384,240	295,920	295,920		295,920	
SP0213	Hamilton Court	275,405	81,235	81,235		81,235	
SP0300	Alta, Halsey, Industry & Ware Paving	596,002	514,940	514,940		514,940	
SP0301	Gordonston Area Paving	1,144,800	971,542	971,542		971,542	
SP0302	Adirondak, Bacon Park & Bruce Paving	336,908	257,815	257,815		257,815	
SP0304	Felt Drive Paving	33,034	21,034	21,034		21,034	
SP0305	Ohio Avenue Paving	396,255	190,268	190,268		190,268	
SP0306	Charlton, DeRenne, Pierpont & 34th Paving	663,279	472,922	472,922		472,922	
SP0307	Robin & Rendant Paving	767,889	527,433	527,433		527,433	
SP0309	Laurel Grove Paving	247,813	203,720	203,720		203,720	
SP0310	Ripley, Sheffield, Scott & Whitman	445,575	336,768	336,768		336,768	
SP0311	Avondale Area Paving	560,805	510,416	510,416		510,416	
SP0313	Semken Plant, Battey, Nunez & Waters Paving	555,238	468,158	468,158		468,158	
SP0400	Columbia, Heard, Lloyd & Fayette Paving	293,279	98,023	98,023		98,023	
SP0401	36th, Kinzie, Galway, Gunter, 50th, Gunnie, Corinth & Baudry Park Paving	43,676	14,100	14,100		14,100	
SP0402	Central Avenue Paving	41,788	30,986	30,986		30,986	
SP0501	Honeybee Area Paving	388,572	16,000	16,000		16,000	
SP0502	Liberty City Paving	466,954	155,479	155,479		155,479	
SP0504	Fulton Road Extension Paving	118,222	33,255	33,255		33,255	
SP0602	1994 Street Paving-Phase II	343,090	12,422	12,422		12,422	
SP0702	44th, 48th, Clifford, Barrington, Desoto, Etc.	457,472	166,702	166,702		166,702	
SP0703	Archer, Bates, Blossum, Cliwald & Elmdale	1,100,303	8,000	8,000		8,000	
SP0704	49th, 56th, Latimer, Costa Rica, Cedar, Etc.	1,511,511	67,000	67,000		67,000	
SP0705	Felt & Waubun Paving	1,293,611	936,508	936,508		936,508	
SP0903	Deiter, Riverwalk & MLK Paving	462,567	27,000	27,000		27,000	
SP0905	Stuart, Barry & 57th Paving	206,285	82,000	82,000		82,000	
SW0312	Hoover Creek Sewer & Paving	865,895	400,000	400,000		400,000	
<b>TOTALS-SALES TAX FUND I</b>		<b>\$ 21,915,240</b>	<b>\$ 10,875,470</b>	<b>\$ 9,825,383</b>	<b>\$ 9,825,383</b>	<b>\$ -</b>	<b>\$ 9,825,383</b>

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Project Number	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
				Prior Years	Current Year	Total	Remaining Balance
<b>SALES TAX FUND II:</b>							
		\$ 5,691,151					
DR0129	Savannah Roads, Sidewalks and Drainage						
DR0129	Local Match GEMA Grants	\$ 6,384,971	\$ 29,982	\$ 29,982	\$ -	\$ 29,982	\$ -
DR0208	Broughton Street Cave-In	593,522	13,850	13,850		13,850	
OP0305	Liberty Parkway Sidewalk	343,355	48,322	48,322		48,322	
OP0810	Beacon Light	85,944	36	36		36	
PD0801	West 57th Street Boulevard	1,895,192	470,000	470,000		470,000	
SP0111	Hazardous Sidewalk Repair	1,066,067	7,251	7,251		7,251	
SP0213	Hamilton Court	275,405	98,005	98,005		98,005	
SP0303	Cuyler-Brownsville Kline	54,412	1,211	1,211		1,211	
SP0312	Dennis, Eugene & Mosley Paving	367,958	207,845	207,845		207,845	
SP0318	Repair-Install Curbs	171,616	7,700	7,700		7,700	
SP0415	Kimball, McLaws, Desoto Paving	417,676	178,056	178,056		178,056	
SP0501	Honeybee Area Paving	388,572	29,579	29,579		29,579	
SP0502	Liberty City Paving	466,954	38,135	38,135		38,135	
SP0504	Fulton Road Extension Paving	118,222	84,967	84,967		84,967	
SP0507	Bridge Maintenance	296,524	7,760	7,760		7,760	
SP0601	1994 Street Paving-Phase I	310,174	279,242	279,242		279,242	
SP0602	1994 Street Paving-Phase II	343,090	198,595	198,595		198,595	
SP0603	1994 Street Paving-Phase III	1,176,089	910,276	910,276		910,276	
SP0605	Adams, Kimbell & Mild Paving	29,394	29,394	29,394		29,394	
SP0702	44th, 48th, Clifford, Barrington, Desoto, Etc.	457,472	258,345	258,345		258,345	
SP0703	Archer, Bates, Blossum, Cliwald & Elmdale	1,100,303	786,255	786,255		786,255	
SP0704	49th, 56th, Latimer, Costa Rica, Cedar, Etc.	1,511,511	1,140,303	1,140,303		1,140,303	
SP0705	Felt & Waubun Paving	1,293,611	160,719	160,719		160,719	
SP0706	41st, Gwinnett Lane, Dieter, Entleman, Etc.	47,804	47,804	47,804		47,804	
SP0707	Carver Village Street Improvements	751,202	751,202	751,202		751,202	
SP0708	Holland Drive Improvements	185,929	146,821	146,821		146,821	
SP0808	White Bluff/Coffee Bluff Road	500,000	500,000				500,000
SP0802	Abercorn-62nd-65th Paving	122,545	122,545	122,545		122,545	
SP0903	Deiter, Riverwalk & MLK Paving	462,567	435,567	435,567		435,567	
<b>TOTALS SALES TX FUND II</b>		<b>\$ 21,218,081</b>	<b>\$ 6,989,767</b>	<b>\$ 6,489,767</b>	<b>\$ -</b>	<b>\$ 6,489,767</b>	<b>\$ 500,000</b>

- NOTE: (1) This schedule list projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.  
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.  
(3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
 SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Project Number	Description	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
					Prior Years	Current Year	Total	Remaining Balance
<b>SPLOST 98-2003</b>			\$ 77,500,000					
DR0111	Savannah Drainage Projects							
DR0111	Kayton Pump Station Phase 2	\$ 1,219,860		\$ 987,471	\$ 987,471	\$ -	\$ 987,471	\$ -
DR0112	Harnan Canal Drainage Improvements	1,255,555		1,219,555	1,219,555		1,219,555	
DR0113	Kayton Canal Equipment Purchase	949,947		949,947	949,947		949,947	
DR0114	Kayton Railroad Bridge Replacement	513,231		513,231	513,231		513,231	
DR0115	Montgomery Crossroads Bridge	75,929		55,004	55,004		55,004	
DR0116	Montgomery Crossroads Equipment Purchase	1,413,719		1,409,619	1,409,619		1,409,619	
DR0117	Springfield Canal Bridges	157,966		156,166	156,166		156,166	
DR0118	Williams Ward Detention	370,094		370,094	370,094		370,094	
DR0119	Springfield Canal 2-Year Storm	2,966,599		2,966,555	2,966,555		2,966,555	
DR0120	Westside Equipment Purchase	2,226,160		283,900	283,900		283,900	
DR0121	Westside Detention	895,997		112	112		112	
DR0122	Westside Pump Station & Line	14,230,295		12,728,054	12,728,054		12,728,054	
DR0123	Westside Interceptor	9,230,669		3,171,712	3,171,712		3,171,712	
DR0124	Montgomery Crossroads Pump Station	10,287,983		10,213,431	10,213,431		10,213,431	
DR0125	Wilshire Canal	2,848,286		2,848,286	2,848,286		2,848,286	
DR0126	Holland Canal	3,139,533		3,137,685	3,137,685		3,137,685	
DR0127	Windsor Canal	3,503,832		1,666,173	1,659,473		1,659,473	6,700
DR0129	Local Match GEMA Grants	7,677,531		2,651,266	2,651,266		2,651,266	
DR0130	Kayton Spill Clean Up	1,096,884		39,504	39,504		39,504	
DR0201	DeRenne Pump Station	15,848,251		970,000	970,000		970,000	
DR0204	Casey South Drainage	24,607,402		21,507,611	21,507,611		21,507,611	
DR0205	Demere Ward Detention	75,751		75,751	75,751		75,751	
DR0206	Springfield Canal Roads	328,729		285,014	285,014		285,014	
DR0207	Nicholson Woods-White Bluff	112,152		48,657	48,657		48,657	
DR0211	Windsor Sub-Basin	50,926		50,926	50,926		50,926	
DR0212	SCADA I	52,833		17,330	17,330		17,330	
DR0214	Pump Station Metal Building Upgrade	603,000		603,000	245,993		245,993	357,007
DR0215	Bilbo-North Casey Drainage	1,530,000		205,000	180,000	25,000	205,000	
DR0301	Springfield Canal	12,144,945		7,652,969	7,652,969		7,652,969	
DR0304	SCADA II	94,817		36,446	36,446		36,446	
DR0305	Bilbo Basin	15,766,216		157,366	157,366		157,366	
DR0501	Cranman Drive Culvert Replacement	336,133		336,133	336,133		336,133	
DR0503	Wilshire Basin Study	9,480,032		1,746,691	1,746,691		1,746,691	
DR0507	Downtown Bilbo Drainage Basin	143,000		143,300	113,747.0	29,553	143,300	
DR0601	City Lot Drainage Improvements	277,975		23,475	23,475		23,475	
DR0800	Westside Flooding Remediation	1,740,616		640,616	640,616		640,616	
DR0802	Placentia Phase I	1,212,289		42,000	37,481	4,519	42,000	
DR0803	Jackson Woods Drainage-Phase 2	2,091,525		98,736	98,736		98,736	
DR0805	Nicholson Woods-Phase 2	235,505		75,142	75,142		75,142	
DR0901	Windsor-Wilshire Basin	525,668		525,668	525,668		525,668	
DR0910	Storm Sewer Rehab	1,621,535		115,919	115,919		115,919	
WT0510	Extension to Unserved Areas Other Capital Outlay Projects	115,854		58,437	58,437		58,437	
OP0120	RR Roundhouse Battlefield Park	1,528,258	16,292,341	190,000	190,000		190,000	
OP0327	Electric Street Cars	1,385,419		170,000	170,000		170,000	
OP0541	Hwy 21/Snow Green Land	1,507,437		1,507,437	1,507,437		1,507,437	
OP0611	Eastside Sidewalks	500,778		17,268	17,268		17,268	
OP0638	Railroad Property Acquisition	6,398,268		3,590,551	3,590,551		3,590,551	
PB0310	History Museum Bldg Repair	838,311		15,000	15,000		15,000	
PB0412	Forsyth Park Fort	6,723,755		1,003,550	1,003,550		1,003,550	
PB0621	Ellis Square Parking Garage	54,239,665		1,691,000	1,691,000		1,691,000	
PD0801	West 57th Street Boulevard	2,238,059		555,117	555,117		555,117	
PD0901	Meding Street Curve	206,059		206,059	206,059		206,059	
RE0412	Boeen Tract Open Space	22,812		22,000	22,000		22,000	
RE0604	Band Shell	580,550	787,500	577,950	518,114	6,875	524,989	52,961
RE0805	Daffin Park Master Plan	4,939,797		3,495,000	3,495,000		3,495,000	
SP0212	1% Sidewalk Construction	675,220		674,423	674,423		674,423	
SP0214	Wheelchair Access Ramps	321,384		735	735		735	
SP0308	Cuyler-Brownsville Sidewalk	28,665		23,265	23,265		23,265	
SP0326	Littleneck Road Bridge Replacement	700,000		700,000				700,000
SP0910	1% Sidewalk Construction	1,068,137		808,309	808,309		808,309	
SQ0411	MLK Median Landscaping	833,130		322,000	322,000		322,000	
SQ0502	Elbert Square Acquisition	828,635		828,635	828,635		828,635	
SQ0701	Liberty Square Reconstruction	280,000		280,000				280,000
TE0502	MLK Median Installation	330,616		48,000	48,000		48,000	
OP0515	Fire Capital Outlay Open Space Acquisition	229,535	250,000	172,566	172,566		172,566	
OP0339	Wilshire Complex	418,258	3,339,424	12,258	12,258		12,258	
OP0529	Mohawk Lake Acquisition	348,443		348,443	348,443		348,443	
PB0820	Crusader Neighborhood Center	422,698		110,746	110,746		110,746	
PD0400	Savannah Gardens Phase I	13,120,754		872	872		872	
RE0123	Master Plan-Mohawk Property	170,047		1,557				1,557
RE0307	Windsor Forest Pond	121,979		121,979	121,979		121,979	
RE0511	Cuyler-Brownsville Park	1,141,463		404,458	404,458		404,458	
RE0512	Vernon River Park	275,345		113,043	113,043		113,043	
RE0611	Open Space Acquisition	491,896		489,613	406,304	739	407,043	82,570
RE0612	Habersham Woods Park	183,543		183,543	183,543		183,543	
RE0613	Stark-Clinch Greenspace	122,107		122,107	122,107		122,107	
RE0615	Southside Park-Mohawk	595,734		595,734	595,734		595,734	
RE0807	Largo-Windsor Area Lake	1,161,430		402,233	402,233		402,233	
<b>TOTALS SPLOST 98-2003 FUND</b>		<b>\$ 258,032,401</b>	<b>\$ 98,169,265</b>	<b>\$ 100,588,403</b>	<b>\$ 99,040,922</b>	<b>\$ 66,686</b>	<b>\$ 99,107,608</b>	<b>\$ 1,480,795</b>

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.  
 (2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.  
 (3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

PROJECT NUMBER	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Referendum Funding per Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			Remaining Balance	
				PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>SPLOST 2003-2008 FUND:</b>								
DR0115	Savannah Roads, Sidewalks and Drainage	\$ 64,770,000	\$ 19,429	-	19,329	19,329	\$ 100	
DR0122	Montgomery Xrds Bridge		15,000,575	15,000,575		15,000,575		
DR0127	Westside Pump Station & Line		1,829,659	1,143,379		1,143,379	686,280	
DR0204	Casey South Phase 2		3,091,389	3,091,389		3,091,389		
DR0215	Bilbo-North Casey Drainage		425,000	425,000		425,000		
DR0305	Bilbo Drainage Improvements		15,508,841	15,508,841		15,508,841		
DR0503	Wilshire North Branch		7,733,341	7,733,341		7,733,341		
DR0505	Brick Line Replacement		192,941		32,126	32,126	160,815	
DR0802	Evergreen Drainage Improvements		1,169,442	1,146,029	14,839	1,160,868	8,574	
DR0803	Jackson Woods Drainage-Phase 2		2,091,525	1,977,224		1,970,395	6,829	
DR0804	Brick Line Replacement		753,723	753,723		753,723		
DR0809	Bilbo Drainage Improvements		2,000	2,000		2,000		
DR0904	Paradise Park Drainage Improvements		993,624	224,382		224,382	769,242	
DR0905	Springfield Drainage Improvements		1,000,000	230,462		230,462	769,538	
DR0906	Sylvan Terrace Sub-basin		17,553	17,553		17,553		
DR0911	45th Street Sub-basin Improvements		13,142,259	13,142,259	127,057	1,442,222	11,700,037	
PD0302	Cann Park Sidewalks		222,104	222,104		222,104		
PD0303	Gordonston Sidewalk Improvements		84,597	84,597	84,597	84,597		
PD0304	Entrepreneurial Center Parking		100,000	100,000	14,869	14,869	85,031	
SP0115	Fernwood-Parkwood Curb-Gutter		2,152,647	2,000,000	1,724,395	1,724,395	275,605	
SP0204	Historic District-ADA Ramps		713,491	315,971	315,971	315,971		
SP0205	State Routes ADA Ramps		135,757	110,886	110,886	110,886		
SP0207	Edgemore-Sackville Curb		1,904,331	212,510	212,510	212,510		
SP0413	Riverstreet Ramps Reconstruction		532,838	315,000	315,000	315,000		
SP0415	Street Paving		575,119	3,634	3,634	3,634		
SP0416	Street Reconstruction		12,008	12,008	12,008	12,008		
SP0717	President Street-General McIntosh Sidewalk		43,097	43,097	43,097	43,097		
SP0718	Bay Street Reconstruction Crosswalk		550,918	550,918	550,918	550,918		
SP0804	1% Sidewalk Construction-Phase 2		769,584	674,584	674,584	674,584		
SP0904	Street Reconstruction		1,929,584	1,714,074	1,714,074	1,714,074		
SP0910	1% Sidewalk Construction		1,068,137	259,828	259,828	259,828		
TE0101	East Anderson Curve Reconstruction		807,924	267,000	267,000	267,000		
TE0205	Gwinnett Street Improvements		1,397,551	1,397,551			1,397,551	
TE0305	LaRoche-Delesseps Widening		1,192,147	1,159,405	32,742	32,742	1,126,663	
TE0512	Jimmy DeLoach Parkway Signal		126,590	29,069	29,069	29,069		
TE0613	Taximville Sound Barrier		2,000,000	2,000,000	203,345	1,004,239	792,416	
TE0708	LaRoche-Delesseps Design		665,993	640,595	140,369	96,089	404,137	
TE0709	Gwinnett St. Widening Design		590,449	590,449	425,536	84,566	510,102	
TE0813	Traffic Signal-Chatham Parkway		155,498	135,931	135,931	135,931		
SC0411	MLK Median Landscaping		833,130	11,452	11,452	11,452		
SC0804	MLK Streetscape Parks, Recreation and Squares	22,231,471	3,364,548	2,997,347	177,268	3,174,615	189,933	
PB0821	Cultural Arts Center	20,400,000	3,000,000	3,000,000		3,000,000		
PB0828	Westside Land Assemblage	4,383,964	2,759,500	2,759,500		2,759,500		
PB0831	Battlefield Park Roundhouse Roof	196,256	21,335	21,335		21,335		
OP0832	Battlefield-RR Roundhouse SPLOST	7,763,665	7,763,665	7,763,665		7,763,665		
PT0803	Baker-Fell Street Park	289,000	175,000	175,000		175,000		
PT0905	Ellis Square Restoration	3,284,045	3,254,668	3,254,668		3,254,668		
RE0220	Bacon Park Athletic Field Rehab Other Capital Outlay	787,802	576,896	576,896		576,896		
OP0641	Hope 6 Infrastructure	3,441,211	1,930,814	1,930,814		1,930,814		
OP0834	West Savannah & Corridors	28,890	15,000	15,000		15,000		
OP0923	Gate Precast Property Acquisition	2,181,641	240,500	240,500		240,500		
PB0530	Faulstich Building Purchase/Renovation	2,554,017	2,400,000	2,400,000		2,400,000		
PB0136	Roof Replacement Community Planning	73,525	73,520	73,520		73,520		
PB0621	Ellis Square Parking Garage	54,239,665	7,114,296	2,985,250	847,828	3,833,078	3,281,218	
PB0730	Bacon Park Tennis Courts Reconstr.	731,868	376,104	376,104		376,104		
PB0824	Moses Jackson-Phase 2	2,051,473	1,049,424	1,049,424		1,049,424		
PB0827	Bacon Park Clubhouse Renovations	1,164,328	380,000	380,000		380,000		
PD0101	MURP II	1,198,820	463,842	434,934		434,934	28,908	
PD0102	Midtown Street Improvements	190,000	190,000	9,663		9,663	180,337	
PD0107	Woodville Park Improvement	1,563	1,563	1,563		1,563		
PD0108	Dixon Park	23,381	23,381	23,381		23,381		
PD0109	Dixon Park Street Improvement	77,561	77,561	77,561		77,561		
PD0110	Feiler Terrace Passive Park	12,262	12,262	12,262		12,262		
PD0111	East Savannah Lighting	84,939	84,939	84,939		84,939		
PD0112	Bryant Park	15,000	15,000				15,000	
PD0114	Housing Construction Svc. Office	153,691	1,480	1,480		1,480		
PD0201	Carver Heights Community Center	351,000	351,000				351,000	
PD0202	Hudson Hill Sidewalk Improvements	93,612	93,612	93,612		93,612		
PD0203	Sylvan Terrace Irrigation System	98,465	98,465	98,465		98,465		
PD0205	Metro Sidewalk West 41st Street	49,430	49,430	49,430		49,430		
PD0301	Ogeechee Road Streetscape	356,500	6,500				6,500	
PD0309	Waters Avenue Corridor	2,616,479	397,507	183,904	183,925	367,829	29,678	
PD0310	Youth Advancement Center	839,173	416,000	372,539	23,949	396,488	19,513	
PD0400	Savannah Gardens Phase I	131,120,754	242,766			242,766		
PD0402	Ogeechee Public Row Improvements	100,000	100,000				100,000	
PD0801	West 57th Street Blvd.	2,238,059	484,599	484,599		484,599		
PD0805	WS-Acquisition Moses Jackson Property	128,868	128,868	114,224		114,224	14,644	
PD0806	WS-Augusta Avenue-S Buildings	1,004,989	1,004,989	502,752	88,143	590,895	414,094	
PD0808	WS-Tree Lawn & Buffering	10,012	10,012	10,012		10,012		
PD0902	Montgomery-Meding-56th	152,870	152,870	152,870		152,870		
PD0903	Eastside Sidewalk Access	100,158	100,158	100,158		100,158		
PD0904	West 56th Street Rebrickng	378,314	378,314	378,314		378,314		
PD0906	Midtown Acquisition	433,352	433,352	433,352		433,352		
PD0907	Kline Street Play Area	125,984	125,984	125,984		125,984		
PD0908	37th & Bulloch Greenspace	48,592	48,591	48,591		48,591		
PD0909	Historic Street Lighting CB	5,335	5,335	5,335		5,335		
PD0910	Rockwell Park	76,970	76,970	76,970		76,970		
PD0911	40th Street Lane Paving	27,665	27,665	27,665		27,665		
PD0912	Municipal Parking Lot	31,900	31,900	31,900		31,900		
PD0915	Right-of-Way Improvements	135,000	135,000	135,000		135,000		
PD0916	Edgemore-Sackville Curbing Public Safety Equipment	97,490	97,490	97,490		97,490		
	<b>TOTALS SPLOST 2003-2008 FUND</b>	<b>\$ 240,581,955</b>	<b>\$ 97,640,895</b>	<b>\$ 103,811,838</b>	<b>\$ 77,958,279</b>	<b>\$ 2,737,466</b>	<b>\$ 80,695,745</b>	<b>\$ 23,116,094</b>

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.  
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.  
(3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.



**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

PROJECT NUMBER	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Intergovernmental Agreement	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			Remaining Balance	
				PRIOR YEARS	CURRENT YEAR	TOTAL		
<b>SPLOST 2009-2014 FUND:</b>								
		\$ 160,000,000						
DR0215	City of Savannah Projects							
DR0600	Bilbo-North Casey Drainage	\$ 1,530,000	\$ 900,000	\$ 254,852	\$ 561,023.27	\$ 815,875	\$ 84,125	
DR0602	SPLOST 5 Drainage	15,500,000	15,500,000				15,500,000	
DR0602	Baldwin Park Drainage	900,000	900,000	132,701	75,438	208,139	691,861	
PD0301	Ogeechee Road Streetscape	356,500	350,000				350,000	
PD0308	Fellwood Homes Site Infrastructure	3,658,417	3,658,417	3,650,242	8,175	3,658,417		
PD0309	Water Avenue Streetscape	2,616,479	2,248,648	3,000	313,210	316,210	1,932,438	
PD0401	Wheaton Streetscape Design	1,101,352	1,101,352				1,101,352	
TE0607	Street Lighting Upgrade	1,000,000	1,000,000				1,000,000	
TE0610	37th St Corridor Signal	340,000	340,000				340,000	
TE0611	Eisenhower Drive Signal Interconnection	360,000	360,000				360,000	
TE0612	Downtown Traffic Signal	300,000	300,000	29,770	29,925	59,695	240,305	
OP0208	Children's Museum - Battlefield Park	6,535,504	6,500,000	6,511,106	(11,106)	6,500,000		
PB0220	Bacon Park Tennis Building	1,151,349	1,151,280	1,151,280		1,151,280		
PB0227	Grayson Stadium Renovations	3,015,948	3,000,000	2,883,058	27,666	2,910,724	89,276	
PB0821	Cultural Arts Center	20,400,000	17,400,000	455,316	239,126	694,442	16,705,558	
RE0309	Coffee Bluff Fishing Pier	4,770,500	4,140,000	347,463	3,591,991	3,939,454	200,546	
RE0805	Daffin Park Master Plan	4,939,797	1,000,000	179,539	116,764	296,303	703,697	
CC0206	Civic Center Arena/Public Safety Headquarters	19,462,178	19,462,178	12,443	39,353	51,796	19,410,382	
OP0136	Public Safety Video Surveillance	1,250,005	1,250,005	1,117,373	(143,919)	973,454	276,551	
OP0651	E911 System Upgrade	379,262	379,262	338,325	18,246	356,571	22,691	
PB0138	Savannah Public Services Complex	909,089	495,803	495,803		495,803		
PB0423	New Fire Stations	3,500,000	3,685,831	3,073,614	139,409	3,213,023	472,808	
PB0426	Police Precincts	7,961,128	7,961,128	1,905,574	17,231	1,922,805	6,038,323	
PB0428	Public Safety Headquarters	1,058,872	1,058,872	899,977	158,895	1,058,872		
PB0526	Command Control Center	1,016,738	16,738	16,738		16,738		
PB0637	Fire Training Facility	1,000,000	1,000,000	11,400	9,654	21,054	978,946	
PB0828	Westside Land Assemblage	4,383,964	1,602,822	823,304		823,304	779,518	
PB0836	Savannah Public Safety Metroplex	12,082,055	11,330,000	4,650,317	735,063	5,385,380	5,944,620	
OP0531	St. Pius Assessment	540,800	500,000				500,000	
PB0636	Waters Avenue Property Maintenance Office	1,000,000						
PD0400	Savannah Gardens Phase I	13,120,754	11,055,577	9,950,838	463,346	10,414,184	641,393	
PD0600	West Bay Street Acquisitions	300,000	300,000				300,000	
PD0601	MLK Corridor-Savannah Pharmacy	2,002,400	2,000,000	122,160	26,900	149,060	1,850,940	
<b>TOTALS SPLOST 2009-2014 FUND</b>		<b>\$ 138,443,091</b>	<b>\$ 160,000,000</b>	<b>\$ 121,947,913</b>	<b>\$ 39,016,193</b>	<b>\$ 6,416,392</b>	<b>\$ 45,432,584</b>	<b>\$ 76,515,329</b>

- NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.  
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.  
(3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

**CITY OF SAVANNAH, GEORGIA  
SCHEDULE OF HOTEL/MOTEL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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In accordance with O.C.G.A. 48-13-51(a) 3.2, the City of Savannah levies a 6% tax on hotel/motel lodging and disburses collected funds to the Convention and Visitors Bureau, Savannah Civic Center and to the Georgia International & Maritime Trade Center.

This schedule provides information on the amount of Hotel/Motel tax cash receipts and the amount of such receipts which were disbursed or contractually committed to be disbursed to the Convention and Visitors Bureau of the Savannah Chamber of Commerce, the Georgia International & Maritime Trade Center and the Savannah Civic Center.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Hotel/Motel tax cash receipts	\$ 14,521,824	
Expenditures made to:		
Convention and Visitors Bureau	\$ 4,840,124	33.33%
Georgia International & Maritime Trade Center	\$ 2,010,819	13.85%
Savannah Civic Center	\$ 409,969	2.82%

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

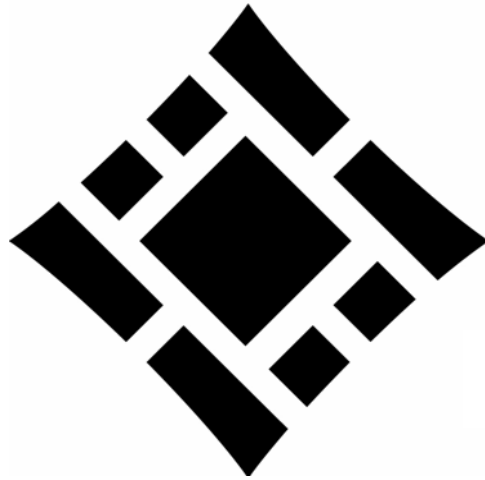
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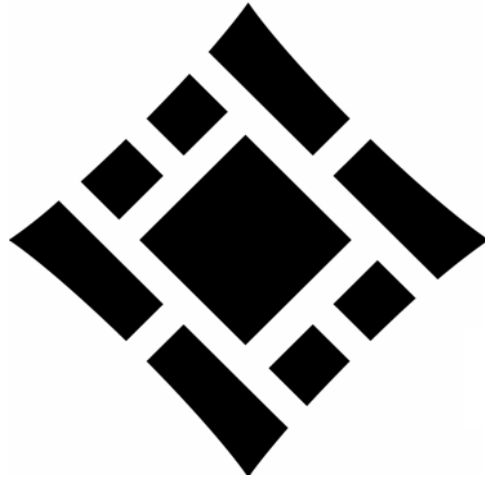
During 2013, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<b>Amount</b>	<b>Amount as a Percentage of Revenue</b>
Rental motor vehicle tax	\$ 1,379,212	
Transfers made to:		
General Fund	\$ 344,803	25.00%
Civic Center Fund	\$ 1,034,409	75.00%

The General Fund uses this revenue for repair, restoration and maintenance of monuments, streets and structures in the historic district of the City of Savannah.

The Civic Center Fund uses this revenue for operating, capital and debt requirements of the Savannah Civic Center.





**STATISTICAL SECTION**

## **STATISTICAL SECTION**

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal capacity of the City. Due to the nature of the information contained therein, the tables are unaudited.

## STATISTICAL SECTION

This part of the City of Savannah'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 government's overall financial health.

<b>Contents</b>	<b>Pages</b>
Financial Trends	110-114
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	115-118
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	119-123
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	124-125
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	126-133
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

**City of Savannah, Georgia**  
**Net Position By Component,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 214,000	\$ 347,514	\$ 373,002	\$ 439,045	\$ 483,504	\$ 518,489	\$ 534,164	\$ 557,007	\$ 564,537	\$ 564,426
Restricted	59,868	53,328	65,605	78,722	55,819	51,637	37,174	86,329	105,611	124,687
Unrestricted	64,487	70,479	87,831	83,379	92,040	73,444	83,795	44,063	47,384	50,174
Total governmental activities net position	<u>\$ 338,355</u>	<u>\$ 471,321</u>	<u>\$ 526,438</u>	<u>\$ 601,146</u>	<u>\$ 631,363</u>	<u>\$ 643,570</u>	<u>\$ 655,133</u>	<u>\$ 687,399</u>	<u>\$ 717,532</u>	<u>\$ 739,287</u>
Business-type activities										
Net investment in capital assets	\$ 179,160	\$ 192,485	\$ 217,173	\$ 219,644	\$ 246,580	\$ 260,204	\$ 255,749	\$ 267,671	\$ 276,219	\$ 282,641
Restricted	194	226	283	349	384	2,328	2,336	2,395	2,344	2,345
Unrestricted	93,088	102,190	90,300	106,703	91,201	82,735	91,229	99,157	106,927	118,497
Total business-type activities net position	<u>\$ 272,442</u>	<u>\$ 294,901</u>	<u>\$ 307,756</u>	<u>\$ 326,696</u>	<u>\$ 338,165</u>	<u>\$ 345,267</u>	<u>\$ 349,314</u>	<u>\$ 369,223</u>	<u>\$ 385,490</u>	<u>\$ 403,483</u>
Primary government										
Net investment in capital assets	\$ 393,160	\$ 539,999	\$ 590,175	\$ 658,689	\$ 730,084	\$ 778,693	\$ 789,913	\$ 824,678	\$ 840,756	\$ 847,067
Restricted	60,062	53,554	65,888	79,071	56,203	53,965	39,510	88,724	107,955	127,032
Unrestricted	157,575	172,669	178,131	190,082	183,241	156,179	175,024	143,220	154,311	168,671
Total primary government net position	<u>\$ 610,797</u>	<u>\$ 766,222</u>	<u>\$ 834,194</u>	<u>\$ 927,842</u>	<u>\$ 969,528</u>	<u>\$ 988,837</u>	<u>\$ 1,004,447</u>	<u>\$1,056,622</u>	<u>\$1,103,022</u>	<u>\$1,142,770</u>



**City of Savannah, Georgia**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

Expenses	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
General administration	\$ 2,416	\$ 2,159	\$ 2,410	\$ 2,701	\$ 3,214	\$ 3,573	\$ 4,898	\$ 29,825	\$ 4,412	\$ 4,497
Management and financial services	4,706	5,074	4,580	5,917	6,529	6,957	5,977	2,156	4,042	4,368
Facilities maintenance	26,472	30,519	33,227	35,181	43,897	33,777	32,327	33,226	36,409	39,905
Police	36,184	52,052	55,392	63,125	69,067	67,048	65,473	55,339	67,822	65,396
Recorder's court	1,758	1,810	1,818	2,113	2,228	2,229	2,225	1,856	2,284	2,159
Fire	16,105	19,120	19,020	22,472	24,999	25,236	25,479	21,009	26,319	25,579
Leisure services	12,615	13,245	13,106	15,895	17,266	21,530	22,508	17,459	21,688	21,692
Tourism enhancement	5,739	6,281	7,625	8,448	8,889	8,364	8,923	8,365	9,109	8,665
Social and cultural	2,066	2,015	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954
Public development	5,415	6,500	10,012	14,096	12,369	12,544	12,229	8,317	9,165	6,281
Grant program and administration	8,583	9,440	3,585	5,492	6,718	5,531	8,533	5,925	5,646	5,426
Community development program and administration	10,366	12,138	11,977	15,450	12,278	12,933	10,064	11,566	10,644	9,464
Interest on long-term debt	1,189	1,136	1,126	1,090	1,020	1,128	1,185	1,083	998	959
Interest on capital leases	209	299	484	466	355	69	54	39	23	6
<b>Total governmental activities expenses</b>	<b>133,822</b>	<b>161,786</b>	<b>166,396</b>	<b>194,312</b>	<b>210,833</b>	<b>202,630</b>	<b>201,669</b>	<b>197,808</b>	<b>200,279</b>	<b>196,351</b>
<b>Business-type activities:</b>										
Water and sewer	42,606	43,604	45,234	48,893	51,395	52,322	52,818	48,673	53,239	53,493
Sanitation	32,144	26,586	36,956	29,420	26,334	25,960	23,095	20,842	23,257	23,584
Parking facilities	4,784	5,476	5,155	5,455	7,555	10,125	10,569	9,487	10,264	10,209
Civic center	2,961	2,825	2,924	3,073	3,147	2,943	3,215	2,906	3,100	3,723
Golf course	179	152	126	95	64	62	58	42	39	33
Resource recovery	14,365	14,980	18,414	8,261	2,510					
<b>Total business-type activities expenses</b>	<b>97,040</b>	<b>93,623</b>	<b>108,809</b>	<b>95,197</b>	<b>91,005</b>	<b>91,412</b>	<b>89,755</b>	<b>81,950</b>	<b>89,899</b>	<b>91,042</b>
<b>Total primary government expenses</b>	<b>\$ 230,862</b>	<b>\$ 255,408</b>	<b>\$ 275,205</b>	<b>\$ 289,509</b>	<b>\$ 301,838</b>	<b>\$ 294,042</b>	<b>\$ 291,424</b>	<b>\$ 279,758</b>	<b>\$ 290,178</b>	<b>\$ 287,393</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Management and financial services	\$ 2,855	\$ 2,795	\$ 2,612	\$ 2,564	\$ 2,620	\$ 2,765	\$ 2,871	\$ 2,894	\$ 2,950	\$ 2,791
Facilities maintenance	480	1,068	3,065	2,956	3,793	3,389	4,826	666	563	853
Police	5,575	18,479	20,675	22,387	23,881	23,672	23,891	23,833	24,819	25,007
Recorder's court	3,262	3,578	3,424	3,156	2,569	2,690	2,845	2,783	2,805	2,690
Fire	180	223	191	207	438	313	305	243	364	386
Leisure services	669	641	733	816	785	755	824	807	859	874
Tourism enhancement				30	1,065	1,046	1,149	1,167	1,170	1,243
Public development	2,493	2,678	3,327	3,417	2,744	1,629	2,032	1,859	2,663	2,896
Grant program and administration	128	10	596	301		5				
Community development program and administration	3,211	222	4,721	11,437	3,948	5,599	3,645	2,922	3,894	1,776
Operating grants and contributions	15,460	12,388	10,104	10,679	12,642	12,784	15,244	15,879	11,867	9,439
Capital grants and contributions	15,451	26,946	31,708	66,108	34,285	16,980	12,844	40,144	35,836	37,677
<b>Total governmental activities program revenues</b>	<b>49,764</b>	<b>69,027</b>	<b>81,156</b>	<b>124,058</b>	<b>88,770</b>	<b>71,627</b>	<b>70,476</b>	<b>93,197</b>	<b>87,790</b>	<b>85,632</b>
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer	46,072	46,544	51,179	55,034	56,038	57,062	58,397	59,683	61,648	64,146
Sanitation	26,097	27,450	27,658	26,873	22,182	20,564	19,844	21,574	24,982	25,424
Parking facilities	5,975	6,532	7,126	7,481	8,219	10,073	11,032	11,179	12,125	11,964
Civic center	1,258	1,376	1,374	1,212	1,417	1,303	1,404	1,654	1,483	1,651
Golf course	197	166	146	169	85	85	62			
Resource recovery	14,367	14,972	18,414	8,261	2,510					
Operating grants and contributions	80		48	45	41	49	54	70	71	63
Capital grants and contributions	1,145				14,489	5,476	1,064	950	530	942
<b>Total business-type activities program revenues</b>	<b>95,191</b>	<b>97,040</b>	<b>105,945</b>	<b>99,075</b>	<b>104,981</b>	<b>94,612</b>	<b>91,857</b>	<b>95,110</b>	<b>100,839</b>	<b>104,190</b>
<b>Total primary government program revenues</b>	<b>\$ 144,955</b>	<b>\$ 166,067</b>	<b>\$ 187,101</b>	<b>\$ 223,133</b>	<b>\$ 193,751</b>	<b>\$ 166,239</b>	<b>\$ 162,333</b>	<b>\$ 188,307</b>	<b>\$ 188,629</b>	<b>\$ 189,822</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (84,058)	\$ (92,758)	\$ (85,240)	\$ (70,254)	\$ (122,063)	\$ (131,003)	\$ (131,193)	\$ (104,611)	\$ (112,489)	\$ (110,719)
Business-type activities	(1,849)	3,417	(2,864)	3,878	13,976	3,200	2,102	13,160	10,940	13,148
<b>Total primary government net expense</b>	<b>\$ (85,907)</b>	<b>\$ (89,341)</b>	<b>\$ (88,104)</b>	<b>\$ (66,376)</b>	<b>\$ (108,087)</b>	<b>\$ (127,803)</b>	<b>\$ (129,091)</b>	<b>\$ (91,451)</b>	<b>\$ (101,549)</b>	<b>\$ (97,571)</b>

Continued on next page.

**City of Savannah, Georgia**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 40,451	\$ 43,684	\$ 50,918	\$ 53,742	\$ 57,794	\$ 61,664	\$ 62,386	\$ 55,607	\$ 55,627	\$ 59,874
Intangible, transfer and franchise taxes	13,922	15,479	16,236	17,128	19,055	17,163	17,713	18,852	18,735	19,014
General sales taxes	35,214	37,636	43,752	43,196	43,680	36,287	38,860	39,962	42,623	36,115
Selective sales taxes	12,717	13,746	15,373	16,440	16,418	15,209	16,493	17,445	19,171	19,975
Business taxes	6,753	7,248	7,691	7,974	8,109	7,977	7,853	7,018	7,441	7,669
Penalties and interest on delinquent taxes	769	862	746	474	428	632	860	1,422	1,064	1,216
Grants and contributions not restricted to specific programs	2,073	2,075	2,108	1,988	534	2,995	1,093	1,076	1,131	1,393
Investment earnings, unrestricted	1,490	2,917	4,549	5,645	3,044	993	396	195	180	47
Gain on sale of capital assets					5,042	1,494	484	670	810	320
Miscellaneous	676	1,178	1,548	747	765	716	395	592	389	504
Contributions to cemetery perpetual care	199	179	220	234	207	202	154	180	212	240
Extraordinary items										(9,530)
Transfers	(7,596)	(3,897)	(2,783)	(2,607)	(2,796)	(2,122)	(3,930)	(6,143)	(4,761)	(4,363)
Total governmental activities	<u>106,669</u>	<u>121,106</u>	<u>140,358</u>	<u>144,961</u>	<u>152,280</u>	<u>143,210</u>	<u>142,757</u>	<u>136,876</u>	<u>142,622</u>	<u>132,474</u>
Business-type activities:										
Grants and contributions not restricted to specific programs	2,924	11,106	6,553	6,089						
Investment earnings, unrestricted	1,585	3,308	6,204	6,170	3,329	1,145	433	223	150	51
Gain on sale of capital assets						89	6	19	3	(1)
Miscellaneous	94	730	179	195	395	545	416	365	412	433
Special items					(9,026)		(2,841)			
Transfers	7,596	3,897	2,783	2,607	2,796	2,122	3,930	6,143	4,761	4,363
Total business-type activities	<u>12,198</u>	<u>19,041</u>	<u>15,719</u>	<u>15,061</u>	<u>(2,506)</u>	<u>3,901</u>	<u>1,944</u>	<u>6,750</u>	<u>5,326</u>	<u>4,846</u>
Total primary government	<u>\$ 118,868</u>	<u>\$ 140,147</u>	<u>\$ 156,077</u>	<u>\$ 160,022</u>	<u>\$ 149,774</u>	<u>\$ 147,111</u>	<u>\$ 144,701</u>	<u>\$ 143,626</u>	<u>\$ 147,948</u>	<u>\$ 137,320</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 22,611	\$ 28,348	\$ 55,118	\$ 22,898	\$ 152,280	\$ 12,017	\$ 38,146	\$ 24,387	\$ 31,903	\$ 21,755
Business-type activities	10,349	22,458	12,855	29,037	(2,506)	6,003	15,104	17,690	18,619	17,994
Total primary government	<u>\$ 32,960</u>	<u>\$ 50,806</u>	<u>\$ 67,973</u>	<u>\$ 51,935</u>	<u>\$ 149,774</u>	<u>\$ 18,020</u>	<u>\$ 53,250</u>	<u>\$ 42,077</u>	<u>\$ 50,522</u>	<u>\$ 39,749</u>

<sup>1</sup> The increase from the prior period was caused by the merger of the Chatham County Police Department into the City of Savannah Police Department.

<sup>2</sup> The increase from the prior period was caused by payments received from Chatham County for policing services provided to the County.

**City of Savannah, Georgia**  
**Fund Balances of Governmental Funds,**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund										
Reserved	\$ 968	\$ 958	\$ 1,160	\$ 1,331	\$ 1,248	\$ 1,546	\$ 1,551	\$ -	\$ -	\$ -
Unreserved	16,973	17,114	18,751	20,380	20,724	21,382	21,837			
Committed								2,063	2,217	2,119
Unassigned								31,116	31,285	31,766
Total general fund	<u>\$ 17,941</u>	<u>\$ 18,072</u>	<u>\$ 19,911</u>	<u>\$ 21,711</u>	<u>\$ 21,972</u>	<u>\$ 22,928</u>	<u>\$ 23,388</u>	<u>\$ 33,179</u>	<u>\$ 33,502</u>	<u>\$ 33,885</u>
All other governmental funds										
Reserved	\$ 52,720	\$ 46,539	\$ 57,306	\$ 66,340	\$ 59,558	\$ 73,312	\$ 66,016	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,790	1,316	2,489	8,482	14,936	21,618	27,783			
Debt service funds	754	775	813	857	883	893	896			
Capital projects funds	26,047	32,369	39,114	41,178	38,419	21,756	18,773			
Nonspendable, reported in										
Special revenue funds								5,122	5,344	5,571
Restricted, reported in										
Special revenue funds								3,575	3,578	3,874
Capital projects funds								55,199	72,633	90,960
Committed, reported in										
Capital projects funds								29,938	30,519	35,533
Total all other governmental funds	<u>\$ 81,312</u>	<u>\$ 80,999</u>	<u>\$ 99,722</u>	<u>\$ 116,857</u>	<u>\$ 113,796</u>	<u>\$ 117,579</u>	<u>\$ 113,468</u>	<u>\$ 93,834</u>	<u>\$ 112,074</u>	<u>\$ 135,938</u>

\* Fiscal year 2011 reflects implementation of GASB 54

**City of Savannah, Georgia**  
**Changes in Fund Balances of Governmental Funds,**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 108,953	\$ 119,269	\$ 132,517	\$ 140,939	\$ 143,934	\$ 139,814	\$ 142,136	\$ 143,588	\$ 146,313	\$ 144,964
Licenses and permits	3,499	3,705	4,383	4,609	3,918	2,900	1,693	3,185	3,914	4,239
Intergovernmental	32,802	37,091	40,399	39,312	34,061	19,088	23,036	51,218	47,812	47,172
Charges for services	9,886	23,261	25,698	32,201	30,326	30,623	28,109	29,585	30,396	30,890
Fines	3,603	3,869	3,854	3,453	2,890	2,977	3,090	3,136	2,984	2,752
Investment earnings	1,300	2,909	5,106	6,659	3,930	1,292	473	218	214	288
Special assessments	34	21	10	6	8	5	4	2	1	1
Miscellaneous	5,610	6,050	7,429	6,004	7,293	8,064	12,121	6,938	6,210	5,703
Total revenues	<u>165,686</u>	<u>196,175</u>	<u>219,396</u>	<u>233,183</u>	<u>226,360</u>	<u>204,763</u>	<u>210,662</u>	<u>237,870</u>	<u>237,844</u>	<u>236,009</u>
<b>Expenditures</b>										
General administration	1,939	1,995	2,394	2,820	2,998	3,018	3,017	29,052	4,230	4,398
Management and financial services	7,959	8,428	7,979	8,386	9,405	9,168	8,779	7,712	7,526	7,695
Facilities maintenance	18,755	20,052	20,916	22,125	30,940	21,274	19,065	22,026	23,657	27,580
Police	35,532	51,140	57,206	58,474	65,097	63,923	62,155	63,880	66,909	66,633
Recorder's court	1,784	1,820	1,934	2,031	2,117	2,143	2,126	2,149	2,272	2,231
Fire	15,924	17,651	19,657	21,152	23,163	23,754	23,919	23,924	25,506	25,890
Leisure services	11,885	12,132	12,827	13,668	14,725	19,130	20,034	19,163	20,085	20,576
Tourism enhancement					8,784	8,334	8,903	8,421	9,109	8,670
Social and cultural	2,066	2,015	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954
Public development	3,999	4,051	5,287	8,434	12,763	13,046	12,974	10,209	10,113	7,564
Other governmental services	12,655	14,324	19,083	16,112						
Grant program and administration	7,615	6,788	4,462	5,356	6,616	5,700	8,706	6,140	5,388	5,835
Community development program and administration	9,482	10,979	10,674	15,040	10,849	11,438	8,576	10,522	9,331	8,113
Capital outlay	25,935	39,778	30,303	35,590	40,450	34,238	27,807	34,719	27,036	17,664
Debt service										
Principal	1,890	167	167	1,487	1,540	1,615	1,892	1,867	2,625	2,680
Interest	1,223	1,139	1,129	1,119	1,050	1,083	1,040	1,120	1,025	991
Total expenditures	<u>158,641</u>	<u>192,459</u>	<u>196,052</u>	<u>213,660</u>	<u>232,501</u>	<u>219,575</u>	<u>210,787</u>	<u>242,547</u>	<u>216,530</u>	<u>208,474</u>
Excess of revenues over (under) expenditures	<u>7,044</u>	<u>3,716</u>	<u>23,344</u>	<u>19,523</u>	<u>(6,141)</u>	<u>(14,812)</u>	<u>(125)</u>	<u>(4,677)</u>	<u>21,314</u>	<u>27,535</u>
<b>Other financing sources (uses)</b>										
Transfers in	15,194	23,820	26,316	32,992	21,259	22,818	25,947	17,972	22,841	18,871
Transfers out	(22,790)	(27,717)	(29,098)	(33,581)	(23,837)	(24,083)	(29,473)	(23,137)	(25,592)	(22,159)
Debt issuance proceeds						37,000	485	595		
Premium on bond debt						505				
Payment to fiscal agent						(16,995)	(485)	(595)		
Proceeds from the sale of capital assets					5,920	706				
Total other financing sources (uses)	<u>(7,596)</u>	<u>(3,897)</u>	<u>(2,782)</u>	<u>(589)</u>	<u>3,342</u>	<u>19,951</u>	<u>(3,526)</u>	<u>(5,165)</u>	<u>(2,751)</u>	<u>(3,288)</u>
Net change in fund balances	<u>\$ (551)</u>	<u>\$ (182)</u>	<u>\$ 20,562</u>	<u>\$ 18,934</u>	<u>\$ (2,799)</u>	<u>\$ 5,139</u>	<u>\$ (3,651)</u>	<u>\$ (9,842)</u>	<u>\$ 18,563</u>	<u>\$ 24,247</u>
Debt service as a percentage of noncapital expenditures	2.3%	0.9%	0.8%	1.5%	1.3%	1.5%	1.6%	1.4%	1.9%	1.9%

**City of Savannah, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended December 31	Real Property		Personal Property		Utilities & Other Property		Total		Total Direct Tax Rate
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	
2004	\$ 2,472,515	\$ 6,181,287	\$ 620,591	\$ 1,551,478	\$ 195,374	\$ 488,435	\$ 3,288,480	\$ 8,221,200	13.10
2005	2,803,935	7,009,838	677,225	1,693,063	112,397	280,993	3,593,557	8,983,893	12.90
2006	3,311,999	8,279,998	682,244	1,705,610	107,829	269,573	4,102,072	10,255,180	12.70
2007	3,761,698	9,404,245	753,881	1,884,703	95,036	237,590	4,610,615	11,526,538	12.50
2008	4,107,486	10,268,716	776,482	1,941,205	102,629	256,571	4,986,597	12,466,492	12.50
2009	4,107,062	10,267,655	802,929	2,007,323	100,259	250,648	5,010,250	12,525,625	12.50
2010	3,965,101	9,912,753	704,214	1,760,535	99,165	247,913	4,768,480	11,921,200	13.00
2011	3,693,484	9,233,710	745,747	1,864,368	100,696	251,740	4,539,928	11,349,818	12.50
2012	3,642,541	9,106,353	793,908	1,984,770	99,178	247,945	4,535,627	11,339,068	12.50
2013	3,677,768	9,194,420	829,042	2,072,605	96,366	240,915	4,603,176	11,507,940	12.48

**Source:** Chatham County Tax Assessor's Office.

**Note:** Property in the county is reassessed annually. The county assesses property at 40% of estimated true value for all types of real and personal property. Estimated true value is calculated by dividing assessed value by 40%. Tax rates are per \$1,000 of assessed value.

**City of Savannah, Georgia  
Direct and Overlapping<sup>1</sup> Property Tax Rates,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City of Savannah</b>	<b>City of Savannah Special District<sup>2</sup></b>	<b>Schools</b>	<b>County</b>	<b>Chatham Area Transit Authority</b>	<b>State</b>	<b>Total Direct &amp; Overlapping Rates</b>
2004	13.100	0.200	17.600	10.367	0.820	0.250	42.337
2005	12.900	0.200	17.277	11.037	0.820	0.250	42.484
2006	12.700	0.200	15.817	10.837	0.820	0.250	40.624
2007	12.500	0.200	13.795	10.537	0.820	0.250	38.102
2008	12.500	0.200	13.404	10.537	0.820	0.250	37.711
2009	12.500	0.200	13.404	10.537	0.820	0.250	37.711
2010	13.000	0.200	14.131	10.537	0.820	0.250	38.938
2011	12.500	0.200	14.631	11.109	0.859	0.250	39.549
2012	12.500	0.200	14.631	11.109	0.859	0.200	39.499
2013	12.480	0.200	15.881	11.908	1.000	0.150	41.619

Source: Chatham County Tax Assessors Office.

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Savannah. Not all overlapping rates apply to all City of Savannah property owners (e.g., the rates for the special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

<sup>2</sup> In 2003, the City of Savannah created special district called the "Water Transportation District." Only properties located within this district are subject to this millage levy.

**City of Savannah, Georgia  
Principal Property Taxpayers,  
Current Year and Nine Years Ago  
(amounts expressed in thousands)**

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power Company	Electric Utility	\$ 44,263,993	1	0.96%	\$ 35,834,575	2	1.09%
Oglethorpe Mall, LLC	Regional Shopping Mall	31,691,398	2	0.69%	27,903,600	5	0.85%
International Paper Company	Paper Manufacturer	29,710,560	3	0.65%	32,778,000	3	1.00%
Home Depot	Distribution Center	29,181,184	4	0.63%	31,030,024	4	0.94%
Gulfstream Aerospace Corporation	Airplane manufacturer	23,156,043	5	0.50%	45,182,174	1	1.37%
Columbia Properties Savannah	Regional Shopping Mall	20,800,000	6	0.45%			
CWT Savannah Hotel LLC	Westin Hotel	18,976,520	7	0.41%	15,348,600	9	0.47%
Dollar Tree Stores Inc.	Distribution Center	18,743,326	8	0.41%			
HH Savannah LLC	Hyatt Hotel	16,287,087	9	0.35%	13,012,000	10	0.40%
5670 Savannah LLC	Pier 1 Imports Distribution Center	11,956,800	10	0.26%			
Bell South	Telephone utility				26,248,958	6	0.80%
Friedmans Inc	Retail jewelry sales				15,988,694	7	0.49%
CS Hotels, LP	Marriott Hotel				15,878,800	8	0.48%
Totals		<u>\$ 244,766,911</u>		<u>5.32%</u>	<u>\$ 259,205,425</u>		<u>7.89%</u>

Source: Chatham County Tax Assessors Office

**City of Savannah, Georgia  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year<sup>1</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2004	\$ 40,668,280	\$ 37,243,424	91.6%	\$ 3,379,300	40,622,723	99.9%
2005	44,905,647	40,996,707	91.3%	3,863,651	44,860,359	99.9%
2006	50,636,416	45,646,009	90.1%	4,918,667	50,564,676	99.9%
2007	57,029,874	51,966,832	91.1%	4,844,653	56,811,486	99.6%
2008	61,196,939	53,992,912	88.2%	6,811,060	60,803,971	99.4%
2009	63,355,201	53,862,308	85.0%	9,061,331	62,923,639	99.3%
2010	62,969,871	54,681,460	86.8%	7,745,427	62,426,887	99.1%
2011	58,360,931	51,491,991	88.2%	6,170,021	57,662,012	98.8%
2012	57,602,661	52,436,392	91.0%	4,118,303	56,554,695	98.2%
2013	57,464,265	52,608,040	91.5%		52,608,040	91.5%

Source: City of Savannah.

<sup>1</sup> Includes: Real Property  
Industrial Area  
Personal Property  
Utility  
Vehicles  
Mobile Home Taxes

Note: The Levy Year is from January 1 to December 31. Real property is billed in two installments - March and October. Personal property is billed annually with payments due in November.



City of Savannah, Georgia  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business -Type Activities					Total Primary Government	Percentage of Household Income	Per Capita	
	General Obligation Bonds	Contractual Obligations	Long-term Notes	Special Assessment Bonds	Capital Leases	Water & Sewer Bonds	Water & Sewer Notes	Resource Recovery Bonds	Sanitation Bonds	Parking Contractual Obligations				Civic Center Contractual Obligations
2004		\$ 21,290,000	\$ 1,755,000	\$ 167,086	\$ 3,116,859	\$ 52,070,000	\$ 18,065,666	\$ 23,670,000	\$ 34,925,000	\$ 15,420,000	\$ 3,800,000	\$ 174,279,611	4.1%	\$ 1,311
2005		21,290,000	1,655,000	99,693	3,215,652	47,100,000	16,929,702	15,300,000	34,135,000	38,695,000	3,800,000	182,220,047	4.0%	1,370
2006		21,290,000	1,555,000	32,300	5,919,607	42,015,000	15,755,986		33,325,000	37,850,000	3,800,000	161,542,893	3.5%	1,215
2007		19,920,000	1,455,000	14,907	4,213,270	36,815,000	33,734,845		31,370,000	36,985,000	3,425,000	167,933,022	3.5%	1,263
2008		18,490,000	1,350,000	9,932	1,819,834	31,450,000	32,481,556		29,340,000	36,105,000	3,045,000	154,091,322	3.1%	1,159
2009		37,000,000	1,235,000	4,957	1,485,985	42,515,000	36,192,332		27,210,000	35,200,000	2,655,000	183,498,274	3.5%	1,380
2010		35,225,000	1,120,000	2,478	1,137,714	36,655,000	33,936,777		24,825,000	34,270,000	2,250,000	169,421,969	3.2%	1,243
2011		33,500,000	980,000		774,397	30,610,000	31,608,364		22,445,000	33,310,000	1,830,000	155,057,761	2.9%	1,138
2012		31,015,000	840,000		395,385	25,915,000	29,204,838		20,015,000	32,315,000	1,400,000	141,100,223	2.5%	1,035
2013		28,475,000	700,000			22,955,000	26,723,111		17,195,000	31,305,000	950,000	128,303,111	2.3%	941

**City of Savannah, Georgia**  
**Ratios of General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Assessed Value (Thousands of Dollars)</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Per Capita</b>
2004	\$ -	\$3,288,480	0.00%	132,985	\$0.00
2005	-	3,593,557	0.00%	132,985	0.00
2006	-	4,102,072	0.00%	132,985	0.00
2007	-	4,610,615	0.00%	132,985	0.00
2008	-	4,986,597	0.00%	132,985	0.00
2009	-	5,010,250	0.00%	132,985	0.00
2010	-	4,768,480	0.00%	136,286	0.00
2011	-	4,539,928	0.00%	136,286	0.00
2012	-	4,535,627	0.00%	136,286	0.00
2013	-	4,603,176	0.00%	136,286	0.00

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

**City of Savannah, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2013**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt*</u>
<b>City of Savannah</b>			
General Obligation Bonded Debt	\$ -	100.0%	\$ -
Capital Leases	-		
Contractual Obligations:			
Resource Recovery Development Authority	17,195,000	100.0%	17,195,000
Downtown Savannah Authority (Capital Improvement Project)	7,435,000	100.0%	7,435,000
Downtown Savannah Authority (Parking Improvements)	24,820,000	100.0%	24,820,000
Downtown Savannah Authority (Stormwater Improvements)	<u>28,475,000</u>	100.0%	<u>28,475,000</u>
<b>Total Direct General Obligation Supported Bonded Debt</b>	<u>77,925,000</u>		<u>77,925,000</u>
<b>Chatham County</b>			
Capital leases	4,561	42.6%	1,943
Contractual Obligations:			
Downtown Savannah Authority (Chatham County Projects), Series 2005	10,894,254	42.6%	4,640,952
Chatham County Public Health Facilities Projects	174,158	42.6%	74,191
Downtown Savannah Authority (Chatham County Projects), Series 2005A	4,505,546	42.6%	1,919,363
Downtown Savannah Authority (Union Mission), Series 2009	2,145,000	42.6%	913,770
Downtown Savannah Authority (Union Mission), Series 2011	2,680,000	42.6%	1,141,680
Mosquito Control Facility	3,804,217	42.6%	1,620,596
<b>Savannah/Chatham County School Board</b>			
General Obligation Bonded Debt	53,925,000	42.6%	22,972,050
Capital Leases	5,141,595	42.6%	2,190,319
Contractual Obligations:			
Downtown Savannah Authority (Improvement Project)	<u>6,043,366</u>	42.6%	<u>2,574,474</u>
<b>Total Indirect General Obligation Supported Bonded Debt</b>	<u>89,317,697</u>		<u>38,049,339</u>
<b>Total Direct and Indirect General Obligation Supported Bonded Debt</b>	<u>\$167,242,697</u>		<u>\$ 115,974,339</u>

\* Note: Overlapping percentage calculated based on assessed property values.

**City of Savannah, Georgia  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value 2013 Tax Roll	\$ 4,603,174,588
General Bonded Debt Limit, 10% of Assessed Value	\$ 460,317,459
Debt applicable to limit:	
Total bonded debt	\$ 25,915,000
Less: revenue bonds	<u>25,915,000</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 460,317,459</u>

**Fiscal Year**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 328,847,995	\$ 359,355,708	\$ 410,207,224	\$ 461,061,466	\$ 498,659,695	\$ 501,024,955	\$ 476,848,044	\$ 453,992,798	\$ 453,562,744	\$ 453,562,744
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 328,847,995</u>	<u>\$ 359,355,708</u>	<u>\$ 410,207,224</u>	<u>\$ 461,061,466</u>	<u>\$ 498,659,695</u>	<u>\$ 501,024,955</u>	<u>\$ 476,848,044</u>	<u>\$ 453,992,798</u>	<u>\$ 453,562,744</u>	<u>\$ 453,562,744</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Note:** Under state law, the City of Savannah's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. Excludes special assessment bonds that are not legally a part of the City's debt.

**City of Savannah, Georgia  
Pledged-Revenue Coverage,  
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer Revenue Bonds (000)						Special Assessment Bonds			
	Gross Revenue <sup>1</sup>	Less: Total Expenses & Transfers Out <sup>2</sup>	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections <sup>3</sup>	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2004	\$ 47,276	\$ 30,521	\$ 16,755	\$ 4,875	\$2,025	2.43	\$ 41,420	\$ 90,053	\$ 15,428	0.39
2005	49,575	31,264	18,311	4,970	1,903	2.66	24,834	67,393	10,025	0.32
2006	55,135	32,994	22,141	5,085	1,778	3.23	12,894	67,393	5,982	0.18
2007	59,340	36,506	22,834	5,200	1,649	3.33	8,476	17,393	1,938	0.44
2008	58,678	38,543	20,135	5,365	1,484	2.94	9,417	4,976	895	1.60
2009	58,142	42,358	15,784	4,485	1,368	2.78	5,566	4,976	596	1.00
2010	60,396	41,631	18,765	5,860	1,344	2.69	4,940	2,479	297	1.78
2011	62,161	37,395	24,766	6,045	1,147	3.44	2,823	2,478	149	1.07
2012	64,135	41,254	22,881	4,695	772	4.19	1,073	-	-	-
2013	65,452	40,898	24,554	2,960	835	6.47	713	-	-	-

<sup>1</sup> Includes transfers in and excludes interest earned on construction funds.

<sup>2</sup> Excludes depreciation expense.

<sup>3</sup> Includes special assessment principal and interest collected.

**City of Savannah, Georgia  
Demographic and Economic Statistics,  
Last Ten Calendar Years**

<b>Year</b>	<b>Population (per 2010 census)</b>	<b>Personal Income (000)</b>	<b>Per Capita Personal Income</b>	<b>Chatham County Retail Sales (000,000)</b>	<b>Unemployment Rate (Savannah MSA)</b>	<b>School Enrollment</b>
2004	132,985	\$ 4,356,855	\$ 32,762	\$ 5,078	4.2%	41,615
2005	132,985	4,631,336	34,826	5,562	3.8%	41,571
2006	132,985	4,939,861	37,146	6,464	3.6%	41,225
2007	132,985	5,218,996	39,245	6,409	4.3%	40,520
2008	132,985	5,425,655	40,799	6,128	6.8%	40,244
2009	132,985	5,111,810	38,439	5,846	8.7%	41,152
2010	136,285	5,431,230	39,852	5,780	9.1%	40,973
2011	136,285	5,653,102	41,480	6,058	8.8%	41,588
2012	136,285	5,546,391	40,697	6,328	8.0%	42,064
2013	136,285	5,601,855 *	41,104 *	6,367	6.6%	42,349

Sources: Population information provided by the U.S. Census Bureau. Personal income data provided by the Bureau of Economic Analysis. Chatham County retail sales estimated by the City of Savannah. Unemployment rates provided by the Bureau of Labor Statistics. School enrollment provided by the Savannah/Chatham School Board and includes public and private schools.

\* Estimated. Data for 2014 not available at time of publishing.

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

<b>Employer</b>	<b>2013</b>			<b>2004</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Gulfstream Aerospace	8,406	1	6.00%	4,300	3	3.74%
Savannah-Chatham Board of Education	4,808	2	3.88%	4,309	2	3.75%
Ft. Stewart/Hunter Army Airfield	4,637	3	3.81%	3,485	5	3.03%
Memorial Health University Medical Center	4,600	4	3.78%	4,934	1	4.30%
St. Joseph's/Cander Health System	3,170	5	2.60%	3,800	4	3.31%
City of Savannah	2,795	6	2.41%	2,408	6	2.10%
Savannah College of Art and Design	1,750	7	2.05%	1,200	10	1.04%
Chatham County	1,600	8	1.44%	1,600	8	1.39%
Georgia Ports Authority	988	9	1.23%			
Armstrong Atlantic State University	602	10	0.99%			
Savannah International Airport				4,500	3	3.92%
International Paper Company				1,800	7	1.57%
Georgia-Pacific				1,408	9	1.23%

Information provided by Chatham County.

**City of Savannah, Georgia**  
**Full-time Equivalent City Government Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of December 31</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
General administration	35.00	36.00	41.00	43.00	43.00	43.00	35.00	51.00	39.00	46.00
Management and financial services	97.85	105.85	107.85	108.85	110.85	110.85	105.60	71.23	87.60	81.60
Information technology	34.00	35.00	35.00	37.00	37.00	37.00	34.00	37.25	36.00	36.00
Real property services	6.00	8.00	6.00	6.00	6.00	6.00	5.00	5.00	6.00	6.00
Recorder's court	28.50	27.50	27.50	27.50	27.50	28.50	27.50	27.00	28.00	28.00
Public works										
Park and Tree	64.00	65.00	66.00	66.00	66.00	66.00	66.00	58.00	56.00	56.00
Cemeteries	27.63	27.63	27.63	27.63	31.63	31.63	26.63	23.63	23.63	23.63
Streets and Drainage	151.00	155.00	158.00	160.00	160.00	161.00	143.00	141.00	142.00	194.00
Vehicle maintenance	45.00	44.00	44.00	44.00	44.00	44.00	41.00	41.00	41.00	41.00
Public safety										
Police	513.28	699.28	724.28	745.28	756.28	756.28	748.64	791.00	738.00	737.00
Communications center	51.00	85.00	87.00	84.00	91.00	91.00	90.00	106.00	106.00	105.00
Fire and emergency services	278.00	297.00	304.00	328.00	328.00	328.00	324.00	362.00	329.00	329.00
Leisure services	200.61	203.50	204.44	214.50	215.51	215.01	203.61	180.44	180.70	179.70
Public development	123.50	127.50	130.50	137.00	142.00	142.50	139.00	142.00	119.25	73.25
Sanitation	188.50	188.50	196.50	198.50	222.50	223.50	221.50	228.00	226.50	227.00
Civic center	20.00	20.00	20.00	21.00	25.00	25.00	24.00	23.50	22.00	22.00
Water and sewer	277.00	282.00	290.00	301.00	301.00	302.00	299.00	326.00	304.00	304.00
Parking services	64.90	66.40	66.40	77.15	77.65	78.65	78.75	77.15	70.20	69.20
<b>Total</b>	<b>2,205.77</b>	<b>2,473.16</b>	<b>2,536.10</b>	<b>2,626.41</b>	<b>2,684.92</b>	<b>2,689.92</b>	<b>2,612.23</b>	<b>2,691.20</b>	<b>2,554.88</b>	<b>2,558.38</b>

**Source:** City Budget Office



**City of Savannah, Georgia  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Police										
Violent crimes	1,255	1,245	1,182	1,319	1,292	1,128	845	889	878	851
Property crimes	11,581	11,857	9,924	9,852	11,250	10,654	9,202	9,579	8,325	9,309
Fire										
Fire calls	1,119	1,038	1,390	1,270	1,105	935	996	1,050	1,041	1,074
Dwelling fires	407	196	410	391	429	384	432	361	387	389
Rescues	96	119	100	149	165	207	202	227	120	163
Refuse Disposal										
Total system City tons	200,118	199,414	192,214	201,637	157,237	163,221	109,341	124,987	118,484	111,126
Other public works										
Traffic sign repairs	3,885	4,075	5,100	7,573	5,200	8,910	7,778	6,992	7,266	7,100 *
Pothole repairs	840	1,835	1,616	2,530	1,400	720	732	701	616	700 *
Storm drain inlets cleaned	5,128	5,421	4,444	4,734	6,512	5,287	4,416	4,914	4,323	4,500 *
Leisure services										
Youth baseball participants	1,436	1,311	1,207	1,160	1,350	1,165	1,171	1,185	1,190	1,070
Youth football participants	1,403	1,475	1,509	1,576	1,623	2,040	1,976	1,594	1,596	1,386
Neighborhood center participants	7,350	7,490	6,664	7,433	7,775	5,865	7,021	6,113	5,451	4,700
Water										
Average daily ground water production (MGD)	25.39	23.99	24.04	25.59	25.03	23.39	23.36	22.86	21.88	21.59
Average daily surface water production (MGD)	33.47	31.53	30.10	29.92	28.43	27.51	32.53	30.00	29.11	28.70
Sewer										
Average flow (MGD)	25.33	27.03	26.33	25.26	24.27	26.31	25.99	23.08	24.59	24.79
Public Development										
Permits issued for commercial/industrial construction	109	102	102	146	61	76	49	53	60	133
Permits issued for residential construction	544	618	731	758	457	471	498	455	231	291

Sources: Crime data from Bureau of Justice Statistics.  
Other data from various city departments.

\*Estimated

**City of Savannah, Georgia  
Capital Asset Statistics by Function/Program,  
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	4	6	6	6	5	5	5	5	5	5
Fire										
Stations	13	13	15	15	15	15	15	15	15	15
Refuse Collection										
Available landfill capacity (cubic yards)	362,382	214,471	2,608,718	2,471,818	2,210,699	1,933,345	1,815,878	1,692,082	1,569,835	1,451,270
Other public works										
Streets (miles)	578	578	593	638	676	682	682	687	687	687
Signalized intersections			208	241	243	244	248	248	250	251
Cemeteries	5	5	5	5	5	5	5	5	5	5
Leisure services										
Parks (acreage)	460	460	460	661	661	661	663	663	663	663
Playgrounds	55	55	55	55	55	55	57	57	60	60
Water										
Wells	41	41	42	43	47	47	49	49	49	49
Sewer										
Treatment capacity (MGD)	35.45	35.45	35.45	35.45	36.95	36.95	36.95	36.95	36.95	36.95
Parking facilities										
Parking garages	3	3	4	4	5	5	5	5	5	5
Civic Center										
Arenas	1	1	1	1	1	1	1	1	1	1
Meeting rooms	6	6	6	6	6	6	6	6	6	6
Theaters	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

Note: Data not available for all indicators for all years. Also, certain functions/programs have no available capital asset indicators.

**CITY OF SAVANNAH, GEORGIA  
WATER SYSTEM PRODUCTION AND NUMBER OF SYSTEM CUSTOMERS  
LAST TEN CALENDAR YEARS**

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<b>Year</b>	<b>Ground Water Production</b>		<b>Surface Water Production</b>		<b>Number of Water Accounts<sup>1</sup></b>	<b>Number of Sewer Accounts<sup>1</sup></b>
	<b>Daily Average (MGD)</b>	<b>Peak Day (MGD)</b>	<b>Daily Average (MGD)</b>	<b>Peak Day (MGD)</b>		
2004	25.39	35.88	33.47	45.19	83,990	81,706
2005	23.99	31.02	31.53	45.70	85,430	83,122
2006	24.04	33.40	30.10	45.71	85,994	83,673
2007	25.59	34.17	29.92	44.06	88,891	86,533
2008	25.03	33.70	28.43	42.20	90,398	87,975
2009	23.39	31.55	27.51	38.16	91,722	89,162
2010	23.36	32.97	32.53	43.67	91,931	89,388
2011	22.86	31.82	30.00	43.55	92,130	89,573
2012	21.88	29.92	29.11	43.03	92,438	89,882
2013	21.59	31.49	28.70	41.29	92,509	89,939

<sup>1</sup> Water and Sewer account counts based on the total dwelling units served.

**CITY OF SAVANNAH, GEORGIA  
SEWAGE TREATMENT PLANT FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Sewage Treatment Facility</u>	<u>Capacity (MGD)</u>	<u>Average Flow (MGD)</u>	<u>Maximum Dry Weather Daily Flow (MGD)</u>	<u>Maximum Wet Weather Daily Flow (MGD)</u>	<u>Year of Last Upgrade</u>	<u>Treatment Process</u>
President Street Plant	27.00	18.72	19.34	24.53	1997	Primary treatment, activated sludge, clarifier, chlorinator, gravity thickener, belt press, clarifiers, chlorination, sludge incineration: 2MGD reclaim water by filtration.
Wilshire Plant	4.50	2.09	2.43	2.60	1999	Activated sludge, clarifier, gravity thickener, chlorinator, belt press, sludge disposed at landfill.
Georgetown Plant	2.45	1.59	2.00	3.17	2005	Activated sludge, clarifiers, effluent filtration, ultra-violet disinfection, belt press, sludge disposed at landfill.
Crossroads Plant	3.00	2.36	2.76	3.57	2008	Screening, grit removal, flow equalization, activated sludge clarifiers, filtration, ultra-violet disinfection, post aeration, belt press, sludge disposed at landfill.
<b>Total</b>	<u><u>36.95</u></u>	<u><u>24.76</u></u>	<u><u>26.53</u></u>	<u><u>33.87</u></u>		

**CITY OF SAVANNAH, GEORGIA  
WATER AND SEWER RATES  
LAST TEN CALENDAR YEARS**

Year	Bi-Monthly Water Rates for Residential and Commercial Customers						Bi-Monthly Sewage Rates for Residential and Commercial Customers						Industrial Water Rate (\$ per MG)
	Inside City			Outside City			Inside City			Outside City			
	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	
2004	\$11.06	\$0.48	\$0.66	\$16.59	\$0.72	\$0.99	\$8.80	\$1.32	\$1.70	\$13.20	\$1.98	\$2.55	\$602.04
2005	11.06	0.48	0.66	16.59	0.72	0.99	8.80	1.44	1.82	13.20	2.16	2.73	628.99
2006	11.06	0.50	0.68	16.59	0.75	1.02	8.80	1.58	1.96	13.20	2.37	2.94	651.81
2007	11.06	0.56	0.74	16.59	0.84	1.11	8.80	1.74	2.12	13.20	2.61	3.18	714.80
2008	11.06	0.62	0.80	16.59	0.93	1.20	8.80	1.94	2.32	13.20	2.91	3.48	783.85
2009	11.06	0.70	0.88	16.59	1.05	1.32	8.80	2.16	2.54	13.20	3.24	3.81	925.39
2010	11.06	0.74	0.92	16.59	1.11	1.38	8.80	2.34	2.72	13.20	3.51	4.08	725.88
2011	11.06	0.82	1.00	16.59	1.23	1.50	8.80	2.56	2.94	13.20	3.84	4.41	700.72
2012	11.06	0.82	1.00	16.59	1.23	1.50	8.80	2.56	2.94	13.20	3.84	4.41	762.81
2013	11.06	0.86	1.04	16.59	1.29	1.56	8.80	2.75	3.10	13.20	4.08	4.65	797.09

**CITY OF SAVANNAH, GEORGIA  
WATER AND SEWER CONNECTION FEES  
EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2013**

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<u>Meter Size<sup>1</sup></u>	<u>Meter Installation Fee (per meter)</u>	
	<u>Installed by Plumber</u>	<u>Installed by City</u>
5/8 to 3/4 inch	\$300	\$350
1 inch	350	400
1 1/2 inch	500	550

<sup>1</sup>Larger meters are provided by the City to licensed plumbers at various fees sufficient to cover City costs.

	<u>Tap-in Fee per ERU<sup>2</sup></u>	
	<u>Inside City</u>	<u>Outside City</u>
Water Tap-in	\$600	\$900
Sewer Tap-in	400	500

<sup>2</sup>Equivalent Residential Unit which is generally equivalent to a water demand of 300 gallons per day.

Note: In addition to the above meter installation fees and tap-in fees, other surcharges are charged for new connections to the water and sewer system on a per ERU basis. The amount of the surcharge fee varies by geographic area and such fees are computed to recover the system's capital costs incurred to serve the specific area. Water impact fees vary by geographic area from zero to \$2,238 per ERU. Sewer impact fees vary by geographic area from \$345 to \$2,300 per ERU.

**CITY OF SAVANNAH, GEORGIA  
MAJOR WATER AND SEWER CUSTOMERS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Ten largest residential/commercial customers of the water and sewer system:

<u>Customer</u>	<u>Product/Business</u>	<u>2013 Customer Revenue</u>	<u>Percent of 2013 Water and Sewer Fund Gross Revenue</u>
Housing Authority of Savannah	Public housing	\$ 751,757	1.17%
Coastal Correctional Institute	State prison	465,288	0.72%
Memorial Medical Center	General hospital	298,791	0.47%
Candler/St. Josephs Hospital	General hospital	253,784	0.40%
Chatham County Detention Center	County jail	250,523	0.39%
Georgia Ports Authority	State port	210,205	0.33%
Gulfstream Aerospace	Aircraft manufacturer	190,324	0.30%
Hercules Inc.	Chemical manufacturer	184,568	0.29%
Arium Links	Apartments	172,962	0.27%
Savannah College of Art & Design	Art college	163,075	0.25%
		<u>\$ 2,941,277</u>	<u>4.58%</u>

Major industrial customers of the water system:

<u>Customer</u>	<u>Product/Business</u>	<u>2013 Customer Revenue</u>	<u>Percent of 2013 Water and Sewer Fund Gross Revenue</u>	<u>2013 Consumption (MG)</u>
Weyerhaeuser	Bleached pulp	\$ 3,660,069	5.70%	4,592
International Paper	Unbleached kraft products	2,079,612	3.24%	2,609
Savannah Foods	Sugar refinery	507,992	0.79%	637
		<u>\$ 6,247,673</u>	<u>9.73%</u>	<u>7,838</u>