

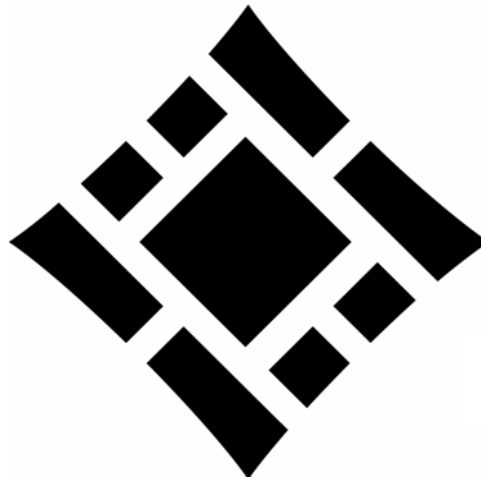
# Comprehensive Annual Financial Report

## Year Ended December 31, 2014

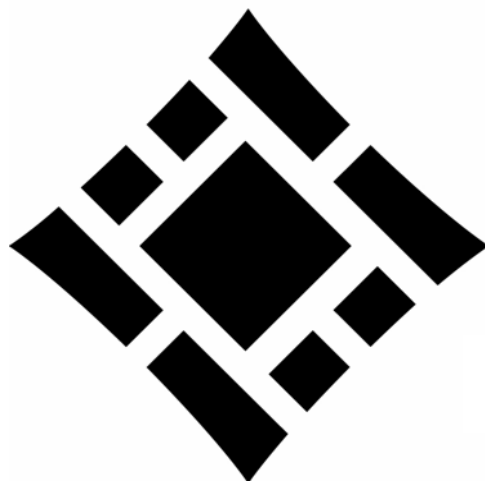




**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CITY OF SAVANNAH, GEORGIA  
YEAR ENDED DECEMBER 31, 2014**



**PREPARED BY:  
FINANCE DEPARTMENT  
May 15, 2015**



**CITY OF SAVANNAH, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2014**

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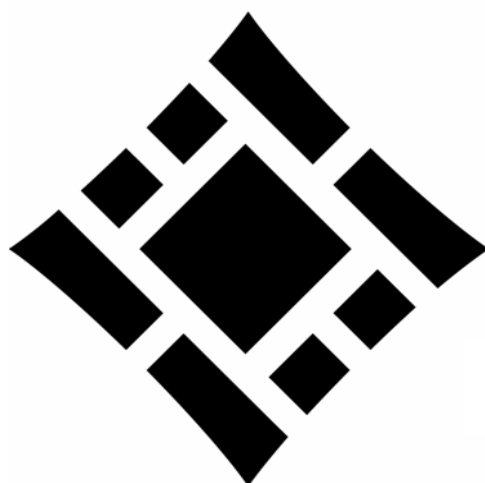
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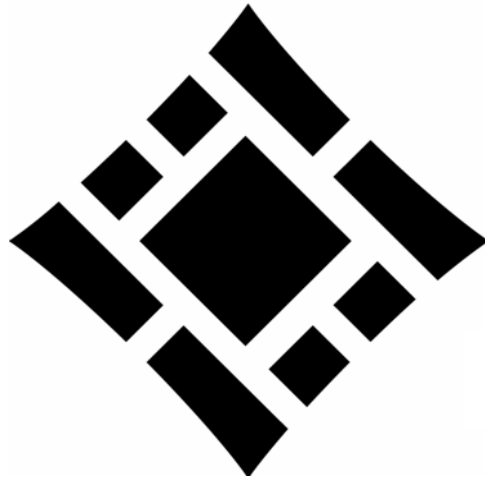
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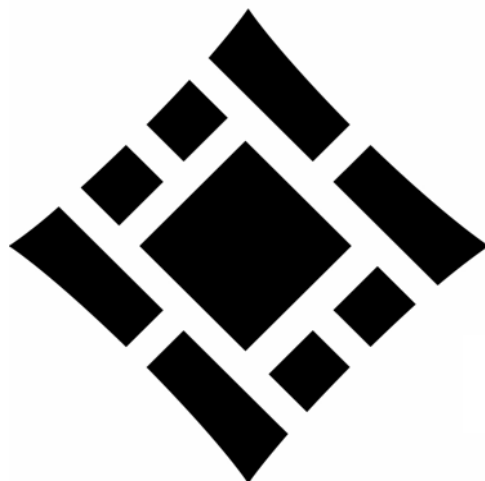






**INTRODUCTORY SECTION**

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 15, 2015

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, 2014. 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, 2014. 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 as of the 2010 census 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 2014, unemployment in the Savannah metropolitan area was 5.9% compared to 5.6% nationally and 6.6% 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 (14.6%), state and local government (12.4%), leisure and hospitality (14.6%), retail trade (11.4%), professional and business services (13.0%), and manufacturing (9.3%). The federal government is also a significant economic presence thanks to Fort Stewart and Hunter Army Airfield, which together provide employment to over 27,000 military and civilian personnel and have an annual financial impact of \$4.9 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 9.9% per year over the past five 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 2013, 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 2014 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 2014 as the Georgia Ports Authority marked increases over 2013 in total tonnage by 8 percent to reach 29.4 million tons. Volumes also increased in 2014 for bulk cargo (8.4% increase), total auto-machinery units (10% increase), and containerized trade (6.3% increase). For its FY 2014, the Port of Savannah handled more than 3.1 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 will 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 Jimmy DeLoach Parkway Extension, due to come online in the summer of 2016, which will provide a one-of-a-kind cargo beltway connecting the Port of Savannah with Interstates 95 and 16. The GPA has also announced plans to implement construction of Gate 8, an \$11 million project that will serve as the third major truck interchange at the Port of Savannah.

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

As of December 31, 2014, unassigned fund balance in the general fund (18.24% 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 2015 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 2014, the sales tax stabilization reserves totaled \$5,501,000. A draw of \$4.4 million on these reserves had been anticipated for 2014; however, revenue growth and curtailed expenditures allowed the 2014 budget to be balanced without use of these reserves.

The adopted 2015 budget conservatively assumed 2.9% growth in the total taxable value of property in the City and tentatively set a 2015 property tax of 12.48 mills, the same rate that was set for 2014. 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 has been 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.

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 2015 through 2019 identifies projects and funding that total \$414.8 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 \$20.9 million or 5.0% of the funding for the five year plan. The Water and Sewer Fund accounts for \$164.9 million during the five year plan and SPLOST VI contributes \$190 million during the five year plan. Year one of the five year plan, which was adopted by the mayor and council in November 2014, totals \$259.6 million in project funding. Several signature projects included in the plan are the new cultural arts center and the construction of a new civic center arena.

## ***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 are helping to drive this effort as the City has recently completed construction of the police training facility and also begun design for the construction of a new central precinct. These additional resources, along with technology enhancements such as ShotSpotter and body cameras will help to ensure that crime prevention and case solving strategies are more effective. 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 ISO1 rating. Construction of a new Hutchinson Island fire station is set to begin in 2015 and should complement the recently constructed stations located in the Bradley Pointe area and on Bull Street in the downtown area. In accordance with fire protection strategic planning recommendations to upgrade effective fire response objectives city-wide, the City will be acquiring additional firefighting equipment and adding fourteen additional firefighter positions during 2015.

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 2014, the City had spent over \$11.3 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.

Large scale downtown developments are also on the horizon over the next couple of years. Major infrastructure improvements are currently being constructed by the City in areas located east of downtown to help support growth within the City's tax allocation district (TAD). The City is slated to spend \$32 million on President Street improvements and another estimated \$15 million to improve the Bilbo Canal, which should pave the way for large scale development to begin within the TAD.

On the other side of downtown, the City is preparing for approximately \$280 million in private hotel development. These developments should bring an additional 585 hotel rooms to the west end of River Street, along with retail, dining and parking uses.

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, 2013. 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.

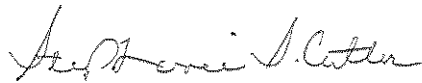
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2014 Service Program and Budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories including policy documentation, financial 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  
2014**

**ELECTED OFFICIALS**

**MAYOR**

Edna B. Jackson

**ALDERMEN**

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

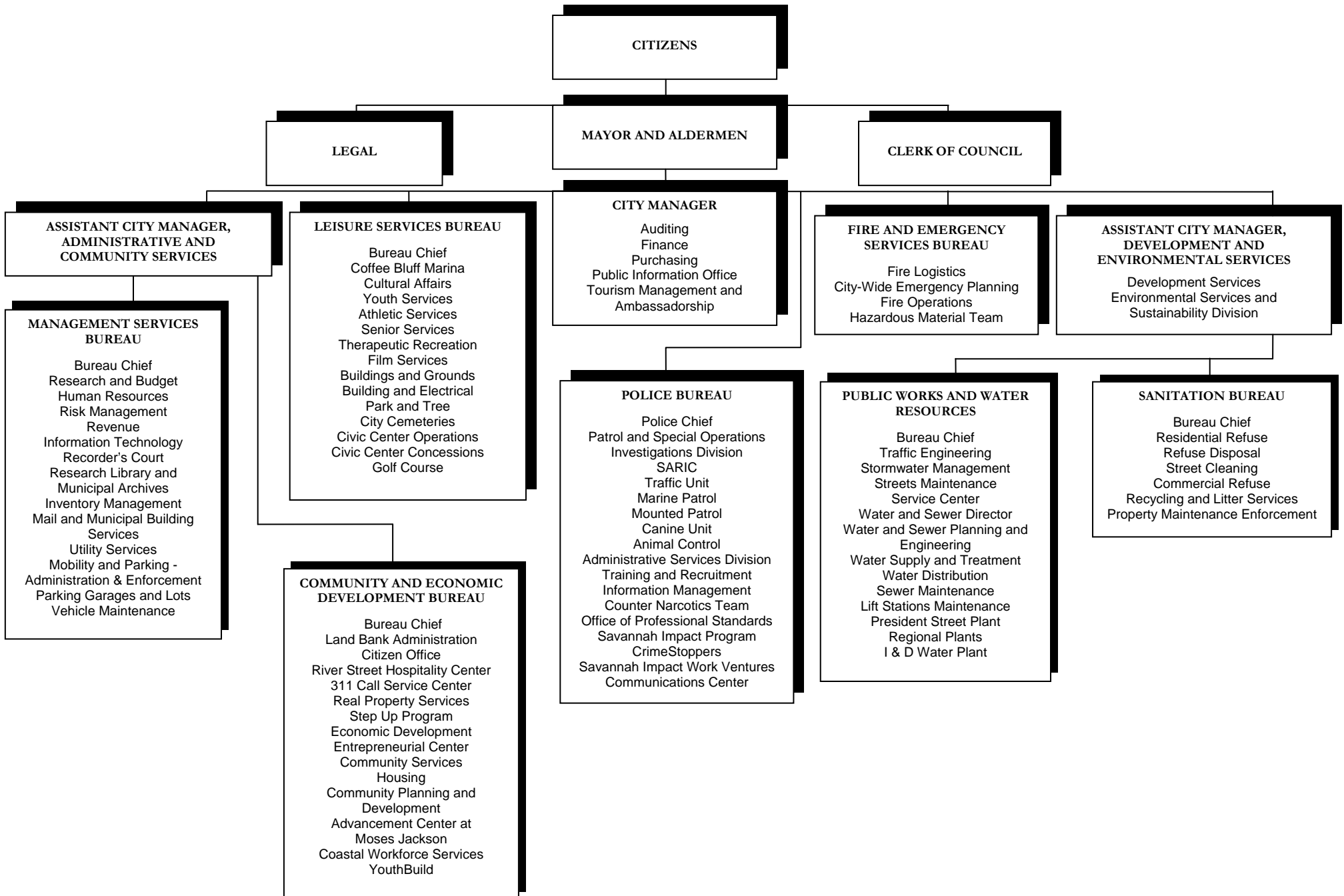
Tom Bordeaux  
Mary Osborne  
Mary Ellen Sprague  
Tony Thomas

**OTHER OFFICIALS**

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



# City of Savannah Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

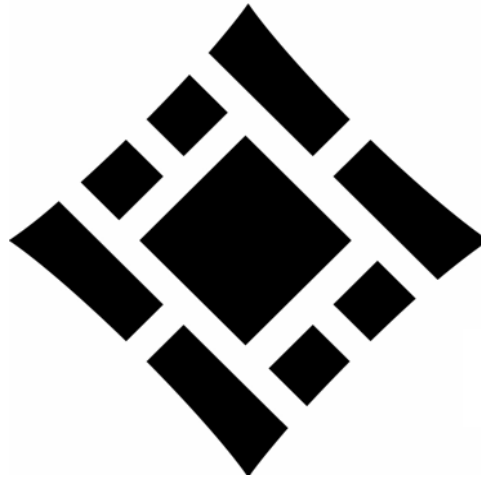
Presented to

**City of Savannah  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO



## **FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

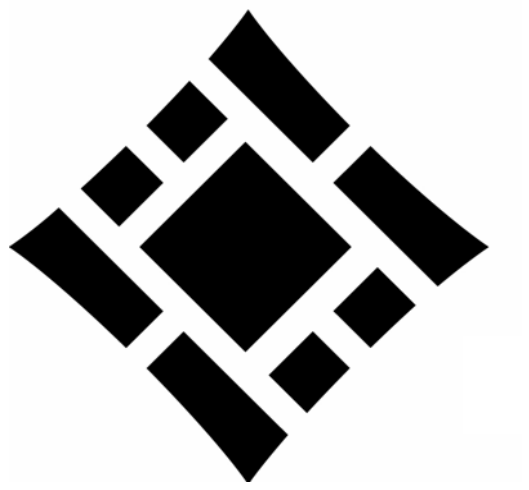
MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

- BUDGET AND ACTUAL SCHEDULES
- SCHEDULE OF PENSION PLAN FUNDING PROGRESS
- SCHEDULE OF EMPLOYER PENSION PLAN CONTRIBUTIONS
- SCHEDULE OF CHANGES IN NET PENSION LIABILITY
- SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
- SCHEDULE OF PENSION PLAN VALUATION DETAILS
- SCHEDULE OF OPEB PLAN FUNDING PROGRESS
- SCHEDULE OF EMPLOYER OPEB PLAN CONTRIBUTIONS
- SCHEDULE OF OPEB PLAN 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, 2014 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 City'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 City'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, 2014, 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 86 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 accounting 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 22, 2015, 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 22, 2015

## 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, 2014. 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 2014 by \$1,205,095,389 (net position). Of this amount, \$182,966,086 is unrestricted net position.
- The government's total net position increased by \$62,324,693 during 2014. Approximately 59.4% of this increase is attributable to governmental activities - operating and capital grants/contributions. The remaining 40.6% is attributable to business-type activities, primarily the water and sewer utility.
- As of the close of 2014, the City's governmental funds reported combined ending fund balances of \$194,734,749, an increase of \$24,911,175 for the year ended December 31, 2014. 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 2014 was \$32,510,102 or 18.2% of total general fund expenditures and transfers-out for that year. For the year ended December 31, 2014, the fund balance in the general fund increased \$899,277.
- The City's total long term liabilities experienced a net decrease of \$14,988,097 during the 2014 fiscal year. Of this amount, \$5,446,391 was recognized in the governmental activities and \$9,541,706 was recognized in the business-type activities. The decrease was attributable to scheduled debt service payments due in 2014 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 2014 was \$9,832,607 as compared to \$13,167,432 at the end of 2013. In 2014, the City contributed \$10,992,616 to the OPEB Trust Fund, which was 143.5% of the City's 2014 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 twenty-one 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 eighteen 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 - 74 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 75 - 86 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 87 - 115 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 \$1,205,095,389 at the close of the most recent fiscal year.

The following table provides a comparative summary of the City's net position for 2014 and 2013:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$265,021	\$242,603	\$162,475	\$148,403	\$427,496	\$391,006
Capital assets	589,869	579,285	404,841	401,709	994,710	980,994
Total assets	<u>854,890</u>	<u>821,888</u>	<u>567,316</u>	<u>550,112</u>	<u>1,422,206</u>	<u>1,372,000</u>
Deferred outflows of resources			213	172	213	172
Total assets and deferred outflows of resources	<u>\$854,890</u>	<u>\$821,888</u>	<u>\$567,529</u>	<u>\$550,284</u>	<u>\$1,422,419</u>	<u>\$1,372,172</u>
Other liabilities	14,867	13,387	27,738	26,230	42,605	39,617
Long-term liabilities outstanding	58,982	64,429	111,030	120,571	170,012	185,000
Total liabilities	<u>73,849</u>	<u>77,816</u>	<u>138,768</u>	<u>146,801</u>	<u>212,617</u>	<u>224,617</u>
Deferred inflows of resources	4,708	4,785			4,708	4,785
Net position:						
Net investment in capital assets	577,031	564,426	294,940	282,641	871,971	847,067
Restricted	147,790	124,687	2,367	2,345	150,157	127,032
Unrestricted	<u>51,512</u>	<u>50,174</u>	<u>131,454</u>	<u>118,497</u>	<u>182,966</u>	<u>168,671</u>
Total net position	<u>776,333</u>	<u>739,287</u>	<u>428,761</u>	<u>403,483</u>	<u>1,205,094</u>	<u>1,142,770</u>
Total liabilities, deferred inflows of resources and net position	<u>\$854,890</u>	<u>\$821,888</u>	<u>\$567,529</u>	<u>\$550,284</u>	<u>\$1,422,419</u>	<u>\$1,372,172</u>

The largest portion of the City's net position (72.4% or \$871,971,446) 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 (12.5% or \$150,157,857) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (15.1% or \$182,966,086) 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 2014 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 \$62,324,693. About 59.4% of this increase is attributable to governmental activities mainly due to operating and capital grants/contributions received in 2014. The remaining increase (40.6%) 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, 2014 and 2013:

City of Savannah - Changes in Net Position (\$000)						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 41,143	\$ 38,516	\$ 108,495	\$ 103,185	\$ 149,638	\$ 141,701
Operating grants and contributions	8,222	9,439	54	63	8,276	9,502
Capital grants and contributions	36,053	37,677	4,685	942	40,738	38,619
General revenues:						
Property taxes	62,590	59,874			62,590	59,874
General sales taxes	37,198	36,115			37,198	36,115
Other taxes	50,168	46,658			50,168	46,658
Grants and contributions not restricted as to use	1,075	1,393			1,075	1,393
Other	2,247	2,087	516	483	2,763	2,570
Total revenues	238,696	231,759	113,750	104,673	352,446	336,432
Expenses (net of indirect costs):						
General administration and management	8,821	8,865			8,821	8,865
Facilities maintenance	41,996	39,905			41,996	39,905
Public safety	93,641	93,134			93,641	93,134
Leisure services, social and cultural	34,141	32,311			34,141	32,311
Public development	6,256	6,281			6,256	6,281
Community development and workforce training	13,106	14,890			13,106	14,890
Interest on long-term debt and capital leases	763	965			763	965
Water and sewer			54,257	53,493	54,257	53,493
Sanitation and solid waste disposal			22,837	23,584	22,837	23,584
Parking services			10,703	10,209	10,703	10,209
Civic center and golf course			3,888	3,756	3,888	3,756
Total expenses	198,724	196,351	91,685	91,042	290,409	287,393
Increase in net position before contributions and transfers	39,972	35,408	22,065	13,631	62,037	49,039
Contributions	288	240			288	240
Extraordinary items		(9,530)			-	(9,530)
Transfers	(3,213)	(4,363)	3,213	4,363		
Change in net position	37,047	21,755	25,278	17,994	62,325	39,749
Net position - January 1	739,287	717,532	403,483	385,489	1,142,770	1,103,021
Net position - December 31	\$ 776,334	\$ 739,287	\$ 428,761	\$ 403,483	\$ 1,205,095	\$ 1,142,770

**Governmental activities.** Governmental activities increased the City's net position by \$37,046,736. Key elements of this increase are as follows:

- Capital grants and contributions were recognized in 2014 in the amount of \$36,052,687. Most of this revenue, \$31,264,512, was special purpose local option sales taxes received from Chatham County. An additional amount totaling \$1,606,722 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 \$2,715,663 (4.5%) during the year as compared to 2013. This increase resulted from increased collection efforts for current year taxes and delinquent receivables. In addition, collections of the title ad valorem tax fee totaled \$4,792,028 for 2014 compared to \$3,306,164 collected in 2013.
- General sales tax revenues increased in 2014 compared to the previous year by \$1,082,950 (3.0%). This increase resulted from increased taxable sales within Chatham County.
- Selective sales tax revenues increased in 2014 by \$2,776,593 (13.9%) compared to 2013. This increase is mostly attributable to increased tourist traffic for the City in 2014 compared to 2013, which increased the hotel/motel revenues by \$2,081,819. In addition, auto rental taxes were \$243,032 higher in 2014 compared to 2013.

For 2014, overall governmental activity expenses increased by \$2,372,120 (1.2%) as compared to 2013. The facilities maintenance activity, which includes maintenance of streets, drainage ways and public intersections, increased expenses by \$2,091,232 (5.2%) in 2014 compared to the prior year. The stormwater management function increased expenses by \$349,382 (6.9%) in 2014. The development services function, which administers building permits and inspections, increased expenses in 2014 by \$168,528 (4.1%). The traffic engineering function experienced increased expenses of \$157,314 (2.5%) in 2014 compared to 2013. Depreciation expense related to the facilities maintenance activity was overall higher in 2014 by \$439,681 (3.4%) compared to 2013. Also in 2014, a new activity titled environmental and sustainability was initiated and incurred \$315,246 in expenses within the facilities maintenance activity.

In 2014, the public safety activity, which includes police, recorders court and fire protection, experienced a net increase in expenses of \$505,693. Within the public safety activity, expenses for police and court services decreased by a combined \$230,660 (0.3%) for 2014 as compared to 2013. In addition, expenses for fire protection services increased by \$736,353 (2.9%) in 2014 as compared to 2013. Significant expense increases in firefighting can be mainly attributed to increases in fire department administration of \$139,952 (2.6%) and firefighting operations of \$514,118 (2.6%). Expenses increased in 2014 compared to 2013 in the police functions of patrol and special operations by \$393,684 (1.1%) and police administrative services by \$233,902 (9.3%). Expenses decreased in 2014 compared to 2013 in the police function of professional standards by \$779,940 (46.1%), due mainly to the reclassification of the police training unit to the patrol and special operations function.

The facilities maintenance activity, which includes maintenance of streets, drainage ways and public intersections, increased expenses by \$2,091,232 (5.2%) in 2014 compared to the prior year. Within this activity for 2014, specific expense increases were experienced by the traffic engineering function of \$157,314 (2.5%), the stormwater management function of \$349,382 (6.9%) and the development services function of \$168,528 (4.1%). A new function titled environmental services and sustainability also added \$315,246 in new expenses for 2014. Small expense decreases occurred in the bureau chief's office and the service center.

The leisure services, social and cultural activity expenses were virtually unchanged from 2013, increasing by \$7,411 in 2014, which is less than one percent. Tourism enhancement expenses were higher by \$1,821,277 in 2014. Tourism enhancement expense levels are driven by the legislative requirement to disburse certain tourism related revenues such as hotel/motel taxes. As the collections of these revenues increases, the related disbursements cause the expenses recognized to increase.

Expenses related to grant program and administration decreased in 2014 by \$1,226,055 (22.6%) compared to 2013. These expenses are driven by the ability of the city to successfully apply for available grant funds and can vary greatly from year to year. Grant expenses related to the federal workforce investment act and youthbuild grants were lower by \$496,501 (12.0%) in 2014 than in 2013.

**Business-type activities.** Business-type activities increased the City's net position by \$25,277,957. Key elements of this increase are as follows:

- Charges for services for business-type activities overall increased by \$5,310,945 or 5.2%. The water and sewer activity increased charges for services by \$3,609,429 or 5.6% in 2014 as compared to 2013. 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 \$1,477,088 or 5.8%. This increase resulted from higher revenues for services provided to both residential and commercial collection and disposal customers as a result of fee increases implemented in 2014. Parking facility charges for services increased in 2014 by \$366,517 or 3.1% compared to 2013. This increase resulted mainly from parking citation revenues and revenues earned from city owned garages.
- Capital grants and contributions, associated with the water and sewer activity and the municipal golf course, in the amount of \$4,684,948 were recognized in 2014. Within the water and sewer activity, this amount represents the value of infrastructure contributed by developers to the city during the year, which totaled \$3,484,948. Within the golf course activity, this amount represents the value of capital improvements constructed by the course operator during the year, which totaled \$1,200,000. In 2014, the total amount of capital grants and contributions recognized in the business-type activities was higher than the amount recognized in 2013 by \$3,742,607.

Overall, expenses for business-type activities increased in 2014 by \$642,767, or 0.7%. The majority of this increase was due to increased expenses in the water and sewer activity and the parking facilities activity. The water and sewer activity increased expenses by \$763,579 (1.4%) in 2014, compared to 2013. Within the water and sewer activity for 2014, expense increases were related to personal services in the amount of \$272,698 (1.6%), contractual services in the amount of \$314,039 (2.5%), internal services in the amount of \$385,386 (7.7%) and depreciation in the amount of \$273,975 (2.2%). The parking facilities activity increased expenses by \$493,949 (4.8%) in 2014, compared to 2013. Within the parking facilities activity for 2014, expense increases were related to contractual services in the amount of \$508,807 (18.7%) and personal services in the amount of \$299,910 (9.1%). Overall expenses in the civic center activity were higher in 2014 compared to 2013 by \$96,209 (2.6%) due to increases in contractual services, mainly electricity (\$75,461), building maintenance (\$73,043) and temporary labor (\$33,569). Civic center depreciation expense was also higher by \$76,450 in 2014. Overall expenses in the golf course activity were higher in 2014 compared to 2013 by \$35,465 (107.6%) due to increased depreciation expense. Overall expenses in the sanitation activity were lower in 2014 compared to 2013 by \$746,435 (3.2%), which was the result of decreased expenses associated with internal services in the amount of \$158,271 (4.8%) and decreased expenses associated with contractual services in the amount of \$79,381 (1.8%) and interest expense in the amount of \$283,529 (45.4%).

### **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 2014 fiscal year, the City's governmental funds reported combined ending fund balances of \$194,734,749, an increase of \$24,911,175 for the year ended December 31, 2014. Approximately 16.7% of the fund balance (\$32,510,102) 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, \$117,139,275 or 60.2% 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, \$97,311,577 is for SPLOST projects, \$15,525,057 is for tax allocation district projects, \$3,059,093 is for public safety purposes, \$928,389 is for debt service and \$315,159 is for economic development purposes. The City's committed fund balance at year end was \$39,255,944. Committed fund balances represent amounts that have been constrained by the mayor and council for specific purposes. As of December 31, 2014, committed fund balance consisted of \$36,981,422 for other capital projects, \$1,459,848 for property redevelopment and \$814,674 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 \$5,829,428.

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 \$32,510,102. 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 18.2% of total general fund expenditures plus transfers-out.

The fund balance of the City's general fund increased in 2014 by \$899,277. Key factors in this increase are as follows:

- Property tax revenues increased by \$1,900,885 (3.1%) compared to the prior year. This increase in property tax revenues resulted mainly from increases in the City's taxable digest, which grew by 3.22% and an increased collection rate for the current year levy compared to 2013.
- Revenues from selective sales taxes increased by \$451,742 (1.25%) compared to the prior year. The additional revenue was derived mainly from increased collections of excise tax on energy used for manufacturing (\$194,594), mixed drink consumption tax (\$114,830) and tax on wholesale beer sales (\$86,628).
- General sales tax revenues increased \$1,082,950 (3.0%) in 2014 compared to the prior year. This increase resulted from increased retail activity and more taxable sales compared to 2013.
- Business tax revenues were higher in 2014 by \$377,781 (1.1%) compared to 2013. This increase can be attributed to an increase in insurance premium taxes of \$323,915.

Overall total expenditures (and transfers out) of the general fund increased \$5,126,696 (2.96) for 2014 compared to the prior year. Significant increases in general fund expenditures were related to facilities maintenance \$1,513,120 (5.5%), leisure services \$418,632 (1.5%), tourism enhancement \$860,847 (3.1%) and fire \$654,070 (2.4%). Significant decreases in general fund expenditures were related to police \$446,723 (1.6%), social and cultural \$497,406 (1.8%) and general administration \$245,177 (0.9%). General fund transfers out increased a total of \$2,684,510 (9.7%) during 2014 compared to 2013. General fund transfers to the capital improvement fund increased \$2,605,231 (43.7%). General fund transfers to the tax allocation district I fund in 2014 were \$1,350,665 in 2014, whereas in 2013 no transfer was required.

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 2014, this fund expended \$7,648,780 on the City's community development program and its administration. In addition, in 2014 the community development fund expended \$113,030 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 2014, the SPLOST 2009-2014 fund received \$25,725,946 in special purpose local option sales tax revenues and expended \$8,166,660 for the construction of capital projects. As of the end of 2014, the SPLOST 2009-2014 fund had a fund balance of \$65,121,586, 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 \$110,347,771, which is an increase from the prior year of \$9,842,099.

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 \$2,326,849, an increase from 2013 of \$2,403,460. Unrestricted parking services net position increased by \$1,288,887 for 2014 and ended the year with a balance of \$21,621,899. Unrestricted net position for the non-major enterprise funds at the end of 2014 was \$1,811,600, which is \$577,315 (24.2%) 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 \$10,336,436 which is 6.0%. Significant budget changes included an increase in the appropriation for transfers to the capital improvement fund of \$6,900,000, an increase in the appropriation for public development expenditures of \$1,853,007 and an increase in the appropriation for fire expenditures of \$586,186. Significant budget decreases included amounts appropriated for facilities maintenance (reduced \$622,814), police (reduced \$1,227,142), and general administration (reduced \$152,272). Overall for the general fund in 2014, actual expenditures and transfers out were below the final budget amount by \$5,332,869 or about 2.9%. Unfavorable budgetary variances between the final amended budget and actual results were experienced during 2014 in recorders court (\$58,085 or 2.6%) and tourism enhancement (\$10,261 or 0.4%).

### **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, 2014, amounted to \$994,709,456 (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 increase in the value of the City's investment in capital assets for the current fiscal year was \$13,716,009 (a \$10,583,912 net increase for governmental activities and a \$3,132,097 net increase 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 \$43,145,343 were completed or acquired during the year. The total value of governmental capital assets of all types still under construction at year end was \$90,486,169.
- A variety of street and drainage construction projects with a total value of \$16,687,379 were completed or acquired during the year. Machinery and other rolling stock valued at \$17,116,744 were placed into service during the year. Buildings and other improvements valued at \$8,895,824 were completed during the year.
- Various business-type plant capital asset projects, including land purchases, with a total value of \$10,450,473 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 \$65,930,267.

The following table summarizes the City's governmental activity and business-type activity capital assets by major category as of the end of 2014 and 2013:

City of Savannah - Capital Assets (\$000)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 69,215	\$ 68,769	\$ 7,897	\$ 7,896	\$ 77,112	\$ 76,665
Plants and Buildings	52,143	51,244	599,187	591,903	651,330	643,147
Improvements other than buildings	83,797	75,894	35,806	34,372	119,603	110,266
Machinery, equipment and fixtures	116,569	102,472	36,016	34,511	152,585	136,983
Streets and drainage	493,727	477,040			493,727	477,040
Construction in progress	90,486	97,794	65,931	57,117	156,417	154,911
Less accumulated depreciation	(316,068)	(293,929)	(339,996)	(324,091)	(656,064)	(618,020)
Total	<u>\$589,869</u>	<u>\$579,284</u>	<u>\$404,841</u>	<u>\$401,708</u>	<u>\$994,710</u>	<u>\$980,992</u>

Additional information on the City's capital assets can be found in Notes to the Financial Statements Note 5 - Capital Assets on pages 48 - 51 of this report.

**Long-term debt.** At the end of year 2014, the City had total bonded debt (excluding special assessment debt) outstanding of \$35,510,798 (net of unamortized premiums and discounts). In addition to bonded debt, the City also had outstanding notes of \$24,416,330, and contractual obligations that secured bonds issued by certain public authorities (which are not part of the City entity) totaling \$56,601,296. All three types of debt obligations totaled \$116,528,424. Of this amount, \$50,516,759 comprises debt backed by the full faith and credit of the City and \$66,011,665 represents bonds secured by specified revenue sources.

The following table summarizes outstanding debt of the City as of the end of 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$ -	\$ -	\$ 35,511	\$ 40,745	\$ 35,511	\$ 40,745
Contractual obligations	26,100	28,562	30,501	32,163	56,601	60,725
Notes	600	700	23,816	26,350	24,416	27,050
Total	<u>\$ 26,700</u>	<u>\$ 29,262</u>	<u>\$ 89,828</u>	<u>\$ 99,258</u>	<u>\$ 116,528</u>	<u>\$ 128,520</u>

\* Excluding special assessment debt.



As of the end of 2014, the City's total debt had decreased by \$11,990,667 (9.3%) when compared to the amount outstanding at the end of 2013. This decrease resulted from the City meeting regularly scheduled debt service payments during 2014. 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 \$475,147,282. As of December 31, 2014 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 52 - 61 of this report.

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

- The unemployment rate for the Savannah MSA as of the end of 2014 was 5.9% compared to 6.6% as of the end of 2013. The unemployment rate for the Savannah MSA as of December 2014 was lower than that of the state of Georgia as a whole (6.6%). The national average as of December 2014 was 5.6%.
- The City's property tax digest has decreased in total value 5.2% over the past six 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 2014, compared to 2013, by 3.22%.
- Hotel motel tax collections were the highest on record at the City and were 14.3% higher in 2014 compared to 2013.

All of these factors were considered in preparing the City of Savannah's budget for the 2015 fiscal year. The 2015 adopted budget is balanced and includes a tentative property tax millage rate of 12.48 mills, which is equivalent to the adopted millage for 2014.

Rates for water and sewer service for 2015 are increased from 2014. The base charges will remain the same; however, consumption charges will increase for the median inside City customer by \$1.50 per month, or 3.92%. 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 2015. The monthly cost of residential curbside pickup is increased \$1.50 per month for 2015, increasing to \$30.50 and the commercial disposal fee is increased from \$4.00/cy to \$4.15/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 Chief Financial Officer, City of Savannah, Post Office Box 1027, Savannah, Georgia 31402.

CITY OF SAVANNAH, GEORGIA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>ASSETS</u></b>			
Cash and investments	\$ 83,883,710	\$ 138,176,534	\$ 222,060,244
Receivables (net)	34,549,860	16,630,310	51,180,170
Internal balances	(79,685)	79,685	
Inventories	925,433	102,247	1,027,680
Restricted assets:			
Cash and investments	116,976,878	7,380,560	124,357,438
Accounts receivable	119,471	105,903	225,374
Net pension asset	238,173		238,173
Notes receivable, due within one year	2,164,277		2,164,277
Notes receivable, long term	25,656,588		25,656,588
Property held for resale	586,946		586,946
Capital assets:			
Land and construction in progress	159,700,690	73,827,010	233,527,700
Other capital assets, net of depreciation	430,168,079	331,013,677	761,181,756
Total assets	854,890,420	567,315,926	1,422,206,346
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred amounts from refunding of debt		213,373	213,373
Total assets and deferred outflows of resources	\$ 854,890,420	\$ 567,529,299	\$ 1,422,419,719
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 10,034,181	\$ 23,098,276	\$ 33,132,457
Interest payable	415,721	754,744	1,170,465
Payable from restricted assets:			
Deposits	3,244,184	3,582,605	6,826,789
Interest payable	4,914	41,614	46,528
Unexpended grant proceeds	1,167,955		1,167,955
Current portion of debt payable		260,834	260,834
Long-term liabilities:			
Due within one year	12,917,916	10,608,652	23,526,568
Due in more than one year	38,194,583	98,457,920	136,652,503
Net OPEB Obligation	7,869,342	1,963,265	9,832,607
Total liabilities	73,848,796	138,767,910	212,616,706
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred program income	4,098,304		4,098,304
Deferred property sale proceeds	586,946		586,946
Deferred amounts from refunding of debt	22,374		22,374
Total deferred inflows of resources	4,707,624		4,707,624
<b><u>NET POSITION</u></b>			
Net investment in capital assets	577,031,707	294,939,739	871,971,446
Restricted for:			
Sales Tax Capital projects	97,311,576		97,311,576
Other Capital Projects	15,525,056		15,525,056
Community Development projects	24,674,457		24,674,457
HUD Section 108 projects	337,468		337,468
Nonexpendable perpetual care	5,960,784		5,960,784
Debt service	632,138	2,367,229	2,999,367
Public safety communications	2,153,055		2,153,055
Court technology fee	611,550		611,550
Other grants	584,544		584,544
Unrestricted	51,511,665	131,454,421	182,966,086
Total net position	776,334,000	428,761,389	1,205,095,389
Total liabilities, deferred inflows of resources and net position	\$ 854,890,420	\$ 567,529,299	\$ 1,422,419,719

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

**CITY OF SAVANNAH, GEORGIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014**

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
Governmental activities:								
General administration	\$ 4,624,490	\$ -	\$ -	\$ -	\$ -	\$ (4,624,490)		\$ (4,624,490)
Management and financial services	8,388,485	(4,191,986)	2,760,342	3,242		(1,432,915)		(1,432,915)
Facilities maintenance	41,995,982		655,159		34,750,145	(6,590,678)		(6,590,678)
Police	65,090,710		25,185,022	213,803	215,649	(39,476,236)		(39,476,236)
Recorder's court	2,234,207		3,200,924			966,717		966,717
Fire	26,294,704	20,380	676,661	53,221		(25,585,202)		(25,585,202)
Leisure services	22,197,201		783,488	386,472		(21,027,241)		(21,027,241)
Tourism enhancement	10,486,599		1,280,920			(9,205,679)		(9,205,679)
Social and cultural	1,457,090					(1,457,090)		(1,457,090)
Public development	6,256,208		3,109,696			(3,146,512)		(3,146,512)
Grant program and administration	4,091,463	108,509		3,990,522	1,074,250	864,800		864,800
Community development program and administration	8,652,208	254,404	3,490,760	3,575,313	12,643	(1,827,896)		(1,827,896)
Interest on long-term debt	762,556					(762,556)		(762,556)
Total governmental activities	202,531,903	(3,808,693)	41,142,972	8,222,573	36,052,687	(113,304,978)		(113,304,978)
Business-type activities:								
Water and sewer	51,560,725	2,695,174	67,754,321	53,811	3,484,948		\$ 17,037,181	17,037,181
Sanitation	22,118,182	718,624	26,901,241				4,064,435	4,064,435
Parking facilities	10,428,312	274,994	12,330,872				1,627,566	1,627,566
Civic Center	3,699,759	119,901	1,508,589				(2,311,071)	(2,311,071)
Golf Course	68,427				1,200,000		1,131,573	1,131,573
Resource Recovery								
Total business-type activities	87,875,405	3,808,693	108,495,023	53,811	4,684,948		21,549,684	21,549,684
Total	\$ 290,407,308	\$ -	\$ 149,637,995	\$ 8,276,384	\$ 40,737,635	(113,304,978)	21,549,684	(91,755,294)
General Revenues:								
Taxes:								
Property taxes						62,589,589		62,589,589
Intangible, transfer and franchise taxes						19,369,339		19,369,339
General sales taxes						37,198,220		37,198,220
Selective sales taxes						22,751,700		22,751,700
Business taxes						8,046,618		8,046,618
Penalties and interest on delinquent taxes						919,716		919,716
Grants and contributions not restricted to specific programs						1,074,907		1,074,907
Investment earnings, unrestricted						69,310	102,565	171,875
Gain on sale of capital assets						658,756		658,756
Miscellaneous revenue						598,514	412,854	1,011,368
Contributions to Cemetery Perpetual Care						287,899		287,899
Transfers						(3,212,854)	3,212,854	
Total general revenues, contributions, and transfers						150,351,714	3,728,273	154,079,987
Change in net position						37,046,736	25,277,957	62,324,693
Net position, beginning						739,287,264	403,483,432	1,142,770,696
Net position, ending						\$ 776,334,000	\$ 428,761,389	\$ 1,205,095,389

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

**CITY OF SAVANNAH, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	<b>GENERAL</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>SPLOST 2009-2014</b>	<b>NONMAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 56,038,799	\$ 94,852	\$ -	\$ 7,950,155	\$ 64,083,806
Receivables, net	15,338,133			1,748,781	17,086,914
Due from other funds	2,367,114			31,061,763	33,428,877
Due from other governments	7,581,155	906,083		7,835,938	16,323,176
Restricted assets:					
Cash and investments		145,919	66,048,101	50,782,858	116,976,878
Special assessment receivable, net				119,471	119,471
Notes receivable, long-term		27,798,556		22,309	27,820,865
Property held for resale	586,946				586,946
Total assets	<u>\$ 81,912,147</u>	<u>\$ 28,945,410</u>	<u>\$ 66,048,101</u>	<u>\$ 99,521,275</u>	<u>\$ 276,426,933</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 2,984,699	\$ 122,545	\$ 926,515	\$ 1,682,745	\$ 5,716,504
Accrued liabilities	1,982,238				1,982,238
Due to other funds	31,061,763			2,446,799	33,508,562
Payable from restricted assets:					
Unexpended grant proceeds		877,898		290,057	1,167,955
Escrow deposits	3,098,265	145,919			3,244,184
Total liabilities	<u>39,126,965</u>	<u>1,146,362</u>	<u>926,515</u>	<u>4,419,601</u>	<u>45,619,443</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable property taxes	6,929,611				6,929,611
Unavailable program income	484,001	27,799,048		273,135	28,556,184
Unavailable property sale proceeds	586,946				586,946
Total deferred inflows of resources	<u>8,000,558</u>	<u>27,799,048</u>		<u>273,135</u>	<u>36,072,741</u>
<b><u>FUND BALANCES</u></b>					
Nonspendable				5,829,428	5,829,428
Restricted			65,121,586	52,017,689	117,139,275
Committed	2,274,522			36,981,422	39,255,944
Unassigned	32,510,102				32,510,102
Total fund balance	<u>34,784,624</u>		<u>65,121,586</u>	<u>94,828,539</u>	<u>194,734,749</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 81,912,147</u>	<u>\$ 28,945,410</u>	<u>\$ 66,048,101</u>	<u>\$ 99,521,275</u>	<u>\$ 276,426,933</u>

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, 2014**

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)	\$ 194,734,749
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	558,426,990
Additional assets shown in governmental activities that are not shown in the funds due to differences in revenue recognition criteria	238,173
Other long-term assets are not available to pay for current-period expenditures and are not recognized as revenues at the fund level	31,387,491
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.	42,216,257
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(50,669,660)</u>
Net position of governmental activities (page 14)	<u><u>\$ 776,334,000</u></u>

**CITY OF SAVANNAH, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	GENERAL	COMMUNITY DEVELOPMENT	SPLOST 2009-2014	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Property taxes	\$ 62,594,332	\$ -	\$ -	\$ 223,004	\$ 62,817,336
Intangible, transfer and franchise taxes	19,369,339				19,369,339
General sales tax	37,198,220				37,198,220
Selective sales taxes	4,525,813			18,225,887	22,751,700
Business taxes	8,046,618				8,046,618
Penalties and interest on delinquent taxes	919,716				919,716
Licenses and permits	1,914,376				1,914,376
Inspection fees	2,683,264				2,683,264
Intergovernmental revenue	1,543,493	3,587,956	25,725,946	12,475,483	43,332,878
Charges for services	23,220,272	2,449,716		6,268,251	31,938,239
Indirect cost allocations	4,662,103				4,662,103
Special assessments				164	164
Fines and forfeitures	2,753,028				2,753,028
Investment income	10,409	541,348	63,409	53,151	668,317
Miscellaneous revenue	1,007,752	78,128		243,257	1,329,137
Total revenues	<u>170,448,735</u>	<u>6,657,148</u>	<u>25,789,355</u>	<u>37,489,197</u>	<u>240,384,435</u>
<b>EXPENDITURES:</b>					
Current:					
General administration	4,162,057				4,162,057
Management and financial services	7,863,007				7,863,007
Facilities maintenance	29,200,010				29,200,010
Police	60,199,081			6,745,569	66,944,650
Recorder's court	2,311,096				2,311,096
Fire	26,071,129			683,171	26,754,300
Leisure services	21,026,806				21,026,806
Tourism enhancement	2,680,182			7,814,773	10,494,955
Social and cultural	1,457,090				1,457,090
Public development	7,502,940				7,502,940
Grant program and administration				5,317,712	5,317,712
Community development program and administration	37,439	7,648,780			7,686,219
Debt Service:					
Principal		100,000		13,080,000	13,180,000
Interest and fiscal charges		13,030		920,026	933,056
Bond issuance costs				173,730	173,730
Capital outlay				9,049,491	9,049,491
Capital outlay - SPLOST funded			8,166,660	1,557,450	9,724,110
Total expenditures	<u>162,510,837</u>	<u>7,761,810</u>	<u>8,166,660</u>	<u>45,341,922</u>	<u>223,781,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,937,898</u>	<u>(1,104,662)</u>	<u>17,622,695</u>	<u>(7,852,725)</u>	<u>16,603,206</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	8,707,382	1,104,662		13,945,036	23,757,080
Transfers out	(15,746,003)			(10,411,114)	(26,157,117)
Debt issuance				9,970,000	9,970,000
Premium on bond debt				738,006	738,006
Total other financing sources (uses)	<u>(7,038,621)</u>	<u>1,104,662</u>		<u>14,241,928</u>	<u>8,307,969</u>
Net change in fund balances	899,277		17,622,695	6,389,203	24,911,175
Fund balances, beginning of year	33,885,347		47,498,891	88,439,336	169,823,574
Fund balances, end of year	<u>\$ 34,784,624</u>	<u>\$ -</u>	<u>\$ 65,121,586</u>	<u>\$ 94,828,539</u>	<u>\$ 194,734,749</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, 2014**

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)	\$ 24,911,175
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.	827,509
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	1,558,838
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	321,917
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.	2,538,815
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.	1,967,377
Internal service funds are used by management to charge costs of fleet management, information services, and risk management to individual funds.	4,092,982
The net revenue of certain activities of internal service funds is reported with governmental activities.	828,123
Change in net position of governmental activities (page 15)	<u>\$ 37,046,736</u>

CITY OF SAVANNAH, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2014

	ENTERPRISE FUNDS					
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<u>ASSETS</u>						
ASSETS						
Current assets:						
Cash and investments	\$ 100,629,062	\$ 12,370,862	\$ 23,066,439	\$ 2,110,171	\$ 138,176,534	\$ 19,799,904
Receivables, net	12,620,938	4,003,904	5,468		16,630,310	1,139,769
Due from other funds				79,685	79,685	
Inventories	57,761			44,486	102,247	925,433
Total current assets	113,307,761	16,374,766	23,071,907	2,234,342	154,988,776	21,865,106
Noncurrent assets:						
Restricted assets:						
Cash and investments	5,112,956	1,066,806		1,200,798	7,380,560	
Accounts receivable				105,903	105,903	
Capital assets:						
Land	1,976,460	1,910,772	1,810,415	2,199,096	7,896,743	
Plant, buildings, stations, reservoirs, etc	491,794,092	1,455,453	87,702,988	18,234,789	599,187,322	2,479,758
Improvements, other than buildings		30,023,489	414,670	5,368,011	35,806,170	419,908
Machinery and equipment	7,586,717	21,260,623	4,181,034	1,975,739	35,004,113	84,545,927
Other capital assets				1,011,977	1,011,977	
Less accumulated depreciation	(253,347,133)	(40,312,745)	(25,638,087)	(20,697,940)	(339,995,905)	(56,003,814)
Construction in progress	60,753,910	1,079,671	1,204,535	2,892,151	65,930,267	
Total noncurrent assets	313,877,002	16,484,069	69,675,555	12,290,524	412,327,150	31,441,779
Total assets	427,184,763	32,858,835	92,747,462	14,524,866	567,315,926	53,306,885
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred amounts from refunding of debt	87,137	88,981	34,104	3,151	213,373	
Total assets and deferred outflows of resources	\$ 427,271,900	\$ 32,947,816	\$ 92,781,566	\$ 14,528,017	\$ 567,529,299	\$ 53,306,885
<u>LIABILITIES AND NET POSITION</u>						
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 2,099,511	\$ 193,312	\$ 20,629,236	\$ 176,217	\$ 23,098,276	\$ 2,335,438
Interest payable	88,452	142,604	519,646	4,042	754,744	
Current portion of contractual obligations			1,140,000	500,843	1,640,843	
Current portion of notes and bonds payable	5,309,695	2,600,000			7,909,695	
Current portion of compensated absences	562,414	326,195	111,953	57,552	1,058,114	178,520
Current portion of claims and judgments payable						4,189,921
Payable from restricted assets:						
Customer deposits	2,275,903			1,306,702	3,582,605	
Interest payable	41,614				41,614	
Current portion of revenue bonds payable	260,834				260,834	
Total current liabilities	10,638,423	3,262,111	22,400,835	2,045,356	38,346,725	6,703,879
Noncurrent liabilities:						
Payable from restricted assets:						
Contractual obligations			28,860,024		28,860,024	
Notes payable	21,375,801				21,375,801	
Revenue bonds payable, net of discount	17,305,248	12,475,550			29,780,798	
Compensated absences	675,619	746,116	71,383	132,320	1,625,438	231,994
Accrued landfill closure costs		16,815,859			16,815,859	
Claims and judgments						4,154,755
Net OPEB Obligation	901,248	498,879	499,384	63,754	1,963,265	
Total noncurrent liabilities	40,257,916	30,536,404	29,430,791	196,074	100,421,185	4,386,749
Total liabilities	50,896,339	33,798,515	51,831,626	2,241,430	138,767,910	11,090,628
NET POSITION						
Net investment in capital assets	263,660,561	1,476,150	19,328,041	10,474,987	294,939,739	31,441,779
Restricted for:						
Debt service	2,367,229				2,367,229	
Unrestricted	110,347,771	(2,326,849)	21,621,899	1,811,600	131,454,421	10,774,478
Total net position	376,375,561	(850,699)	40,949,940	12,286,587	428,761,389	42,216,257
Total liabilities and net position	\$ 427,271,900	\$ 32,947,816	\$ 92,781,566	\$ 14,528,017	\$ 567,529,299	\$ 53,306,885

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, 2014**

	<b>ENTERPRISE FUNDS</b>					<b>INTERNAL SERVICE FUNDS</b>
	<b>WATER AND SEWER</b>	<b>SANITATION</b>	<b>PARKING SERVICES</b>	<b>NONMAJOR ENTERPRISE FUNDS</b>	<b>TOTALS</b>	
<b>OPERATING REVENUES:</b>						
Metered sales	\$ 57,481,162	\$ -	\$ -	\$ -	\$ 57,481,162	\$ -
Charges for services	10,036,206	26,901,241			36,937,447	18,532,309
Rental fees	290,764		12,330,872	1,066,625	13,688,261	
Recreation fees				441,963	441,963	
Risk management fees						32,505,726
Miscellaneous	54,859	253,834	104,161		412,854	
Total operating revenues	67,862,991	27,155,075	12,435,033	1,508,588	108,961,687	51,038,035
<b>OPERATING EXPENSES:</b>						
Personal services	17,011,527	11,376,344	3,579,727	1,705,294	33,672,892	
Contractual services	13,051,041	4,268,742	3,225,259	1,137,633	21,682,675	
Commodities	5,157,641	1,659,514	256,268	179,488	7,252,911	
Internal service	5,401,894	3,110,077	724,492	384,479	9,620,942	
Landfill closure and post closure care		993,764			993,764	
Depreciation	12,727,055	1,190,668	1,735,365	478,237	16,131,325	7,172,415
Central garage						5,146,627
Information services						5,643,946
Risk management						28,982,065
Total operating expenses	53,349,158	22,599,109	9,521,111	3,885,131	89,354,509	46,945,053
<b>Operating Income (Loss)</b>	14,513,833	4,555,966	2,913,922	(2,376,543)	19,607,178	4,092,982
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Interest earned	88,522	13,933		110	102,565	20,682
Interest expense	(732,689)	(341,169)	(1,189,148)	(15,125)	(2,278,131)	
Gain (loss) on disposal of assets						653,591
Debt issuance costs	(235,841)				(235,841)	
Amortization	61,789	103,472	6,953	12,169	184,383	
Total nonoperating revenues (expenses)	(818,219)	(223,764)	(1,182,195)	(2,846)	(2,227,024)	674,273
Income (loss) before contributions and transfers	13,695,614	4,332,202	1,731,727	(2,379,389)	17,380,154	4,767,255
<b>CAPITAL CONTRIBUTIONS</b>	3,853,398	12,118	432,250	1,200,000	5,497,766	153,850
<b>TRANSFERS IN</b>				2,400,037	2,400,037	
Change in net position	17,549,012	4,344,320	2,163,977	1,220,648	25,277,957	4,921,105
Total net position - beginning	358,826,549	(5,195,019)	38,785,963	11,065,939	403,483,432	37,295,152
Total net position - ending	\$ 376,375,561	\$ (850,699)	\$ 40,949,940	\$ 12,286,587	\$ 428,761,389	\$ 42,216,257

CITY OF SAVANNAH, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012

	ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 64,384,651	\$ 19,634,304	\$ 12,035,620	\$ 2,172,303	\$ 98,226,878	\$ -
Cash received from other funds for services	510,272	7,182,299	398,142		8,090,713	18,519,335
Customer deposits received	908,146				908,146	
Customer deposits returned	723,174				723,174	
Cash received for services and fees						32,783,432
Cash paid to suppliers	(17,725,702)	(6,299,328)	(3,728,157)	(1,348,561)	(29,101,748)	(9,875,100)
Cash paid to other funds for services	(5,401,894)	(3,110,077)	(724,492)	(384,479)	(9,620,942)	
Cash paid to employees	(17,011,527)	(11,376,344)	(3,579,727)	(1,705,294)	(33,672,892)	
Cash paid for supplies and insurance						(30,002,229)
Net cash provided (used) by operating activities	26,387,120	6,030,854	4,401,386	(1,266,031)	35,553,329	11,425,438
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>						
Repayment of due to (from) other funds	-			(6,911)	(6,911)	
Transfers in		-		2,400,037	2,400,037	-
Net cash provided (used) by non capital financing activities	-	-	-	2,393,126	2,393,126	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital contribution	1,475,000	-	-	-	1,475,000	153,850
Bond proceeds used to refinance debt	17,690,000	-	-	-	17,690,000	-
Issuance costs, premiums and discounts on issuance of bonds	342,759	-	-	-	342,759	-
Principal paid on long-term debt	(23,352,065)	(2,695,000)	(1,215,000)	(465,000)	(27,727,065)	-
Interest paid	(786,097)	(279,457)	(1,145,591)	(11,136)	(2,222,281)	-
Proceeds from sale of equipment	-				-	727,111
Acquisition and construction of capital assets	(13,587,411)	(367,473)	(786,640)	(499,135)	(15,240,659)	(15,443,503)
Net cash provided (used) by capital and related financing activities	(18,217,814)	(3,341,930)	(3,147,231)	(975,271)	(25,682,246)	(14,562,542)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income	88,522	13,933	-	110	102,565	20,682
Net cash provided by investing activities	88,522	13,933	-	110	102,565	20,682
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,257,828	2,702,857	1,254,155	151,934	12,366,774	(3,116,422)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$6,578,528 IN 2013)	97,484,190	10,734,811	21,812,284	3,159,035	133,190,320	22,916,326
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$7,380,560 IN 2014)	\$ 105,742,018	\$ 13,437,668	\$ 23,066,439	\$ 3,310,969	\$ 145,557,094	\$ 19,799,904
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 14,513,833	\$ 4,555,966	\$ 2,913,922	\$ (2,376,543)	\$ 19,607,178	\$ 4,092,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	12,727,055	1,190,668	1,735,365	478,237	16,131,325	7,172,415
Change in assets and liabilities:						
(Increase) decrease in receivables	(1,336,748)	(338,472)	(1,271)	(11,612)	(1,688,103)	264,732
(Increase) decrease in prepaid items and inventories	(5,239)			(5,183)	(10,422)	36,498
Increase (decrease) in accounts and other payables	488,219	622,692	(246,630)	649,070	1,513,351	(141,189)
Net cash provided (used) by operating activities	\$ 26,387,120	\$ 6,030,854	\$ 4,401,386	\$ (1,266,031)	\$ 35,553,329	\$ 11,425,438
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>						
Contributions of capital assets from developers/other entities	\$ 2,009,948	\$ -	\$ -	\$ 1,200,000	\$ 3,209,948	\$ -
Contributions of capital assets from government	368,450	12,118	432,250		812,818	

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, 2014**

	<b>PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 60,209,278	\$ 225,124
Accrued income	656,776	
Accounts receivable:		
From employer	17,713	
From participants	47,574	415
Investments, at fair value:		
U.S. government obligations	66,956,100	
Foreign corporate bonds	3,093,289	
Corporate bonds	25,116,025	
Domestic stocks	133,202,052	
Domestic stock fund	35,039,683	
Foreign stocks	7,021,516	
International stock fund	30,291,884	
Real estate fund	24,205,581	
Total investments	<u>324,926,130</u>	
Total assets	<u>385,857,471</u>	<u>\$ 225,539</u>
<b><u>LIABILITIES AND NET POSITION</u></b>		
Liabilities:		
Payable from restricted assets:		
Accounts payable	\$ 312,531	\$ 54,077
Employee benefits payable		73,046
Benefit plan surplus		98,416
Total liabilities	<u>312,531</u>	<u>\$ 225,539</u>
Net position:		
Held in trust for:		
Pension benefits	331,992,292	
OPEB	53,552,648	
Total net position	<u>\$ 385,544,940</u>	

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, 2014**

	<b>PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 23,307,227
Plan members	9,133,027
Total contributions	<u>32,440,254</u>
Investment income	
Interest	2,236,211
Dividends	2,838,333
Real estate net income	1,649,044
Net appreciation (depreciation) in fair value of investments	<u>17,737,801</u>
Total investment income	24,461,389
Less investment expense	<u>1,012,344</u>
Net investment income (loss)	<u>23,449,045</u>
Total additions	<u>55,889,299</u>
<b>DEDUCTIONS</b>	
Benefits	28,755,386
Refunds of contributions	2,193,221
Administrative expense	<u>377,727</u>
Total deductions	<u>31,326,334</u>
Change in net position	24,562,965
Net position:	
Beginning of year - January 1	<u>360,981,975</u>
End of year - December 31	<u><u>\$ 385,544,940</u></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, 2014

**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, 2014. 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 as it provides services entirely to 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 cannot be city or county employees or officers. Thus, the City cannot 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 67.

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 expired 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, public safety communication

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

projects or court technology 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 \$558,426,990 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 \$238,173 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 \$7,017,182 related to taxes, \$119,470 related to special assessment receivables, \$131,356 related to cemetery receivables, and \$24,119,483 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	\$ 26,122,806
Compensated absences payable	15,656,877
Net OPEB obligation	7,869,342
Section 108 notes payable	600,000
Accrued interest payable	420,635
	<u>\$ 50,669,660</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 \$18,751,816.
- (2) Depreciation expense during the year recorded on the government-wide statements but not on the fund financial statements was \$17,924,307.
- (3) The net effect of various miscellaneous transactions involving capital assets during the year was \$1,558,838; this amount represents the value of assets donated to the City (\$1,641,922) and a loss of \$83,084 on assets disposed of during the year.

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	\$ 2,655,000
HUD Section 108 Note	100,000
Amortization of premiums	66,821
Debt issuance:	
Debt issuance proceeds	(9,970,000)
Premium on bond issuance	(738,006)
Payment to fiscal agent	<u>10,425,000</u>
	\$ <u>2,538,815</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 \$1,967,377 are as follows:

Net OPEB expense	\$ (2,280,445)
Compensated absences	416,746
Accrued interest	<u>(103,678)</u>
	\$ <u>(1,967,377)</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, 2014, 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, 2014, 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	\$387,569,983	\$387,569,983	\$ -	\$ -	\$ -
<b>Pension Trust Fund:</b>						
US Government/Agency Securities	Aaa	66,956,098	3,859,000	13,399,990	10,998,466	38,698,642
Corporate Bonds						
Various	A	5,903,250	2,138,352	1,458,001	1,438,439	868,458
Various	Aa	2,910,700	458,142	1,734,697	88,704	629,157
Various	Aaa	2,295,144			478,094	1,817,050
Various	Ba	564,394	307,230		257,164	
Various	Baa	9,897,472	2,205,200	1,852,979	1,009,712	4,829,581
Private Placement Bonds	NR	6,638,356	161,258	657,725	486,239	5,333,134
Domestic Stock	NR	168,241,735				
International Equity Funds	NR	37,313,400				
Real Estate Investment Trust	NR	24,205,581				
Total Investments		\$712,496,113	\$396,699,165	\$19,103,392	\$14,756,818	\$52,176,022

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, which is 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 State Treasurer. 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.

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, 2014, the City had investments of \$387,569,983 in Georgia Fund 1, which reported a weighted average maturity on its entire portfolio of 51 days.

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, 2014, the City of Savannah Employees Retirement Plan had 2.12% 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 \$37,313,400 and \$3,093,289 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.

*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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

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	\$ 222,060,244
Restricted cash	124,357,438
Trust and agency funds	<u>385,360,532</u>
Total	<u>\$ 731,778,214</u>

**Notes to financial statements:**

Cash on Hand	\$ 40,500
Deposits	19,241,601
Investments	<u>712,496,113</u>
Total	<u>\$ 731,778,214</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 4 - PENSION PLANS**

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

**Plan Description.** The City maintains a cost sharing 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.

The Plan is administered by the Retirement Board. The Retirement Board is composed of eight members consisting of the following:

- The City Manager
- The Chief Financial Officer of the City of Savannah
- A Police employee selected by the Police Employees
- A Fire employee selected by the Fire Employees
- A General employee selected by the General Employees
- A member of the City Council selected by the City Council
- Two citizens at large selected by the Mayor and Aldermen

As of January 1, 2014, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,277
Terminated employees entitled to benefits but not yet receiving them	<u>94</u>
	<u>1,371</u>
Active plan participants:	
Vested	1,598
Nonvested	<u>867</u>
Total	<u>2,465</u>

City ordinance specifies types and levels of Plan benefits as well as Plan member contribution requirements. The Plan provides normal and early retirement pension benefits, occupational disability benefits, survivor's benefits, non-occupational disability and death benefits to plan members and beneficiaries.

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:

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.

Active employees covered by the Plan are required to contribute 6.65% of their earnings on a pre-tax basis and the employers contribute 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 11.43%.

**Plan Investments.** The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board through a vote by a majority of its members. Plan assets are managed on a total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the Retirement Board's adopted asset allocation policy as of December 31, 2014:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>
Fixed income	30%
Domestic equity	50
International equity	10
Real estate	10
Total	<u>100%</u>

The target allocations detailed above were established in 2013 and have not been amended since that time.

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

For the year ended December 31, 2014, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.80 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of Participating Employers.** The components of the net pension liability of all participating employers at December 31, 2014, were as follows:

Total pension liability	\$ 425,561,588
Plan fiduciary net position	<u>331,754,250</u>
Employers' net pension liability	<u><u>\$ 93,807,338</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 77.96%

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 3.75%
- Salary increases Varies by age
- Investment rate of return 7.75%
- Cost-of-living adjustments 5.00% at participant's adjustment date, 1.00% annually thereafter

For healthy members of the Plan, mortality rates were based on the RP-2000 Combined Healthy Mortality Table and for disabled members the RP-2000 Combined Healthy Mortality Table, set forward 10 years was used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the expected future real rates of return (expected returns, net of inflation) were developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses. The target allocation and projected arithmetic real rates of return for each major asset class, after

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	5.25%
International equity	5.95%
Fixed income	0.15%
Real estate	3.05%

**Discount rate:** The discount rate used to measure the total pension liability was 7.75% as of December 31, 2014. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2014.

**Sensitivity of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the Plan as of December 31, 2014, calculated using the discount rate of 7.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount (7.75%)</b>	<b>1% Increase (8.75%)</b>
Net pension liability as of December 31, 2014	\$ 143,307,292	\$ 93,807,338	\$ 51,855,541

The total pension liability is based on an actuarial valuation dated January 1, 2014, upon which update procedures were used to roll forward the total pension liability to the year end of December 31, 2014.

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 2014 are as follows:

Annual required contribution	\$ 11,989,208
Interest on net pension obligation (asset)	<u>7,642)</u>
Annual Pension Cost	\$ 11,971,566
Contributions made	<u>(11,989,213)</u>
Increase (decrease) in net pension obligation	( 17,647)
Net pension obligation (asset), beginning of year	<u>( 220,526)</u>
Net pension obligation (asset), end of year	\$ <u>( 238,173)</u>

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

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2012	\$ 9,713,946	100.16%	\$ (204,195)
2013	11,295,016	100.14%	(220,526)
2014	11,971,566	100.15%	(238,173)



CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

**Funded Status and Funding Progress.** The funded status of the Plan as of January 1, 2014, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b)-(a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
\$ 285,980,050	\$ 385,992,708	\$ 100,012,658	74.09%	\$ 100,296,655	99.72%

The schedule of employer funding progress, schedule of employer contributions and schedule of investment returns is presented as required supplementary information following the notes to the financial statements

**(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 2014.

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, 2014

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 6,418,588	\$ 238,042	\$ 6,656,630
Accrued income	656,776		656,776
Accounts receivable:			
From employers	17,713		17,713
From participants	47,574		47,574
Investments, at fair value:			
U.S. government obligations	66,956,100		66,956,100
Foreign corporate bonds	3,093,289		3,093,289
Domestic corporate bonds	25,116,025		25,116,025
Domestic stocks	133,202,052		133,202,052
Domestic stock fund	35,039,683		35,039,683
Foreign stocks	7,021,516		7,021,516
International stock fund	30,291,884		30,291,884
Real estate fund	24,205,581		24,205,581
Total investments	324,926,130		324,926,130
Total assets	332,066,781	238,042	332,304,823
<b><u>LIABILITIES</u></b>			
Payable from restricted assets:			
Accounts payable	\$ 312,531	\$ -	\$ 312,531
Total liabilities	312,531		312,531
<b><u>NET POSITION</u></b>			
Held in trust for:			
Pension benefits	\$ 331,754,250	\$ 238,042	\$ 331,992,292

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, 2014

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<b><u>ADDITIONS</u></b>			
Contributions			
Employer	\$ 11,989,213	\$ -	\$ 11,989,213
Plan members	6,656,241		6,656,241
Total contributions	18,645,454		18,645,454
Investment income			
Interest	2,180,289	277	2,180,566
Dividends	2,838,333		2,838,333
Real estate net income	1,649,044		1,649,044
Net appreciation (depreciation) in fair value of investments	17,737,801		17,737,801
Total investment income	24,405,467	277	24,405,744
Less investment expense	1,012,344		1,012,344
Net investment income (loss)	23,393,123	277	23,393,400
Total additions	42,038,577	277	42,038,854
<b><u>DEDUCTIONS</u></b>			
Benefits	22,121,380	20,575	22,141,955
Refunds of contributions	2,193,221		2,193,221
Administrative expense	99,358		99,358
Total deductions	24,413,959	20,575	24,434,534
Change in net position	17,624,618	(20,298)	17,604,320
Net position:			
Beginning of year - January 1	314,129,632	258,340	314,387,972
End of year - December 31	\$ 331,754,250	\$ 238,042	\$ 331,992,292

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 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	\$ 68,769,125	\$ 445,396	\$ -	\$ -	\$ 69,214,521
Construction in progress	97,794,275	19,747,601	27,055,707		90,486,169
Total capital assets, not being depreciated	<u>166,563,400</u>	<u>20,192,997</u>	<u>27,055,707</u>	<u>-</u>	<u>159,700,690</u>
Capital assets, being depreciated					
Plants and buildings	51,244,079	992,629	94,174		52,142,534
Improvements other than buildings	75,894,168	7,903,195			83,797,363
Machinery, equipment and vehicles	102,472,248	17,116,744	3,019,713		116,569,279
Streets and drainage	477,039,679	16,687,379			493,727,058
Total capital assets, being depreciated	<u>706,650,174</u>	<u>42,699,947</u>	<u>3,113,887</u>	<u>-</u>	<u>746,236,234</u>
Less: Accumulated Depreciation					
Plants and buildings	19,596,013	1,515,460	11,090		21,100,383
Improvements other than buildings	24,905,621	1,610,094			26,515,715
Machinery, equipment and vehicles	69,344,606	9,026,992	2,946,196		75,425,402
Streets and drainage	180,082,479	12,944,176			193,026,655
Total accumulated depreciation	<u>293,928,719</u>	<u>25,096,722</u>	<u>2,957,286</u>	<u>-</u>	<u>316,068,155</u>
Total capital assets, being depreciated, net	<u>412,721,455</u>	<u>17,603,225</u>	<u>156,601</u>	<u>-</u>	<u>430,168,079</u>
Governmental activities capital assets, net	<u>\$ 579,284,855</u>	<u>\$ 37,796,222</u>	<u>\$ 27,212,308</u>	<u>\$ -</u>	<u>\$ 589,868,769</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 7,896,243	\$ 500	\$ -	\$ -	\$ 7,896,743
Construction in progress	57,117,318	15,132,807	6,319,858		65,930,267
Total capital assets, not being depreciated	<u>65,013,561</u>	<u>15,133,307</u>	<u>6,319,858</u>	<u>-</u>	<u>73,827,010</u>
Capital assets, being depreciated					
Plants, buildings, stations and reservoirs	591,902,947	7,284,375			599,187,322
Improvements other than buildings	34,372,092	1,434,078			35,806,170
Machinery and equipment	34,511,448	1,731,520	226,878		36,016,090
Total capital assets, being depreciated	<u>660,786,487</u>	<u>10,449,973</u>	<u>226,878</u>	<u>-</u>	<u>671,009,582</u>
Less: Accumulated Depreciation					
Plants, buildings, stations and reservoirs	272,989,784	14,257,356			287,247,140
Improvements other than buildings	23,922,610	773,748			24,696,358
Machinery and equipment	27,179,064	1,100,221	226,878		28,052,407
Total accumulated depreciation	<u>324,091,458</u>	<u>16,131,325</u>	<u>226,878</u>	<u>-</u>	<u>339,995,905</u>
Total capital assets, being depreciated, net	<u>336,695,029</u>	<u>(5,681,352)</u>	<u>-</u>	<u>-</u>	<u>331,013,677</u>
Business-type activities capital assets, net	<u>\$ 401,708,590</u>	<u>\$ 9,451,955</u>	<u>\$ 6,319,858</u>	<u>\$ -</u>	<u>\$ 404,840,687</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, 2014 is \$18,669,791.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

During 2014, depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General administration	\$ 165,897
Management and financial services	911,758
Facilities maintenance	13,245,599
Police	674,942
Recorders Court	1,645
Fire	674,055
Leisure services	1,921,413
Public development	328,343
Grant program and administration	<u>655</u>
Total depreciation expense – governmental activities	17,924,307
Depreciation expense on Internal Service Fund Capital Assets	<u>7,172,415</u>
Total depreciation expense allocated to governmental activities	<u>\$25,096,722</u>

Business-type activities:

Water and sewer	\$ 12,727,055
Sanitation	1,190,668
Parking facilities	1,735,365
Civic Center	409,810
Golf course	<u>68,427</u>
Total depreciation expense allocated to business-type activities	<u>\$16,131,325</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

As of December 31, 2014, the City had the following commitments with respect to unfinished capital projects:

<b><u>Project by Type</u></b>	<b><u>Project Authorization</u></b>	<b><u>Expended at Year-end</u></b>	<b><u>Committed</u></b>	<b><u>Required Future Financing</u></b>
Drainage	\$39,681,865	\$8,057,104	\$31,624,761	NONE
Public Buildings	75,302,059	33,633,717	41,668,342	NONE
Recreation	12,757,153	11,052,217	1,704,936	NONE
Sanitation	1,576,698	1,079,672	497,026	NONE
Sewerage	77,021,439	39,923,782	37,097,657	NONE
Squares	7,563,092	6,237,211	1,325,881	NONE
Street Paving	6,446,652	2,553,582	3,893,070	NONE
Traffic Engineering	47,402,294	8,108,365	39,293,929	NONE
Water	49,560,388	20,185,698	29,374,690	NONE
Other	57,760,786	25,585,088	32,175,698	NONE
Total	<u>\$375,072,426</u>	<u>\$156,416,436</u>	<u>\$218,655,990</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, 2014 and the annual maturities of long-term liabilities:

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/14	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2033
<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	\$ 7,935,000	\$ 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	8,270,000							4,470,000	3,800,000
2014 Downtown Savannah Authority Bonds	2.0/4.00	9,970,000	9,160,000	745,000	755,000	770,000	785,000	795,000	4,340,000	970,000	
Total Contractual Obligations		<u>46,970,000</u>	<u>25,365,000</u>	<u>2,640,000</u>	<u>2,705,000</u>	<u>2,785,000</u>	<u>2,860,000</u>	<u>795,000</u>	<u>4,340,000</u>	<u>5,440,000</u>	<u>3,800,000</u>
Notes:											
2011-A Series HUD Section 108 Note	1.60/2.92	595,000	465,000	50,000	50,000	65,000	100,000	100,000	100,000		
2010-A Series HUD Section 108 Note	1.70/2.91	485,000	135,000	50,000	50,000	35,000					
Total Notes Payable		<u>1,080,000</u>	<u>600,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>		
Total Governmental Activities Principal Portion		<u>\$ 48,050,000</u>	<u>\$ 25,965,000</u>	<u>\$ 2,740,000</u>	<u>\$ 2,805,000</u>	<u>\$ 2,885,000</u>	<u>\$ 2,960,000</u>	<u>\$ 895,000</u>	<u>\$ 4,440,000</u>	<u>\$ 5,440,000</u>	<u>\$ 3,800,000</u>
<b><u>GOVERNMENTAL ACTIVITIES INTEREST PORTION</u></b>											
Contractual Obligations			9,731,722	997,730	925,980	852,380	771,492	683,168	3,050,137	2,012,220	438,615
Section 108 Notes			43,534	11,795	10,229	8,290	6,270	4,500	2,450		
Total Governmental Activities Interest Portion			<u>9,775,256</u>	<u>1,009,525</u>	<u>936,209</u>	<u>860,670</u>	<u>777,762</u>	<u>687,668</u>	<u>3,052,587</u>	<u>2,012,220</u>	<u>438,615</u>
Total Governmental Activities Debt Service Requirements			<u>\$ 35,740,256</u>	<u>\$ 3,749,525</u>	<u>\$ 3,741,209</u>	<u>\$ 3,745,670</u>	<u>\$ 3,737,762</u>	<u>\$ 1,582,668</u>	<u>\$ 7,492,587</u>	<u>\$ 7,452,220</u>	<u>\$ 4,238,615</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 12/31/14	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2034
<b>BUSINESS-TYPE ACTIVITIES PRINCIPAL PORTION</b>											
<b>WATER AND SEWER SYSTEM</b>											
2009 Water and Sewer Revenue Bonds Series "A"	2.0/3.0	\$ 12,725,000	\$ 2,165,000	\$ 2,165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014 Water and Sewer Revenue Bonds	2.0/3.0	17,690,000	17,690,000	965,000	3,305,000	1,890,000	845,000	860,000	4,580,000	5,245,000	
SRF Notes	2.0/4.0	49,441,933	24,161,044	2,440,529	1,938,111	1,618,708	1,670,431	1,723,943	7,677,292	7,092,030	
Total Water and Sewer Bonds and Notes		<u>79,856,933</u>	<u>44,016,044</u>	<u>5,570,529</u>	<u>5,243,111</u>	<u>3,508,708</u>	<u>2,515,431</u>	<u>2,583,943</u>	<u>12,257,292</u>	<u>12,337,030</u>	
<b>SANITATION</b>											
2009 Resource Recovery Bonds	2.0/3.0	12,315,000	2,150,000	2,150,000							
2013 Resource Recovery Bonds	2.0/3.0	12,950,000	12,350,000	450,000	2,880,000	2,940,000	3,005,000	3,075,000			
Total Sanitation Bonds		<u>25,265,000</u>	<u>14,500,000</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					705,000	7,660,000	9,570,000	6,885,000
2013 Downtown Savannah Authority Bonds	2.0	6,485,000	5,270,000	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>30,090,000</u>	<u>1,140,000</u>	<u>1,155,000</u>	<u>1,185,000</u>	<u>1,215,000</u>	<u>1,280,000</u>	<u>7,660,000</u>	<u>9,570,000</u>	<u>6,885,000</u>
<b>CIVIC CENTER</b>											
Contractual Obligations Related to:											
2013 Downtown Savannah Authority Bonds	2.0	4,090,000	485,000	485,000							
Total Business-type Activities Principal Portion		<u>\$ 140,516,933</u>	<u>89,091,044</u>	<u>9,795,529</u>	<u>9,278,111</u>	<u>7,633,708</u>	<u>6,735,431</u>	<u>6,938,943</u>	<u>19,917,292</u>	<u>21,907,030</u>	<u>6,885,000</u>
<b>BUSINESS-TYPE ACTIVITIES INTEREST PORTION</b>											
Water and Sewer Bonds			3,529,150	499,350	415,100	349,000	311,200	294,300	1,179,300	480,900	
Water and Sewer Notes			5,097,536	718,689	641,400	585,329	533,606	480,093	1,621,646	516,773	
Sanitation Resource Recovery Bonds			1,066,750	342,250	268,750	211,150	152,350	92,250			
Parking Services Contractual Obligations			14,606,011	1,247,150	1,224,350	1,201,250	1,177,550	1,153,250	4,924,149	3,014,262	664,050
Civic Center Contractual Obligations			9,700	9,700							
Total Business-type Activities Interest Portion			<u>24,309,147</u>	<u>2,817,139</u>	<u>2,549,600</u>	<u>2,346,729</u>	<u>2,174,706</u>	<u>2,019,893</u>	<u>7,725,095</u>	<u>4,011,935</u>	<u>664,050</u>
Total Business-type Activities Debt Service Requirements		<u>\$ 113,400,191</u>	<u>\$ 12,612,668</u>	<u>\$ 11,827,711</u>	<u>\$ 9,980,437</u>	<u>\$ 8,910,137</u>	<u>\$ 8,958,836</u>	<u>\$ 27,642,387</u>	<u>\$ 25,918,965</u>	<u>\$ 7,549,050</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, 2014:

	Balance 12/31/13	2014 Issues	2014 Retirements	Balance 12/31/14	Unamortized (Discounts)/ Premiums	Balance 12/31/14	Amounts Due Within One Year	Accrued Interest at 12/31/2014
<b>Governmental Activities:</b>								
Bonds and notes payable:								
Contractual Obligations relating to:								
Downtown Savannah Authority Bonds 2009	\$28,475,000	\$ -	\$ 12,270,000	\$ 16,205,000	\$ 58,929	\$ 16,263,929	\$ 1,895,000	\$ 300,200
Downtown Savannah Authority Bonds 2014		9,970,000	810,000	9,160,000	676,500	9,836,500	745,000	115,521
Series 2011-A HUD Section 108 Note	515,000		50,000	465,000		465,000	50,000	3,478
Series 2010-A HUD Section 108 Note	185,000		50,000	135,000		135,000	50,000	1,436
Total bonds and notes payable	29,175,000	9,970,000	13,180,000	25,965,000	735,429	26,700,429	2,740,000	420,635
Other liabilities:								
Compensated absences	15,617,091	7,095,901	6,645,598	16,067,394		16,067,394	5,987,995	
Net OPEB obligation	10,149,787	5,822,588	8,103,033	7,869,342		7,869,342		
Claims and judgments	9,399,734	27,927,007	28,982,065	8,344,676		8,344,676	4,189,921	
Total other liabilities	35,166,612	40,845,496	43,730,696	32,281,412		32,281,412	10,177,916	
Governmental Activities long-term liabilities	\$ 64,341,612	\$ 50,815,496	\$ 56,910,696	\$ 58,246,412	\$ 735,429	\$ 58,981,841	\$ 12,917,916	\$ 420,635
<b>Business-type Activities:</b>								
Bonds and notes payable:								
Water and Sewer Revenue Bonds 2003	\$ 3,765,000		\$ 3,765,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer Revenue Bonds 2009	19,190,000		17,025,000	2,165,000	55,169	2,220,169	2,165,000	5,414
Water and Sewer Revenue Bonds 2014	-	17,690,000		17,690,000	525,079	18,215,079	965,000	36,200
Sewer SRF Loan	26,723,111		2,562,065	24,161,046	(344,716)	23,816,330	2,440,529	88,452
Resource Recovery Bonds 2009	4,245,000		2,095,000	2,150,000	13,410	2,163,410	2,150,000	26,875
Resource Recovery Bonds 2013	12,950,000		600,000	12,350,000	562,140	12,912,140	450,000	115,729
Contractual obligations relating to:								
Downtown Savannah Authority Bonds 2005	24,820,000			24,820,000	(250,394)	24,569,606		475,729
Downtown Savannah Authority Bonds 2013	7,435,000		1,680,000	5,755,000	176,261	5,931,261	1,640,843	47,959
Total bonds and notes payable	99,128,111	17,690,000	27,727,065	89,091,046	736,949	89,827,995	9,811,372	796,358
Other liabilities:								
Compensated absences	2,554,715	1,267,795	1,138,958	2,683,552		2,683,552	1,058,114	
Net OPEB obligation	3,017,645	1,835,201	2,889,581	1,963,265		1,963,265		
Closure and Postclosure Liability	15,822,095	993,764		16,815,859		16,815,859		
Total other liabilities	21,394,455	4,096,760	4,028,539	21,462,676		21,462,676	1,058,114	
Business-type Activities long-term liabilities	\$ 120,522,566	\$ 21,786,760	\$ 31,755,604	\$ 110,553,722	\$ 736,949	\$ 111,290,671	\$ 10,869,486	\$ 796,358

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 2014, and as of December 31, 2014 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 2032. 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.

During 2014, the City exercised its optional redemption on certain maturities of the Authority's Series 2009B bonds totaling \$10,425,000. In order to fund the optional redemption during 2014, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 20014, tax-exempt bonds issued in the principal amount of \$9,970,000. The proceeds of the bond sale were used to currently refund certain maturities of the Downtown Savannah Authority Revenue Bonds, Series 2009B, which had a principal balance of \$10,425,000 at refunding, and to cover issuance costs. The bonds bear interest at fixed rates ranging from 2.00% to 4.00% and mature serially beginning August 1, 2014. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was lower than the net carrying amount of the old debt by \$24,408. This amount is classified as a deferred inflow of resources on the statement of net position and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$522,498 and a reduction of \$589,116 in future debt service payments.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(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.

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 52.

(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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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 53.

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.

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 53.

During 2014, the City exercised its optional redemption on certain maturities of the 2009B bonds totaling \$13,970,000. In order to fund the optional redemption during 2014, the City issued Water and Sewer Revenue Refunding Bonds, Series 2014 in the principal amount of \$17,690,000. The proceeds of the bond sale were used to (1) refinance, at lower rates, the outstanding maturities of the Series 2003 bonds, which had a principal balance of \$3,720,000 at refunding, (2) refinance at lower rates a portion of the outstanding maturities of the Series 2009B bonds totaling \$13,970,000 and, (3) pay all costs incidental to the issuance of the Series 2014 bonds. The bonds bear interest at fixed rates ranging from 2.00% to 3.00% and mature serially beginning December 1, 2015. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$87,573. This amount is classified as a deferred outflow of resources in the Water and Sewer Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$962,419 and a reduction of \$1,117,334 in future debt service payments.

The Series 2009 and the Series 2014 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, 2014 the debt service reserve requirement is calculated as 125% of the average annual debt service of bonds outstanding, which is \$2,094,428. The debt service reserve requirement is met with cash held in

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

the Sinking Fund. Monies in the debt service reserve can be used only to pay principal and interest on the bonds if there would otherwise be a default. The Series 2009 and the Series 2014 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, 2014, the sinking fund requirements and actual balances were as follows:

Sinking Fund Requirements:	
Interest requirements (for June 1, 2015)	\$ 41,612
Principal requirements (for December 1, 2015)	260,834
Debt Service Reserve	<u>2,094,428</u>
Total requirements at December 31, 2014	<u>2,396,874</u>
Sinking Fund Resources:	
Cash and investments in sinking fund at December 31, 2014	<u>2,669,675</u>
Surplus	\$ <u>272,801</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 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, 2014.

<u>Year of Loan</u>	<u>Project Description</u>	<u>Total Loan Commitment</u>	<u>Interest Rate (%)</u>	<u>Amorti- zation Period (Years)</u>	<u>Amount Drawn</u>	<u>-As of December 31, 2014- Principal Retired</u>	<u>Loan Payable</u>
1990	Georgetown Sewage Plant & Gateway Area Force Main	\$ 6,719,514	2.00	20	\$ 6,719,514	\$ 6,516,802	\$ 202,712
1996	President Street Plant	10,020,200	4.00	18	10,020,200	8,932,177	1,088,023
2000	I & D Plant Improvement	8,205,660	3.53	20	8,205,660	4,660,924	3,544,736
2005	Crossroads Wastewater Plant	<u>24,496,559</u>	3.00	20	<u>24,496,559</u>	<u>5,170,984</u>	<u>19,325,575</u>
		<u>\$49,441,933</u>			<u>\$49,441,933</u>	<u>\$22,718,822</u>	\$ <u>24,161,046</u>

A maturity schedule for the SRF loans is located on page 53.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

(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 53.

(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.



CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

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 53.

(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 53.

**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 2014, the City recognized a postclosure expense of \$993,764, which is based on 71.81% usage (filled) of the landfill. It is estimated that an additional \$6,602,255 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 (\$23,418,114) 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, 2014. Based on landfill capacity, the estimated remaining useful life of the landfill is approximately 11.44 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 7 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)**

At December 31, 2014, the City had accrued \$16,815,859 in landfill closure and postclosure costs. This amount was determined as follows:

Estimated total cost of closure and postclosure care	\$ 23,418,114
Percent utilized at 12/31/14	<u>71.81</u>
Total postclosure and closure liability at 12/31/14	16,815,859
Less amount recognized in prior years	<u>15,822,095</u>
Current year closure/postclosure expense (credit)	\$ <u>993,764</u>

The City will fund the closure and postclosure care costs with user fees and subsidies from the General Fund. As of December 31, 2014, no amount of assets had been restricted for the payment of closure and postclosure care costs. The landfill postclosure and closure liability of \$16,815,859 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.

The Plan covers both general and uniform employees of the participating employers. As of December 31, 2013, the latest valuation date, employee membership data related to the OPEB plan was as follows:

Retirees and beneficiaries currently receiving benefits	984
Active plan participants	<u>2,301</u>
Total	<u>3,285</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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

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, 2014 the Plan reported \$53,552,648 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 2014 by the City of Savannah in the amount of \$6,903,000. Required contribution rates of plan members for the valuation dated December 31, 2013 were set as follows:

<u>Class of Retiree</u>	<u>Monthly Contribution Per Retiree</u>
• Single retiree with Medicare	\$100.44
• Single retiree without Medicare	229.17
• 2 – Party Retiree, one with Medicare and one without Medicare	329.61
• 2 – Party Retiree, both with Medicare	200.88
• 2 – Party Retiree, neither with Medicare	458.34

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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, 2014, the Plan's annual OPEB cost was \$7,937,031, 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 \$11,318,014. As of December 31, 2014 the Plan had a net OPEB obligation of \$14,825,407, the components of which are disclosed as the following:

Annual required contribution	\$ 7,751,003
Interest on net OPEB obligation	1,274,447
Adjustments to annual required contributions	<u>(1,088,419)</u>
Annual OPEB cost	\$ 7,937,031
Contributions made	<u>(11,318,014)</u>
Increase/(decrease) in net OPEB obligation	(3,380,983)
Net OPEB obligation – beginning of year	<u>18,206,390</u>
Net OPEB obligation – end of year	<u>\$14,825,407</u>

For the fiscal year ended December 31, 2014, the City's annual OPEB cost was \$7,657,788, 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 \$10,992,616. As of December 31, 2014 the City had a net OPEB obligation of \$9,832,607.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

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
12/31/2012	\$ 10,981,163	104.0%	\$ 20,583,739
12/31/2013	8,874,900	126.8%	18,206,390
12/31/2014	7,937,031	142.6%	14,825,407

(5) Funded Status and Funding Progress

As of the Plan's most recent OPEB actuarial valuation, dated December 31, 2013, the actuarial accrued liability for benefits was \$102,425,282, of which, \$55,831,279 was unfunded. As of the valuation date, the Plan had assets with an actuarial value of \$46,594,003. 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
12/31/2013	\$46,594,003	\$102,425,282	\$55,831,279	45.5%	\$93,188,755	59.9%

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, 2013, 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 7.00 percent graded to 5.00 percent over 8 years.
- The drug cost trend used was 6.60 percent graded to 5.00 percent over 7 years.
- The medical and drug trend rate for members post 65 years of age was 6.40 percent graded to 5.00 percent over 6 years.
- The amortization method used was level percent of pay and the amortization period for the most recent actuarial valuation was 23 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, 2014

**ASSETS**

Cash and cash equivalents	\$ 56,552,648
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Total assets	56,552,648
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**NET POSITION**

Held in trust for:

OPEB	\$ 56,552,648
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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, 2014**

**ADDITIONS**

Contributions	
Employer	\$ 11,318,014
Plan members	2,476,786
Total contributions	<u>13,794,800</u>
Investment income	
Interest	<u>55,645</u>
Total additions	<u>13,850,445</u>

**DEDUCTIONS**

Benefits	6,613,431
Administrative expense	<u>278,369</u>
Total deductions	<u>6,891,800</u>
Change in net position	6,958,645
Net position:	
Beginning of year - January 1	<u>46,594,003</u>
End of year - December 31	<u><u>\$ 53,552,648</u></u>

**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 2014 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 2014, premiums paid into the fund by both the City and its employees exceeded liabilities incurred for the various types of claims covered by \$3,523,661. The amount available for catastrophic losses at December 31, 2014 had a total net liability balance of \$2,559,518.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

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 \$8,344,676 reported as of yearend 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, 2014, \$4,154,755 of those covered liabilities is considered to be long-term and \$4,189,921 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:

Year	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
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
2014	9,399,734	27,927,007	(28,982,065)	8,344,676



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, 2014, are as follows:

<b><u>Transfer From</u></b>	<b><u>Transfer To</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
General Fund	Hazardous Materials Team Fund	\$ 216,521	Provide resources to fund operating expenditures.
General Fund	Grant Fund	252,940	Provide resources to fund grant match requirements.
General Fund	Tax Allocation District I Fund	1,350,665	Provide resources to fund debt service expenditures.
General Fund	Civic Center Fund	696,305	Provide resources to fund operating expenses.
General Fund	Community Development Fund	1,104,662	Provide resources to fund operating expenditures and grant matches.
General Fund	Debt Service Fund	2,144,587	Provide resources to fund debt service expenditures.
General Fund	Capital Improvement Fund	8,563,647	Provide resources to fund planned capital project expenditures.
General Fund	Public Safety Communications Fund	1,416,676	Provide resources to fund emergency communications expenditures.
Hotel/motel Tax Fund	Civic Center Fund	487,049	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	General Fund	8,301,821	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	Civic Center Fund	1,216,683	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	General Fund	405,561	Transfer restricted revenues to fund required to expend them.
	<b>Total</b>	<b><u>\$ 26,157,117</u></b>	

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, 2014, the General Fund had transferred an aggregate total of \$3,775,124 to the Tax Allocation District I Fund to pay debt service obligations of the fund.

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, 2014 are as follows:

<b><u>Payable from</u></b>	<b><u>Payable to</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
General Fund	Capital Improvements Fund	\$ 31,061,763	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	1,118,263	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Nonmajor governmental fund	General Fund	505,718	Hotel/motel taxes receivable at year end which are to be transferred to General Fund when received.
Nonmajor governmental fund	General Fund	63,015	Cash to be repaid upon receipt of hazardous materials fees due from other governments.
Nonmajor governmental fund	General Fund	653,557	Cash to be repaid upon receipt of special purpose local option sales taxes due from other governments.
Nonmajor governmental fund	General Fund	26,561	Auto rental taxes receivable at year end which are to be transferred to General Fund when received.
Nonmajor governmental fund	Nonmajor business-type fund	79,685	Auto rental taxes receivable at year end which are to be transferred for use by Civic Center when received.
		<u>\$ 33,508,562</u>	

**NOTE 11 – RECEIVABLE AND PAYABLE BALANCES**

Receivables at December 31, 2014 were as follows:

	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>
Taxes Receivable	\$ 9,229,858	
Due from other Governments	16,579,798	
Miscellaneous accounts receivable	11,105,079	\$36,825,710
Less: allowance for uncollectible	<u>2,245,404</u>	<u>20,089,497</u>
Total	<u>\$34,669,331</u>	<u>\$16,736,213</u>

CITY OF SAVANNAH, GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS

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

Payables at December 31, 2014 consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due to vendors	\$ 8,051,940	\$ 23,098,276
Accrued payroll tax liabilities and withholdings	<u>1,982,241</u>	
Total	<u>\$ 10,034,181</u>	<u>\$ 23,098,276</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, 2014 include:

Activity	Restricted by	Amount
Governmental Activities:		
Sales Tax Capital Projects	Law	\$ 97,311,576
Other Capital Projects	Bond covenants	15,525,056
Community Development projects	Grantor agencies	24,674,457
HUD Section 108 projects	Creditor – U. S. Dept. of Housing & Urban Development	337,468
Nonexpendable Perpetual Care	Cemetery perpetual care	5,960,784
Debt service	Special assessment bonds	632,138
Public safety communications	Law	2,153,055
Court technology fee	Law	611,550
Other grants	Grantor agencies	584,544
Business-Type Activities:		
Debt service	Bond covenants	2,367,229

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

As of December 31, 2014, 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	\$ -	\$ -	\$ 5,829,428
<b>Restricted for:</b>			
Public safety			3,059,093
Community development program and administration			315,159
Debt service			928,389
Other capital projects		65,121,586	47,715,048
<b>Committed to:</b>			
General administration	45,515		
Management and financial services	168,257		
Facilities maintenance	77,826		
Public safety	257,516		
Leisure services	169,995		
Social and cultural	89,761		
Public development	5,804		
Community development program and administration	1,459,848		
Other capital projects			36,981,422
<b>Unassigned:</b>	32,510,102		
Total fund balances	<u>\$ 34,784,624</u>	<u>\$ 65,121,586</u>	<u>\$ 94,828,539</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 \$589,868,769 less related debt of \$12,837,062, which includes contractor retainage payable of \$1,545,488 and contractual obligations of \$26,122,806 less unspent bonds proceeds of \$14,831,232. 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 \$404,840,687 less related debt of \$109,900,948, which includes contractor retainage payable of \$21,781,343 and debt of \$89,353,787 less unspent bond proceeds of \$1,234,182. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities.

For the year ended December 31, 2014, the Sanitation Fund reported a deficit in ending net position of \$850,699. 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, 2014, the Internal Service Risk Management Fund reported a deficit in ending net position of \$2,559,518. 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:

2014 (tentative) millage rate adopted by ordinance	December 31, 2013
Beginning of fiscal year for taxes	January 1, 2014
First installment real property tax bills rendered	April 11, 2014
First installment real property tax payment due	May 15, 2014
County Tax Digest approved by the State of Georgia	September 12, 2014
2014 final millage rate adopted by ordinance	July 25, 2014
Second installment real property tax bills rendered	October 4, 2014
Personal property tax bills rendered	October 11, 2014
Second installment real property tax payment due	November 21, 2014
Personal property tax payment due	November 27, 2014

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, 2014. 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 cannot 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, 2014, 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, the amount of \$18,718,594 has been accrued in relation to the claim. 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, 2014, the Series 2011 Revenue Bonds outstanding were \$7,940,000. At December 31, 2014, all Series 1992 bonds and Series 2001 bonds had been defeased.

**NOTE 16 – SUBSEQUENT EVENTS**

The City plans to enter into a contractual obligation related to Downtown Savannah Authority Revenue Refunding, Series 2015. These bonds will be issued in the preliminary principal amount of \$44,000,000. The proceeds of the bond sale will be made available to the City to (1) currently refund all of the Authority's Series 2005 Bonds outstanding in the amount of \$24,820,000, (2) fund certain capital improvements within the City and, (3) fund expenses incidental to the bond issue.

**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, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes	\$ 59,367,700	\$ 60,386,825	\$ 62,594,332	\$ 2,207,507
Intangible, transfer and franchise taxes	19,249,450	18,863,773	19,369,339	505,566
General sales tax	34,000,000	36,000,000	37,198,220	1,198,220
Selective sales taxes	4,025,000	4,395,000	4,525,813	130,813
Business taxes	7,730,000	8,013,521	8,046,618	33,097
Penalties and interest on delinquent taxes	750,000	940,000	919,716	(20,284)
Licenses and permits	1,821,000	1,896,850	1,914,376	17,526
Inspection fees	2,338,656	2,289,513	2,683,264	393,751
Intergovernmental revenue	1,584,252	1,731,350	1,543,493	(187,857)
Charges for services	25,903,413	25,683,927	23,220,272	(2,463,655)
Indirect cost allocations	4,662,103	4,662,103	4,662,103	
Fines and forfeitures	2,830,000	2,680,000	2,753,028	73,028
Investment income	50,400	3,006	10,409	7,403
Miscellaneous revenue	1,011,499	834,097	1,007,752	173,655
Total revenues	165,323,473	168,379,965	170,448,735	2,068,770
<b>EXPENDITURES:</b>				
Current:				
General administration	4,345,588	4,193,316	4,162,057	31,259
Management and financial services	8,099,352	8,001,879	7,863,007	138,872
Facilities maintenance	30,077,222	29,454,408	29,200,010	254,398
Police	62,161,053	60,933,911	60,199,081	734,830
Recorder's court	2,275,664	2,253,011	2,311,096	(58,085)
Fire	25,835,178	26,421,364	26,071,129	350,235
Leisure services	21,348,348	21,477,825	21,026,806	451,019
Tourism enhancement	2,639,088	2,669,921	2,680,182	(10,261)
Social and cultural	1,697,053	1,777,936	1,457,090	320,846
Public development	6,194,671	8,047,678	7,502,940	544,738
Community development program and administration	2,100,000	2,100,000	37,439	2,062,561
Total expenditures	166,773,217	167,331,249	162,510,837	4,820,412
Excess (deficiency) of revenues over (under) expenditures	(1,449,744)	1,048,716	7,937,898	6,889,182
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	7,929,800	8,309,744	8,707,382	397,638
Transfers out	(6,480,056)	(16,258,460)	(15,746,003)	512,457
Total other financing sources (uses)	1,449,744	(7,948,716)	(7,038,621)	910,095
Net change in fund balance	\$ -	\$ (6,900,000)	899,277	\$ 7,799,277
<b>FUND BALANCE - JANUARY 1</b>			33,885,347	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ 34,784,624</u>	

**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, 2014**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES:</b>				
Intergovernmental Revenue	\$ 11,551,682	\$ 11,308,398	\$ 3,587,956	\$ (7,720,442)
Charges for services			2,449,716	2,449,716
Interest earned			541,348	541,348
Miscellaneous revenue			78,128	78,128
Total revenues	<u>11,551,682</u>	<u>11,308,398</u>	<u>6,657,148</u>	<u>(4,651,250)</u>
<b>EXPENDITURES:</b>				
Community development program and administration	12,546,548	12,186,970	7,648,780	4,538,190
Debt Service:				
Principal	100,000	100,000	100,000	
Interest and fiscal charges	13,030	13,030	13,030	-
Total expenditures	<u>12,659,578</u>	<u>12,300,000</u>	<u>7,761,810</u>	<u>4,538,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,107,896)</u>	<u>(991,602)</u>	<u>(1,104,662)</u>	<u>(113,060)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,107,896	991,602	1,104,662	113,060
Total other financing sources (uses)	<u>1,107,896</u>	<u>991,602</u>	<u>1,104,662</u>	<u>113,060</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<b>FUND BALANCE - JANUARY 1</b>				
<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, 2014**

<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>
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%)
2014	285,980,050	385,992,708	(100,012,658)	74.09%	100,296,655	(99.72%)

\* 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, 2014**

<b>Year Ended December 31</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
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%
2014	11,989,208	100.00%

CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
DECEMBER 31, 2014

	<u>2014</u>
<b>Total pension liability</b>	
Service cost	\$ 12,803,097
Interest	30,562,389
Change of benefit terms	-
Differences between expected and actual experience	-
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(24,314,601)
<b>Net change in total pension liability</b>	<u>\$ 19,050,885</u>
<b>Total pension liability - beginning</b>	<u>406,510,703</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 425,561,588</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 11,989,213
Contributions - employee	6,656,241
Net investment income	23,393,123
Benefit payments, including refunds of employee contributions	(24,314,601)
Administrative expense	(99,358)
Other	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 17,624,618</u>
<b>Plan fiduciary net position - beginning</b>	<u>\$ 314,129,632</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>331,754,250</u>
<b>Employers' net pension liability - ending (a) - (b)</b>	<u><u>\$ 93,807,338</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	77.96%
<b>Covered employee payroll</b>	\$ 100,296,655
<b>Employers' net pension liability as a percentage of covered employee payroll</b>	93.53%

**Notes to Schedule:**

*Benefit changes:* There have been no changes in benefit provisions since GAB 67 implementation.

*Change of Assumptions:* There have been no assumption changes since GASB 67 implementation.

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF INVESTMENT RETURNS  
DECEMBER 31, 2014**

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<b>Year Ended December 31</b>	<b>Annual Money- weighted Rate of Return</b>
2014	7.80%

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF VALUATION DETAILS  
DECEMBER 31, 2014**

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<b>Valuation date</b>	Actuarially determined contribution is calculated using a January valuation date as of the beginning of the fiscal year prior to the year in which contributions are reported
<b>Actuarial cost method</b>	Projected unit credit method for actuarially determined contributions; Entry age normal for total pension liability
<b>Amortization method</b>	Level percent of compensation using 3.75% increases
<b>Remaining amortization period</b>	Closed period, 30 years as of January 1, 2014
<b>Asset valuation method</b>	Market value of assets

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**Actuarial assumptions:**

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
Mortality:	
Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	RP-2000 Combined Healthy Mortality Table, set forward 10 years

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
DECEMBER 31, 2014**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Total Unfunded Actuarial Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll</b>
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%
12/31/2013	46,594,003	102,425,282	55,831,279	45.49%	93,188,755	59.91%

CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DECEMBER 31, 2014

<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%
2014	7,751,003	146.0%

**CITY OF SAVANNAH, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF VALUATION DETAILS  
DECEMBER 31, 2014**

<b>Valuation date</b>	December 31, 2013
<b>Actuarial cost method</b>	Projected Unit Credit
<b>Amortization method</b>	Level percent of pay, closed, 30 years
<b>Remaining amortization period</b>	23 years as of January 1, 2014
<b>Asset valuation method</b>	Market value
<b>Actuarial assumptions:</b>	
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)	7.00% graded to 5.00% over 8 years
Drug cost trend rate (pre-65)	6.60% graded to 5.00% over 7 years
Medical and drug trend rate (post-65)	6.40% graded to 5.00% over 6 years
<b>Plan membership:</b>	
Current retirees, beneficiaries, and dependents	1,273
Current active members	2,301
Terminated members entitled but not yet eligible	-
Total	<u><u>3,574</u></u>



CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NOTE A - BUDGET**

The City adopted annual budgets for the 2014 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 2014 is presented below:

<b>Fund</b>	<b>Original Appropriation</b>	<b>Encumbered Appropriations Carried Forward From Prior Years</b>	<b>Budgetary Amendments</b>	<b>Final Appropriations</b>
<b>Major Funds:</b>				
General	\$ 173,253,273	\$ 695,373	\$ 9,641,063	\$ 183,589,709
Community Development	12,659,578	20,105	(379,683)	12,300,000
<b>Nonmajor Funds:</b>				
Grant	5,899,126	276,076	483,146	6,658,348
Economic Development	1,500,000			1,500,000
Hazardous Materials Team	564,120	41,265	194,615	800,000
Public Safety Communications	7,210,433	37,245	(247,678)	7,000,000
Hote/motel Tax	15,199,600		800,400	16,000,000
Automobile Rental Tax	1,320,000		355,000	1,675,000
Recorders Court Technology Fee	-			-
Confiscated Assets	200,000	3,000	197,000	400,000
General Obligation Bond Debt Service	2,144,588		855,412	3,000,000
Special Assessment Debt Service	100,000			100,000

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NOTE A – BUDGET (CONTINUED)**

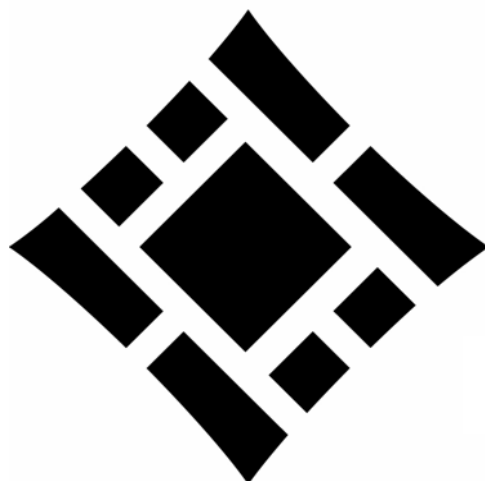
During 2014, General Fund expenditures in the following departments exceeded the final budgeted amounts adopted by City Council:

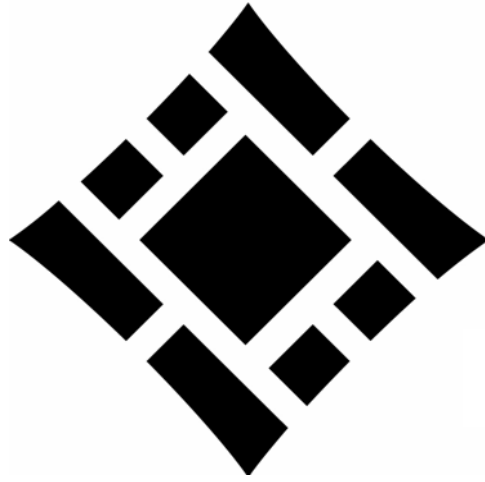
	<b><u>FINAL BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE WITH FINAL BUDGET</u></b>	<b><u>% Variance</u></b>
Recorders Court	\$ 2,253,011	\$ 2,311,096	\$ (58,085)	2.58%
Tourism Enhancement	2,669,921	2,680,182	(10,261)	0.38%

During 2014, expenditures and transfers out in the non-major Hotel/motel Tax Fund exceeded the final budgeted amounts adopted by City Council by \$603,643 or 3.8%.

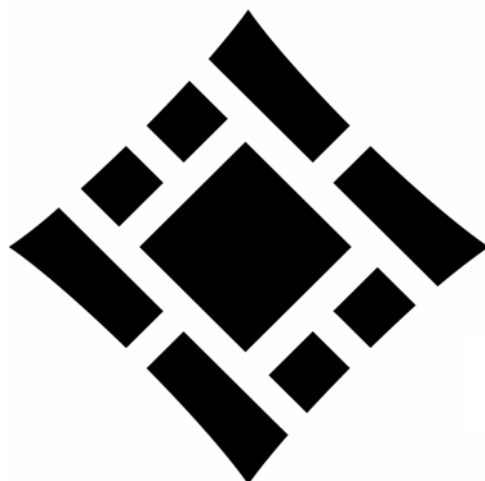
In accordance with State law, new appropriations for projects for the capital project funds were adopted by ordinance and totaled \$25,801,000 in 2014.

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.

Recorders Court Technology Fee Fund – The Recorders Court Technology Fee Fund is used to account for the proceeds and uses of the Recorders Court Technology Fee. This fee is levied as an additional fee to fines within the Chatham County Recorders Court and its collection and allowable uses are legislated by state law. The amounts collected are available to the Court for expenditures related to improving and enhancing the technological capabilities within the Court.

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.

SPLOST 2014-2020 Fund – The SPLOST 2014-2020 Fund accounts for special purpose local option sales tax (SPLOST) revenues and expenditures of those revenues. SPLOST funds are being collected over a six-year period beginning October 2014 and ending September 2020.



## **NONMAJOR CITY FUNDS (CONTINUED)**

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.

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, 2014

	SPECIAL REVENUE FUNDS								PERMANENT FUND
	GRANT	ECONOMIC DEVELOPMENT	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	COURT TECHNOLOGY FEE	CONFISCATED ASSETS	CEMETERY
<b><u>ASSETS</u></b>									
Cash and investments	\$ -	\$ -	\$ 5,369	\$ -	\$ 290,918	\$ -	\$ -	\$ 294,487	\$ -
Receivables, net				499,742	1,011,437	106,246			131,356
Due from other governments	1,660,439		60,269	576,664					
Restricted assets:									
Cash and investments		315,159		1,089,042			611,550		5,829,428
Notes receivable, long-term		22,309							
Total assets	\$ 1,660,439	\$ 337,468	\$ 65,638	\$ 2,165,448	\$ 1,302,355	\$ 106,246	\$ 611,550	\$ 294,487	\$ 5,960,784
<b><u>LIABILITIES</u></b>									
Accounts payable	\$ 252,119	\$ -	\$ 2,623	\$ 12,392	\$ 796,637	\$ -	\$ -	\$ -	\$ -
Unexpended grant proceeds	290,057								290,057
Due to other funds	1,118,263		63,015		505,718	106,246			1,793,242
Total liabilities	1,660,439		65,638	12,392	1,302,355	106,246			3,147,070
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>									
Unavailable program income		22,309							131,356
<b><u>FUND BALANCES</u></b>									
Nonspendable									5,829,428
Restricted		315,159		2,153,056			611,550	294,487	
Total fund balance		315,159		2,153,056			611,550	294,487	5,829,428
Total liabilities, deferred inflows of resources and fund balances	\$ 1,660,439	\$ 337,468	\$ 65,638	\$ 2,165,448	\$ 1,302,355	\$ 106,246	\$ 611,550	\$ 294,487	\$ 5,960,784

This statement is continued on the next page.

CITY OF SAVANNAH, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS								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	SPLOST 2014-2020	CAPITAL IMPROVEMENT	TAX ALLOCATION DISTRICT I	TOTAL	
<b>ASSETS</b>												
Cash and investments	\$ 900,696	\$ -	\$ 900,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,458,685	\$ -	\$ 6,458,685	\$ 7,950,155
Receivables, net												1,748,781
Due from other funds									31,061,763		31,061,763	31,061,763
Due from other governments								5,538,566			5,538,566	7,835,938
Restricted assets:												
Cash and investments		27,692	27,692	19,887	597,207	2,501,017	24,252,576			15,539,300	42,909,987	50,782,858
Receivables, net												119,471
Special assessments receivable, net		119,471	119,471									22,309
Notes receivable, long-term												
Total assets	<u>\$ 900,696</u>	<u>\$ 147,163</u>	<u>\$ 1,047,859</u>	<u>\$ 19,887</u>	<u>\$ 597,207</u>	<u>\$ 2,501,017</u>	<u>\$ 24,252,576</u>	<u>\$ 5,538,566</u>	<u>\$ 37,520,448</u>	<u>\$ 15,539,300</u>	<u>\$ 85,969,001</u>	<u>\$ 99,521,275</u>
<b>LIABILITIES</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,586	\$ 38,119	\$ -	\$ 539,026	\$ 14,243	\$ 618,974	\$ 1,682,745
Unexpended grant proceeds												290,057
Due to other funds								653,557			653,557	2,446,799
Total liabilities						27,586	38,119	653,557	539,026	14,243	1,272,531	4,419,601
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable program income		119,470	119,470									273,135
<b>FUND BALANCES</b>												
Nonspendable												5,829,428
Restricted	900,696	27,693	928,389	19,887	597,207	2,473,431	24,214,457	4,885,009		15,525,057	47,715,048	52,017,689
Committed									36,981,422		36,981,422	36,981,422
Total fund balance	<u>900,696</u>	<u>27,693</u>	<u>928,389</u>	<u>19,887</u>	<u>597,207</u>	<u>2,473,431</u>	<u>24,214,457</u>	<u>4,885,009</u>	<u>36,981,422</u>	<u>15,525,057</u>	<u>84,696,470</u>	<u>94,828,539</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 900,696</u>	<u>\$ 147,163</u>	<u>\$ 1,047,859</u>	<u>\$ 19,887</u>	<u>\$ 597,207</u>	<u>\$ 2,501,017</u>	<u>\$ 24,252,576</u>	<u>\$ 5,538,566</u>	<u>\$ 37,520,448</u>	<u>\$ 15,539,300</u>	<u>\$ 85,969,001</u>	<u>\$ 99,521,275</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, 2014

	SPECIAL REVENUE FUNDS									PERMANENT FUND
	GRANT FUND	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	COURT TECHNOLOGY FEE	CONFISCATED ASSETS	TOTAL	CEMETERY
REVENUES:										
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 16,603,643	\$ 1,622,244	\$ -	\$ -	\$ 18,225,887	\$ -
Intergovernmental revenue	4,942,925		53,221					156,247	5,152,393	
Charges for services		15,691	413,429	4,969,503			611,550		6,010,173	258,078
Investment income				2,400				516	2,916	
Miscellaneous revenue	121,847								121,847	
Total revenues	5,064,772	15,691	466,650	4,971,903	16,603,643	1,622,244	611,550	156,763	29,513,216	258,078
EXPENDITURES:										
Police				6,386,179				359,390	6,745,569	
Fire			683,171						683,171	
Tourism enhancement					7,814,773				7,814,773	
Grant program and administration	5,317,712								5,317,712	
Total expenditures	5,317,712		683,171	6,386,179	7,814,773			359,390	20,561,225	
Excess (deficiency) of revenues over (under) expenditures	(252,940)	15,691	(216,521)	(1,414,276)	8,788,870	1,622,244	611,550	(202,627)	8,951,991	258,078
Transfers in	252,940		216,521	1,416,676					1,886,137	
Transfers out					(8,788,870)	(1,622,244)			(10,411,114)	
Total other financing sources (uses)	252,940		216,521	1,416,676	(8,788,870)	(1,622,244)			(8,524,977)	
Net change in fund balances		15,691		2,400			611,550	(202,627)	427,014	258,078
FUND BALANCES - JANUARY 1		299,468		2,150,656				497,114	2,947,238	5,571,350
FUND BALANCES - DECEMBER 31	\$ -	\$ 315,159	\$ -	\$ 2,153,056	\$ -	\$ -	\$ 611,550	\$ 294,487	\$ 3,374,252	\$ 5,829,428

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, 2014

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS								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	SPLOST 2014-2020	CAPITAL IMPROVEMENT	TAX ALLOCATION DISTRICT I	TOTAL	
<b>REVENUES:</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	223,004	\$ 223,004	\$ 223,004
Selective sales tax												18,225,887
Intergovernmental revenue								5,538,566	1,550,434	234,090	7,323,090	12,475,483
Charges for services		164	164									6,268,251
Special assessments		32	1,035	22	665	2,871	27,411		1,394	16,837	49,200	164
Investment income	1,003								121,410		121,410	53,151
Miscellaneous revenue												243,257
Total revenues	1,003	196	1,199	22	665	2,871	27,411	5,538,566	1,673,238	473,931	7,716,704	37,489,197
<b>EXPENDITURES:</b>												
Police												6,745,569
Fire												683,171
Tourism enhancement												7,814,773
Grant program and administration												5,317,712
Debt Service:												
Principal	1,845,000		1,845,000							11,235,000	11,235,000	13,080,000
Interest and fiscal charges	299,588		299,588							620,438	620,438	920,026
Debt issuance costs										173,730	173,730	173,730
Capital outlay						144,806	759,087	653,557	8,788,166	261,325	9,049,491	9,049,491
Capital outlay - SPLOST funded											1,557,450	1,557,450
Total expenditures	2,144,588		2,144,588			144,806	759,087	653,557	8,788,166	12,290,493	22,636,109	45,341,922
Excess (deficiency) of revenues over (under) expenditures	(2,143,585)	196	(2,143,389)	22	665	(141,935)	(731,676)	4,885,009	(7,114,928)	(11,816,562)	(14,919,405)	(7,852,725)
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in	2,144,587		2,144,587						8,563,647	1,350,665	9,914,312	13,945,036
Transfers out												(10,411,114)
Debt issuance										9,970,000	9,970,000	9,970,000
Premium on bond debt										738,006	738,006	738,006
Total other financing sources (uses)	2,144,587		2,144,587						8,563,647	12,058,671	20,622,318	14,241,928
Net change in fund balances	1,002	196	1,198	22	665	(141,935)	(731,676)	4,885,009	1,448,719	242,109	5,702,913	6,389,203
<b>FUND BALANCES - JANUARY 1</b>	899,694	27,497	927,191	19,865	596,542	2,615,366	24,946,133		35,532,703	15,282,948	78,993,557	88,439,336
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 900,696</u>	<u>\$ 27,693</u>	<u>\$ 928,389</u>	<u>\$ 19,887</u>	<u>\$ 597,207</u>	<u>\$ 2,473,431</u>	<u>\$ 24,214,457</u>	<u>\$ 4,885,009</u>	<u>\$ 36,981,422</u>	<u>\$ 15,525,057</u>	<u>\$ 84,696,470</u>	<u>\$ 94,828,539</u>

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, 2014**

	GRANT FUND				ECONOMIC DEVELOPMENT FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Intergovernmental revenue	\$ 5,504,538	\$ 6,263,709	\$ 4,942,925	\$ (1,320,784)	\$ -	\$ -	\$ -	\$ -
Charges for services					1,500,000	1,500,000	15,691	(1,484,309)
Miscellaneous revenue			121,847	121,847				
Total revenues	5,504,538	6,263,709	5,064,772	(1,198,937)	1,500,000	1,500,000	15,691	(1,484,309)
<b>EXPENDITURES:</b>								
Grant program and administration	5,899,126	6,658,348	5,317,712	1,340,636				
Community development program and administration					1,500,000	1,500,000		1,500,000
Total expenditures	5,899,126	6,658,348	5,317,712	1,340,636	1,500,000	1,500,000		1,500,000
Excess (deficiency) of revenues over (under) expenditures	(394,588)	(394,639)	(252,940)	141,699			15,691	15,691
Transfers in	394,588	394,639	252,940	(141,699)				
Total other financing sources (uses)	394,588	394,639	252,940	(141,699)				
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -	15,691	\$ 15,691
<b>FUND BALANCE - JANUARY 1</b>							299,468	
<b>FUND BALANCE - DECEMBER 31</b>			\$ -				\$ 315,159	

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, 2014

	HAZARDOUS MATERIALS TEAM				PUBLIC SAFETY COMMUNICATIONS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Intergovernmental revenue	\$ 216,881	\$ 507,678	\$ 53,221	\$ (454,457)	\$ -	\$ -	\$ -	\$ -
Charges for services			413,429	413,429	5,300,000	5,478,868	4,969,503	(509,365)
Investment income							2,400	2,400
Total revenues	216,881	507,678	466,650	(41,028)	5,300,000	5,478,868	4,971,903	(506,965)
<b>EXPENDITURES:</b>								
Police					7,210,433	7,000,000	6,386,179	613,821
Fire	564,120	800,000	683,171	116,829				
Total expenditures	564,120	800,000	683,171	116,829	7,210,433	7,000,000	6,386,179	613,821
Excess (deficiency) of revenues over (under) expenditures	(347,239)	(292,322)	(216,521)	75,801	(1,910,433)	(1,521,132)	(1,414,276)	106,856
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	347,239	292,322	216,521	(75,801)	1,910,433	1,521,132	1,416,676	(104,456)
Total other financing sources (uses)	347,239	292,322	216,521	(75,801)	1,910,433	1,521,132	1,416,676	(104,456)
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -	2,400	\$ 2,400
<b>FUND BALANCE - JANUARY 1</b>							2,150,656	
<b>FUND BALANCE - DECEMBER 31</b>			\$ -				2,153,056	

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, 2014

	HOTEL/MOTEL TAX				AUTOMOBILE RENTAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Selective sales tax	\$15,199,600	\$16,000,000	\$16,603,643	\$603,643	\$1,320,000	\$1,675,000	\$1,622,244	(\$52,756)
Total revenues	15,199,600	16,000,000	16,603,643	603,643	1,320,000	1,675,000	1,622,244	(52,756)
<b>EXPENDITURES:</b>								
Tourism enhancement	7,166,357	7,533,200	7,814,773	(281,573)				
Total expenditures	7,166,357	7,533,200	7,814,773	(281,573)				
Excess (deficiency) of revenues over (under) expenditures	8,033,243	8,466,800	8,788,870	322,070	1,320,000	1,675,000	1,622,244	(52,756)
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers out	(8,033,243)	(8,466,800)	(8,788,870)	(322,070)	(1,320,000)	(1,675,000)	(1,622,244)	52,756
Total other financing sources (uses)	(8,033,243)	(8,466,800)	(8,788,870)	(322,070)	(1,320,000)	(1,675,000)	(1,622,244)	52,756
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -
<b>FUND BALANCE - JANUARY 1</b>								
<b>FUND BALANCE - DECEMBER 31</b>			\$ -				\$ -	

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, 2014

	RECORDERS COURT TECHNOLOGY FEE				CONFISCATED ASSETS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 400,000	\$ 156,247	\$ (243,753)
Charges for services			611,550	611,550			516	516
Investment income								
Total revenues			611,550	611,550	200,000	400,000	156,763	(243,237)
<b>EXPENDITURES:</b>								
Police					200,000	400,000	359,390	40,610
Total expenditures					200,000	400,000	359,390	40,610
Excess (deficiency) of revenues over (under) expenditures			611,550	611,550			(202,627)	(202,627)
Net change in fund balance	\$ -	\$ -	611,550	\$ 611,550	\$ -	\$ -	(202,627)	\$ (202,627)
<b>FUND BALANCE - JANUARY 1</b>							497,114	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ 611,550</u>				<u>\$ 294,487</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, 2014

	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	\$ 164	\$ (99,836)
Investment income			1,003	1,003			32	32
Total revenues			1,003	1,003	100,000	100,000	196	(99,804)
<b>EXPENDITURES:</b>								
Debt Service:								
Principal	1,845,000	1,845,000	1,845,000		50,000	50,000		50,000
Interest and fiscal charges	299,588	1,155,000	299,588	855,412	50,000	50,000		50,000
Total expenditures	2,144,588	3,000,000	2,144,588	855,412	100,000	100,000		100,000
Excess (deficiency) of revenues over (under) expenditures	(2,144,588)	(3,000,000)	(2,143,585)	856,415	-	-	196	196
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	2,144,588	3,000,000	2,144,587	(855,413)				
Total other financing sources (uses)	2,144,588	3,000,000	2,144,587	(855,413)				
Net change in fund balance	\$ -	\$ -	1,002	\$ 1,002	\$ -	\$ -	196	\$ 196
<b>FUND BALANCE - JANUARY 1</b>			899,694				27,497	
<b>FUND BALANCE - DECEMBER 31</b>			<u>\$ 900,696</u>				<u>\$ 27,693</u>	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2014

	RESOURCE RECOVERY	CIVIC CENTER	GOLF COURSE	TOTAL
<b><u>ASSETS</u></b>				
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 2,016,606	\$ 93,565	\$ 2,110,171
Due from other funds		79,685		79,685
Inventories		44,486		44,486
Total current assets		2,140,777	93,565	2,234,342
Noncurrent assets:				
Restricted assets:				
Cash and investments		1,200,798		1,200,798
Accounts receivable		105,903		105,903
Capital assets:				
Land	1,592,559	606,537		2,199,096
Plant, buildings, stations, reservoirs, etc		18,005,706	229,083	18,234,789
Improvements, other than buildings		537,690	4,830,321	5,368,011
Machinery and equipment		1,921,296	54,443	1,975,739
Other capital assets		1,007,285	4,692	1,011,977
Less accumulated depreciation		(17,184,498)	(3,513,442)	(20,697,940)
Construction in progress		2,027,451	864,700	2,892,151
Total noncurrent assets	1,592,559	8,228,168	2,469,797	12,290,524
Total assets	1,592,559	10,368,945	2,563,362	14,524,866
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred amounts from refunding of debt		3,151		3,151
Total assets and deferred outflows of resources	\$ 1,592,559	\$ 10,372,096	\$ 2,563,362	\$ 14,528,017
<b><u>LIABILITIES AND NET POSITION</u></b>				
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 176,217	\$ -	\$ 176,217
Interest payable		4,042		4,042
Current portion of contractual obligations		500,843		500,843
Current portion of compensated absences		57,552		57,552
Payable from restricted assets:				
Customer deposits		1,306,702		1,306,702
Total current liabilities		2,045,356		2,045,356
Noncurrent liabilities:				
Compensated absences		132,320		132,320
Net OPEB obligation		63,754		63,754
Total noncurrent liabilities		196,074		196,074
Total liabilities		2,241,430		2,241,430
NET POSITION				
Net investment in capital assets	1,592,559	6,412,631	2,469,797	10,474,987
Unrestricted		1,718,035	93,565	1,811,600
Total net position	1,592,559	8,130,666	2,563,362	12,286,587
Total liabilities and net position	\$ 1,592,559	\$ 10,372,096	\$ 2,563,362	\$ 14,528,017

**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>RESOURCE RECOVERY</u>	<u>CIVIC CENTER</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>				
Rental fees	\$ -	\$ 1,066,625	\$ -	\$ 1,066,625
Recreation fees		441,963		441,963
Total operating revenues		1,508,588		1,508,588
<b>OPERATING EXPENSES:</b>				
Personal services		1,705,294		1,705,294
Contractual services		1,137,633		1,137,633
Commodities		179,488		179,488
Internal service		384,479		384,479
Depreciation		409,810	68,427	478,237
Total operating expenses		3,816,704	68,427	3,885,131
<b>Operating Income (Loss)</b>		(2,308,116)	(68,427)	(2,376,543)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest earned			110	110
Interest expense		(15,125)		(15,125)
Amortization		12,169		12,169
Total nonoperating revenues (expenses)		(2,956)	110	(2,846)
Income (loss) before contributions and transfers		(2,311,072)	(68,317)	(2,379,389)
<b>CAPITAL CONTRIBUTIONS</b>			1,200,000	1,200,000
<b>TRANSFERS IN</b>		2,400,037		2,400,037
Change in net position		88,965	1,131,683	1,220,648
Total net position - beginning	1,592,559	8,041,701	1,431,679	11,065,939
Total net position - ending	<u>\$ 1,592,559</u>	<u>\$ 8,130,666</u>	<u>\$ 2,563,362</u>	<u>\$ 12,286,587</u>

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED DECEMBER 31, 2014**

	<b>CIVIC CENTER</b>	<b>GOLF COURSE</b>	<b>TOTALS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,172,303	\$ -	\$ 2,172,303
Cash paid to suppliers	(1,348,561)		(1,348,561)
Cash paid to other funds for services	(384,479)		(384,479)
Cash paid to employees	(1,705,294)		(1,705,294)
Net cash provided (used) by operating activities	(1,266,031)	-	(1,266,031)
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>			
Repayment of due to (from) other funds	(6,911)		(6,911)
Transfers in	2,400,037		2,400,037
Net cash provided (used) by non capital financing activities	2,393,126	-	2,393,126
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	(465,000)		(465,000)
Interest paid	(11,136)		(11,136)
Acquisition and construction of capital assets	(488,849)	(10,286)	(499,135)
Net cash provided (used) by capital and related financing activities	(964,985)	(10,286)	(975,271)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	-	110	110
Net cash provided by investing activities	-	110	110
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	162,110	(10,176)	151,934
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$546,459 IN 2013)	3,055,294	103,741	3,159,035
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$1,200,798 IN 2014)	<u>\$ 3,217,404</u>	<u>\$ 93,565</u>	<u>\$ 3,310,969</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,308,116)	\$ (68,427)	\$ (2,376,543)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	409,810	68,427	478,237
Change in assets and liabilities:			
(Increase) decrease in receivables	(11,612)		(11,612)
(Increase) decrease in prepaid items and inventories	(5,183)		(5,183)
Increase (decrease) in accounts and other payables	649,070		649,070
Net cash provided (used) by operating activities	<u>\$ (1,266,031)</u>	<u>\$ -</u>	<u>\$ (1,266,031)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Contributions of capital assets from other entities	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2014**

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
ASSETS			
Current assets:			
Cash and investments	\$ 14,297,929	\$ 5,501,975	\$ 19,799,904
Receivables, net	36,697	1,103,072	1,139,769
Inventories	925,433		925,433
Total current assets	<u>15,260,059</u>	<u>6,605,047</u>	<u>21,865,106</u>
Capital assets:			
Plant, buildings, stations, reservoirs, etc	2,479,758		2,479,758
Improvements, other than buildings	419,908		419,908
Machinery and equipment	84,545,927		84,545,927
Less accumulated depreciation	<u>(56,003,814)</u>		<u>(56,003,814)</u>
Total noncurrent assets	<u>31,441,779</u>		<u>31,441,779</u>
Total assets	<u><u>\$ 46,701,838</u></u>	<u><u>\$ 6,605,047</u></u>	<u><u>\$ 53,306,885</u></u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,515,549	\$ 819,889	\$ 2,335,438
Current portion of compensated absences	178,520		178,520
Current portion of claims and judgments		4,189,921	4,189,921
Total current liabilities	<u>1,694,069</u>	<u>5,009,810</u>	<u>6,703,879</u>
Noncurrent liabilities:			
Compensated absences	231,994		231,994
Claims and judgments		4,154,755	4,154,755
Total noncurrent liabilities	<u>231,994</u>	<u>4,154,755</u>	<u>4,386,749</u>
Total liabilities	<u>1,926,063</u>	<u>9,164,565</u>	<u>11,090,628</u>
NET POSITION			
Net investment in capital assets	31,441,779		31,441,779
Unrestricted	<u>13,333,996</u>	<u>(2,559,518)</u>	<u>10,774,478</u>
Total net position	<u>44,775,775</u>	<u>(2,559,518)</u>	<u>42,216,257</u>
Total liabilities and net position	<u><u>\$ 46,701,838</u></u>	<u><u>\$ 6,605,047</u></u>	<u><u>\$ 53,306,885</u></u>

**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<b>REVOLVING</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 18,532,309	\$ -	\$ 18,532,309
Risk management fees		32,505,726	32,505,726
Total operating revenues	18,532,309	32,505,726	51,038,035
<b>OPERATING EXPENSES:</b>			
Depreciation	7,172,415		7,172,415
Central garage	5,146,627		5,146,627
Information services	5,643,946		5,643,946
Risk management		28,982,065	28,982,065
Total operating expenses	17,962,988	28,982,065	46,945,053
<b>Operating Income (Loss)</b>	569,321	3,523,661	4,092,982
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest earned	16,573	4,109	20,682
Gain (loss) on disposal of assets	653,591		653,591
Total nonoperating revenues (expenses)	670,164	4,109	674,273
Income (loss) before contributions	1,239,485	3,527,770	4,767,255
<b>CAPITAL CONTRIBUTIONS</b>	153,850		153,850
Change in net position	1,393,335	3,527,770	4,921,105
Total net position - beginning	43,382,440	(6,087,288)	37,295,152
Total net position - ending	\$ 44,775,775	\$ (2,559,518)	\$ 42,216,257

**CITY OF SAVANNAH, GEORGIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2014**

	REVOLVING	RISK MANAGEMENT	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from other funds for services	\$ 18,519,335	\$ -	\$ 18,519,335
Cash received for services and fees		32,783,432	32,783,432
Cash paid to suppliers	(9,875,100)		(9,875,100)
Cash paid for supplies and insurance		(30,002,229)	(30,002,229)
Net cash provided (used) by operating activities	<u>8,644,235</u>	<u>2,781,203</u>	<u>11,425,438</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital contribution	153,850		153,850
Proceeds from sale of equipment	727,111		727,111
Acquisition and construction of capital assets	(15,443,503)		(15,443,503)
Net cash provided (used) by capital and related financing activities	<u>(14,562,542)</u>	<u>-</u>	<u>(14,562,542)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	16,573	4,109	20,682
Net cash provided by investing activities	<u>16,573</u>	<u>4,109</u>	<u>20,682</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,901,734)	2,785,312	(3,116,422)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>20,199,663</u>	<u>2,716,663</u>	<u>22,916,326</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 14,297,929</u>	<u>\$ 5,501,975</u>	<u>\$ 19,799,904</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 569,321	\$ 3,523,661	\$ 4,092,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	7,172,415		7,172,415
Change in assets and liabilities:			
(Increase) decrease in receivables	(12,974)	277,706	264,732
(Increase) decrease in prepaid items	27,721		27,721
(Increase) decrease in inventories	8,777		8,777
Increase (decrease) in accounts payables	845,418	34,894	880,312
Increase (decrease) in compensated absences	33,557		33,557
Increase (decrease) in claims and judgments payable		(1,055,058)	(1,055,058)
Net cash provided (used) by operating activities	<u>\$ 8,644,235</u>	<u>\$ 2,781,203</u>	<u>\$ 11,425,438</u>



**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**TRUST FUNDS AND AGENCY FUNDS**  
**DECEMBER 31, 2014**

	<b>TRUST FUNDS</b>				<b>AGENCY FUNDS</b>		
	<b>PENSION TRUST</b>	<b>OLD PENSION TRUST</b>	<b>OPEB TRUST</b>	<b>TOTAL</b>	<b>RECORDERS COURT</b>	<b>FLEXIBLE BENEFITS</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 6,418,588	\$ 238,042	\$ 53,552,648	\$ 60,209,278	\$ 54,071	\$ 171,053	\$ 225,124
Accrued income	656,776			656,776			
Accounts receivable:							
From employers	17,713			17,713			
From participants	47,574			47,574		415	415
Investments, at fair value:							
U.S. government obligations	66,956,100			66,956,100			
Foreign corporate bonds	3,093,289			3,093,289			
Domestic corporate bonds	25,116,025			25,116,025			
Domestic stocks	133,202,052			133,202,052			
Domestic stock fund	35,039,683			35,039,683			
Foreign stocks	7,021,516			7,021,516			
International stock fund	30,291,884			30,291,884			
Real estate fund	24,205,581			24,205,581			
Total investments	<u>324,926,130</u>			<u>324,926,130</u>			
Total assets	<u>332,066,781</u>	<u>238,042</u>	<u>53,552,648</u>	<u>385,857,471</u>	<u>\$ 54,071</u>	<u>\$ 171,468</u>	<u>\$ 225,539</u>
<b><u>LIABILITIES AND NET POSITION</u></b>							
Liabilities:							
Payable from restricted assets:							
Accounts payable	\$ 312,531	\$ -	\$ -	\$ 312,531	\$ 54,071	\$ 6	\$ 54,077
Benefits payable						73,046	73,046
Benefit plan surplus						98,416	98,416
Total liabilities	<u>312,531</u>			<u>312,531</u>	<u>\$ 54,071</u>	<u>\$ 171,468</u>	<u>\$ 225,539</u>
Net Position:							
Held in trust for:							
Pension benefits	331,754,250	238,042		331,992,292			
OPEB			53,552,648	53,552,648			
Total net position	<u>\$ 331,754,250</u>	<u>\$ 238,042</u>	<u>\$ 53,552,648</u>	<u>\$ 385,544,940</u>			

**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<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:				
Employers	\$ 11,989,213	\$ -	\$ 11,318,014	\$ 23,307,227
Plan members	6,656,241		2,476,786	9,133,027
Total contributions	18,645,454		13,794,800	32,440,254
Investment income:				
Interest	2,180,289	277	55,645	2,236,211
Dividends	2,838,333			2,838,333
Real estate net income	1,649,044			1,649,044
Net appreciation (depreciation) in fair value of investments	17,737,801			17,737,801
Total investment income	24,405,467	277	55,645	24,461,389
Less investment expense	1,012,344			1,012,344
Net investment income (loss)	23,393,123	277	55,645	23,449,045
Total additions	42,038,577	277	13,850,445	55,889,299
<b>DEDUCTIONS</b>				
Benefits	22,121,380	20,575	6,613,431	28,755,386
Refunds of contributions	2,193,221			2,193,221
Administrative expense	99,358		278,369	377,727
Total deductions	24,413,959	20,575	6,891,800	31,326,334
Change in net position	17,624,618	(20,298)	6,958,645	24,562,965
Beginning of year - January 1	314,129,632	258,340	46,594,003	360,981,975
End of year - December 31	\$ 331,754,250	\$ 238,042	\$ 53,552,648	\$ 385,544,940

**CITY OF SAVANNAH, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>JANUARY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>DECEMBER 31, 2014</u>
<b>RECORDER'S COURT</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 48,160	\$ 4,782,307	\$ 4,776,396	\$ 54,071
Total assets	<u>\$ 48,160</u>	<u>\$ 4,782,307</u>	<u>\$ 4,776,396</u>	<u>\$ 54,071</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 48,160	\$ 4,782,307	\$ 4,776,396	\$ 54,071
Total liabilities	<u>\$ 48,160</u>	<u>\$ 4,782,307</u>	<u>\$ 4,776,396</u>	<u>\$ 54,071</u>
<b>FLEXIBLE BENEFITS PLAN</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 169,627	\$ 565,892	\$ 564,466	\$ 171,053
Accounts receivable	38	415	38	415
Total assets	<u>\$ 169,665</u>	<u>\$ 566,307</u>	<u>\$ 564,504</u>	<u>\$ 171,468</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 347	\$ 6	\$ 347	\$ 6
Benefits payable	68,570	566,270	561,794	73,046
Benefit plan surplus	100,748	16,428	18,760	98,416
Total liabilities	<u>\$ 169,665</u>	<u>\$ 582,704</u>	<u>\$ 580,901</u>	<u>\$ 171,468</u>
<b>TOTAL</b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and investments	\$ 217,787	\$ 5,348,199	\$ 5,340,862	\$ 225,124
Accounts receivable	38	415	38	415
Total assets	<u>\$ 217,825</u>	<u>\$ 5,348,614</u>	<u>\$ 5,340,900</u>	<u>\$ 225,539</u>
<b><u>LIABILITIES</u></b>				
Payable from restricted assets:				
Accounts payable	\$ 48,507	\$ 4,782,313	\$ 4,776,743	\$ 54,077
Benefits payable	68,570	566,270	561,794	73,046
Benefit plan surplus	100,748	16,428	18,760	98,416
Total liabilities	<u>\$ 217,825</u>	<u>\$ 5,365,011</u>	<u>\$ 5,357,297</u>	<u>\$ 225,539</u>

CITY OF SAVANNAH, GEORGIA  
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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
SALES TAX FUND I:								
	Local Road, Sidewalk and Drainage Projects		\$ 10,875,470					
DR0208	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, Clivald & 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	
TOTALS-SALES TAX FUND I		\$ 21,915,240	\$ 10,875,470	\$ 9,825,383	\$ 9,825,383	\$ -	\$ 9,825,383	\$ -

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

This schedule is continued on the next page.

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Total	Original	Current	Sales Tax Funded Expenditures				
		Estimated	Sales Tax	Estimated					
Project		Cost to be	Funding per	Cost to be					
Number		Funded from	Referendum	Funded by	Prior	Current	Total	Remaining	
		All Sources	Resolution	Sales Tax	Years	Year		Balance	
SALES TAX FUND II:									
	Savannah Roads, Sidewalks and Drainage		\$ 5,691,151						
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		
TOTALS SALES TX FUND II		\$ 21,218,081	\$ 5,691,151	\$ 6,989,767	\$ 6,489,767	\$ -	\$ 6,489,767	\$ 500,000	

NOTE: (1) This schedule list 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, 2014

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	Remaining Balance	
SPLOST 98-2003								
	Savannah Drainage Projects		\$ 77,500,000					
DR0111	Kayton Pump Station Phase 2	\$ 1,219,860		\$ 987,471	\$ 987,471	-	\$ 987,471	-
DR0112	Harman Canal Drainage Improvements	1,255,555		1,219,555	1,219,555		1,219,555	
DR0113	Kayton Canal Equipment Purchase	948,947		948,947	948,947		948,947	
DR0114	Kayton Railroad Bridge Replacement	513,231		513,231	513,231		513,231	
DR0115	Montgomery Crossroads Bridge	75,829		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	14,230,285		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	2,810,852		1,659,473	1,659,473		1,659,473	
DR0129	Local Match GEMA Grants	7,677,531		2,651,266	2,651,266		2,651,266	
DR0130	Kayton Spill Clean Up	1,093,173		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	245,993		245,993	245,993		245,993	
DR0215	Bilbo-North Casey Drainage	1,530,000		205,000	205,000		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	143,300		143,300	143,300.0		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	1,203,715		42,000	42,000		42,000	
DR0803	Jackson Woods Drainage-Phase 2	2,084,696		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	
DR0911	Casey South Drainage-Phase II	14,204,531		363,707				363,707
WT0510	Extension to Unserved Areas	115,854		58,437	58,437		58,437	
	Other Capital Outlay Projects		16,292,341					
OP0120	RR Roundhouse Battiefeld Park	1,528,258		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	54,256,315		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	599,254	787,500	577,950	524,989	5,778	530,767	47,183
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	
SQ0603	Historical Wall Preservation	1,097,217		200,000		138,928	138,928	61,072
SQ0701	Liberty Square Reconstruction	80,000		80,000				80,000
TE0502	MLK Median Installation	330,616		48,000	48,000		48,000	
OP0515	Fire Capital Outlay	229,535	250,000	172,566	172,566		172,566	
	Open Space Acquisition		3,339,424					
OP0339	Wilshire Complex	418,258		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	407,043	100	407,143	82,470
RE0612	Halbersham 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	
TOTALS SPLOST 98-2003 FUND		\$ 272,100,602	\$ 98,169,265	\$ 100,588,403	\$ 99,107,608	\$ 144,806	\$ 99,252,414	\$ 1,335,989

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.

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, 2014

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
SPLOST 2003-2008 FUND:								
	Savannah Roads, Sidewalks and Drainage		\$ 64,770,000					
DR0115	Montgomery Xrds Bridge	\$ 75,829		\$ 19,329	\$ 19,329	\$ -	\$ 19,329	\$ -
DR0122	Westside Pump Station & Line	14,230,285		1,500,575	1,500,575		1,500,575	
DR0127	Windsor Canal	2,810,852		1,143,379	1,143,379		1,143,379	
DR0204	Casey South Drainage	1,530,000		3,091,390	3,091,390		3,091,390	
DR0215	Bilbo-North Casey Drainage	24,607,402		425,000	425,000		425,000	
DR0305	Bilbo Drainage Improvements	15,786,216		15,508,841	15,508,841		15,508,841	
DR0306	Wilshire North Branch	9,480,032		7,753,341	7,753,341		7,753,341	
DR0503	Brick Line Replacement	350,188		192,941	32,125		32,125	160,816
DR0802	Placenta Phase I	1,203,715		1,160,868	1,160,868		1,160,868	
DR0803	Jackson Woods Drainage-Phase 2	2,084,696		1,977,224	1,977,224	6,829	1,977,224	
DR0804	Brick Line Replacement	753,723		753,723	753,723		753,723	
DR0809	Bilbo Drainage Improvements	2,000		2,000	2,000		2,000	
DR0904	Paradise Park Drainage Improvements	1,049,666		993,624	224,382		224,382	769,242
DR0905	Springfield Drainage Improvements	1,000,000		1,000,000	230,462		230,462	769,538
DR0906	Sylvan Terrace Sub-basin	17,553		17,553	17,553		17,553	
DR0911	Casey South Drainage-Phase II	14,204,531		13,837,113	1,442,222	89,577	1,531,799	12,305,314
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	14,969		14,969	85,031
SP0115	Fernwood-Parkwood Curb-Gutter	1,744,215		1,744,215	1,724,395	19,820	1,744,215	
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	1,904,931		212,510	212,510		212,510	
SP0413	Rivertree 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	706,227		267,000	267,000		267,000	
TE0205	Gwinnett Street Improvements	1,397,551		1,397,551				1,397,551
TE0305	LaRoche-Delesses Widening	1,977,243		1,944,501	32,742		32,742	1,911,759
TE0310	President Street-General McIntosh Improvements	32,092,724		1,924,864			1,924,864	
TE0512	Jimmy DeLoach Parkway Signal	126,590		29,069	29,069		29,069	
TE0613	Taterville Sound Barrier	1,214,904		1,214,904	1,207,584	7,320	1,214,904	
TE0708	LaRoche-Delesses Design	779,018		640,595	236,458	171	236,629	403,966
TE0709	Gwinnett St. Widening Design	706,435		590,449	590,449	34,073	544,175	46,274
TE0813	Traffic Signal-Chatham Parkway	155,498		135,931	135,931		135,931	
SQ0411	MLK Median Landscaping	833,130		11,452	11,452		11,452	
SQ0804	MLK Streetscape	4,023,924		3,364,548	3,174,615	105,616	3,280,231	84,317
	Parks, Recreation and Squares		22,231,471					
PB0821	Cultural Arts Center	20,400,000		3,000,000	3,000,000		3,000,000	
PB0826	Westside Land Assemblage	3,704,446		2,759,500	2,759,500		2,759,500	
PB0831	Battlefield Park Roundhouse	186,255		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	
UD0220	Bacon Park Athletic Field Rehab Other Capital Outlay	787,802	9,339,424	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	Paulsen 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	
PB0121	Ellis Square Parking Garage	54,256,315		7,114,296	3,853,078	421,795	4,294,873	2,859,423
PB0634	Moses Jackson Center Roof	945,838		14,644	14,644		14,644	
PB0730	Bacon Park Tennis Courts Reconstr.	371,868		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	1,120,907		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	Faller 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	366,500		6,500				6,500
PD0309	Waters Avenue Corridor	2,616,479		367,831	367,831		367,831	
PD0310	Youth Advancement Center	839,173		416,000	398,466	1,930	398,416	17,584
PD0400	Savannah Gardens Phase I	13,120,754		242,766	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	114,224		114,224	114,224		114,224	
PD0806	Augusta Avenue Revitalization	1,004,989		57,312	57,312	57,312	57,312	356,782
PD0808	WS-Tree Lawn & Buffering	10,012		10,012	10,012		10,012	
PD0902	Montgomery-Meeting-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 Rebricking	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	97,490		97,490	97,490		97,490	
	Public Safety Equipment	1,241,500	1,300,000	1,241,500	1,241,500		1,241,500	
TOTALS SPLOST 2003-2008 FUND		\$ 272,972,255	\$ 97,640,895	\$ 105,451,142	\$ 80,695,745	\$ 759,087	\$ 81,454,832	\$ 23,996,310

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.

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

PROJECT NUMBER		Total	Original	Current	Sales Tax Funded Expenditures			
		Estimated Cost to be Funded from All Sources	Sales Tax Funding per Intergovernmental Agreement	Estimated Cost to be Funded by Sales Tax	PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance
SPLOST 2009-2014 FUND:								
	City of Savannah Projects		\$ 160,000,000					
DR0215	Bilbo-North Casey Drainage	\$ 1,530,000		\$ 900,000	\$ 815,875	\$ 45,038.00	\$ 860,913	\$ 39,087
DR0600	SPLOST 5 Drainage	12,500,000		12,500,000				12,500,000
DR0602	Baldwin Park Drainage	3,900,000		3,900,000	208,139	3,369,199	3,577,338	322,662
PD0301	Ogeechee Road Streetscape	356,500		350,000				350,000
PD0308	Fellwood Homes Site Infrastructure	3,658,417		3,658,417	3,658,417		3,658,417	
PD0309	Water Avenue Streetscape	2,616,479		2,248,648	316,210	303,650	619,860	1,628,788
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	59,695	83,762	143,457	156,543
OP0208	Children's Museum - Battlefield Park	6,535,504		6,500,000	6,500,000		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	2,910,724	80,233	2,990,957	9,043
PB0821	Cultural Arts Center	20,400,000		17,400,000	694,442	336,241	1,030,683	16,369,317
RE0309	Coffee Bluff Fishing Pier	5,120,500		4,490,000	3,939,454	541,333	4,480,787	9,213
RE0805	Daffin Park Master Plan	4,939,797		1,000,000	296,303	23,473	319,776	680,224
CC0206	Civic Center Arena	124,462,178		19,462,178	51,796	26,199	77,995	19,384,183
OP0136	Public Safety Video Surveillance	1,250,005		1,250,005	973,454	203,571	1,177,025	72,980
OP0651	E911 System Upgrade	379,262		379,262	356,571		356,571	22,691
PB0138	Savannah Public Services Complex	909,089		495,803	495,803		495,803	
PB0423	New Fire Stations	3,250,000		3,217,102	3,213,023	4,079	3,217,102	
PB0426	Waters Ave Property Purchase	1,949,014		1,949,014	1,922,805	26,209	1,949,014	
PB0149	SCMPD Central Precinct	6,012,114		6,012,114		8,599	8,599	6,003,515
PB0428	Public Safety Headquarters	1,058,872		1,058,872	1,058,872		1,058,872	
PB0526	Command Control Center	993,248		16,738	16,738		16,738	
PB0637	Fire Training Facility	1,397,000		1,282,898	21,054	76,611	97,665	1,185,233
PB0828	Westside Land Assemblage	3,704,446		923,304	823,304		823,304	100,000
PB0836	Savannah Public Safety Metroplex	12,082,055		11,330,000	5,385,380	2,829,003	8,214,383	3,115,617
PD0400	Savannah Gardens Phase I	13,120,754		11,055,577	10,414,184	61,860	10,476,044	579,533
PD0601	MLK Corridor-Savannah Pharmacy	2,002,400		2,000,000	149,060	147,600	296,660	1,703,340
TOTALS SPLOST 2009-2014 FUND		\$ 241,396,283	\$ 160,000,000	\$ 120,632,564	\$ 45,432,584	\$ 8,166,660	\$ 53,599,245	\$ 67,033,320

- 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, 2014**

		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			
PROJECT NUMBER					PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance
SPLOST 2014-2020 FUND:								
	City of Savannah Projects		\$ 190,000,000					
AL0100	SPLOST 6-District 1	\$ 1,500,000		\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
AL0200	SPLOST 6-District 2	1,400,000		1,400,000			-	1,400,000
AL0201	Bee Road Park-District 2	100,000		100,000			-	100,000
AL0300	SPLOST 6-District 3	1,500,000		1,500,000			-	1,500,000
AL0400	SPLOST 6-District 4	1,500,000		1,500,000			-	1,500,000
AL0500	SPLOST 6-District 5	1,500,000		1,500,000			-	1,500,000
AL0600	SPLOST 6-District 6	1,500,000		1,500,000			-	1,500,000
CC0206	New Cc Arena	124,462,178		105,000,000			-	105,000,000
DR0131	Drainage Box Rehabilitations	9,310,000		9,310,000			-	9,310,000
DR0132	Placentia Basin Drainage Impro	7,000,000		7,000,000			-	7,000,000
DR0308	Bilbo Box Culvert Impro	4,600,000		4,600,000		555,835	555,835	4,044,165
OP0144	Savannah Children's Museum	1,500,000		1,500,000			-	1,500,000
OP0145	Pedestrian Wayfinding Signage	500,000		500,000			-	500,000
OP0146	Wireless/Fiber Infrastructure	1,000,000		1,000,000			-	1,000,000
OP0414	Traffic Calming Devices	830,013		550,000			-	550,000
OP0932	Radio Network Infrastructure	4,500,000		4,500,000		96,892	96,892	4,403,108
PB0148	Grant Center	2,000,000		2,000,000			-	2,000,000
PB0150	Hutchinson Is Public Safe Faci	4,110,255		4,110,255			-	4,110,255
PB0533	Fire Station Sweetwater	3,121,745		2,889,745			-	2,889,745
PB0842	Tomkins Ctr Renov & Expansion	1,400,000		1,000,000			-	1,000,000
PB0929	Family Resource Center Penn Av	7,250,000		7,250,000		830	830	7,249,170
PD0117	Hitch Village Redevelopment	6,754,000		6,754,000			-	6,754,000
RE0124	Southside Park Development	1,500,000		1,500,000			-	1,500,000
RE0125	Athletic Field Turf	1,600,000		1,600,000			-	1,600,000
SQ0101	Riverwalk Extension at Marriot	1,536,000		1,536,000			-	1,536,000
SQ0102	Victory Drive Corridor Impr	1,000,000		1,000,000			-	1,000,000
SQ0103	Factors Walk Wall Restoration	600,000		600,000			-	600,000
TE0309	Derenne Ave Traffic Anl	17,587,951		11,800,000			-	11,800,000
TE0310	President St Imprvmnts	32,092,724		5,000,000			-	5,000,000
TOTALS SPLOST 2009-2014 FUND		\$ 243,254,866	\$ 190,000,000	\$ 190,000,000	\$ -	\$ 653,557	\$ 653,557	\$ 189,346,443

NOTE: 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 HOTEL/MOTEL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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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	\$ 16,603,643	
Expenditures made to:		
Convention and Visitors Bureau	\$ 5,533,994	33.33%
Georgia International & Maritime Trade Center	\$ 2,280,779	13.74%
Savannah Civic Center	\$ 487,049	2.93%

**CITY OF SAVANNAH, GEORGIA**  
**SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

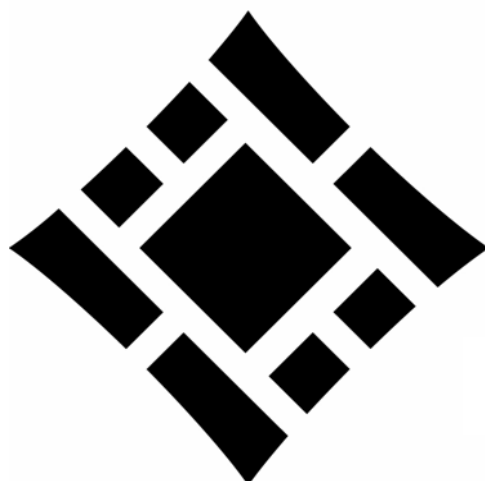
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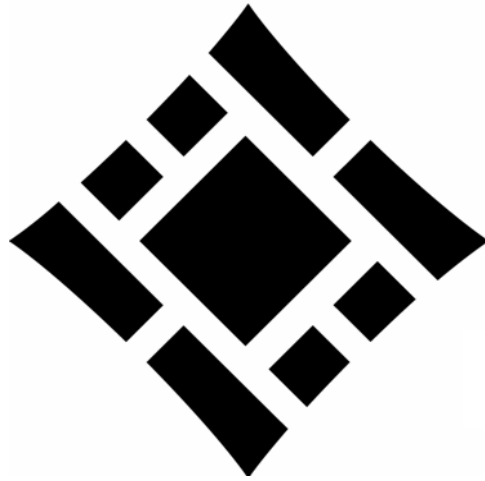
During 2014, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Rental motor vehicle tax	\$ 1,622,244	
Transfers made to:		
General Fund	\$ 405,561	25.00%
Civic Center Fund	\$ 1,216,683	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.

Contents	Pages
Financial Trends	116-120
<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	121-124
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	125-129
<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	130-131
<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	132-139
<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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 347,514	\$ 373,002	\$ 439,045	\$ 483,504	\$ 518,489	\$ 534,164	\$ 557,007	\$ 564,537	\$ 564,426	\$ 577,032
Restricted	53,328	65,605	78,722	55,819	51,637	37,174	86,329	105,611	124,687	147,790
Unrestricted	70,479	87,831	83,379	92,040	73,444	83,795	44,063	47,384	50,174	51,512
Total governmental activities net position	<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>	<u>\$ 776,334</u>
Business-type activities										
Net investment in capital assets	\$ 192,485	\$ 217,173	\$ 219,644	\$ 246,580	\$ 260,204	\$ 255,749	\$ 267,671	\$ 276,219	\$ 282,641	\$ 294,940
Restricted	226	283	349	384	2,328	2,336	2,395	2,344	2,345	2,367
Unrestricted	102,190	90,300	106,703	91,201	82,735	91,229	99,157	106,927	118,497	131,454
Total business-type activities net position	<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>	<u>\$ 428,761</u>
Primary government										
Net investment in capital assets	\$ 539,999	\$ 590,175	\$ 658,689	\$ 730,084	\$ 778,693	\$ 789,913	\$ 824,678	\$ 840,756	\$ 847,067	\$ 871,972
Restricted	53,554	65,888	79,071	56,203	53,965	39,510	88,724	107,955	127,032	150,157
Unrestricted	172,669	178,131	190,082	183,241	156,179	175,024	143,220	154,311	168,671	182,966
Total primary government net position	<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>	<u>\$1,205,095</u>



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

Expenses	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
General administration	\$ 2,159	\$ 2,410	\$ 2,701	\$ 3,214	\$ 3,573	\$ 4,898	\$ 29,825	\$ 4,412	\$ 4,497	\$ 4,624
Management and financial services	5,074	4,580	5,917	6,529	6,957	5,977	2,156	4,042	4,368	4,196
Facilities maintenance	30,519	33,227	35,181	43,897	33,777	32,327	33,226	36,409	39,905	41,996
Police	52,052	55,392	63,125	69,067	67,048	65,473	55,339	67,822	65,396	65,091
Recorder's court	1,810	1,818	2,113	2,228	2,229	2,225	1,856	2,284	2,159	2,234
Fire	19,120	19,020	22,472	24,999	25,236	25,479	21,009	26,319	25,579	26,316
Leisure services	13,245	13,106	15,895	17,266	21,530	22,508	17,459	21,688	21,692	22,197
Tourism enhancement	6,281	7,625	8,448	8,889	8,364	8,923	8,365	9,109	8,665	10,487
Social and cultural	2,015	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954	1,457
Public development	6,500	10,012	14,096	12,369	12,544	12,229	8,317	9,165	6,281	6,256
Grant program and administration	9,440	3,585	5,492	6,718	5,531	8,533	5,925	5,646	5,426	4,201
Community development program and administration	12,138	11,977	15,450	12,278	12,933	10,064	11,566	10,644	9,464	8,906
Interest on long-term debt	1,136	1,126	1,090	1,020	1,128	1,185	1,083	998	959	763
Interest on capital leases	299	484	466	355	69	54	39	23	6	
Total governmental activities expenses	<u>161,786</u>	<u>166,396</u>	<u>194,312</u>	<u>210,833</u>	<u>202,630</u>	<u>201,669</u>	<u>197,808</u>	<u>200,279</u>	<u>196,351</u>	<u>198,724</u>
<b>Business-type activities:</b>										
Water and sewer	43,604	45,234	48,893	51,395	52,322	52,818	48,673	53,239	53,493	54,257
Sanitation	26,586	36,956	29,420	26,334	25,960	23,095	20,842	23,257	23,584	22,837
Parking facilities	5,476	5,155	5,455	7,555	10,125	10,569	9,487	10,264	10,209	10,702
Civic center	2,825	2,924	3,073	3,147	2,943	3,215	2,906	3,100	3,723	3,820
Golf course	152	126	95	64	62	58	42	39	33	68
Resource recovery	14,980	18,414	8,261	2,510						
Total business-type activities expenses	<u>93,623</u>	<u>108,809</u>	<u>95,197</u>	<u>91,005</u>	<u>91,412</u>	<u>89,755</u>	<u>81,950</u>	<u>89,899</u>	<u>91,042</u>	<u>91,684</u>
Total primary government expenses	<u>\$ 255,408</u>	<u>\$ 275,205</u>	<u>\$ 289,509</u>	<u>\$ 301,838</u>	<u>\$ 294,042</u>	<u>\$ 291,424</u>	<u>\$ 279,758</u>	<u>\$ 290,178</u>	<u>\$ 287,393</u>	<u>\$ 290,408</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Management and financial services	\$ 2,795	\$ 2,612	\$ 2,564	\$ 2,620	\$ 2,765	\$ 2,871	\$ 2,894	\$ 2,950	\$ 2,791	\$ 2,760
Facilities maintenance	1,068	3,065	2,956	3,793	3,389	4,826	666	563	853	655
Police	18,479	20,675	22,387	23,881	23,672	23,891	23,833	24,819	25,007	25,185
Recorder's court	3,578	3,424	3,156	2,569	2,690	2,845	2,783	2,805	2,690	3,201
Fire	223	191	207	438	313	305	243	364	386	677
Leisure services	641	733	816	785	755	824	807	859	874	783
Tourism enhancement			30	1,065	1,046	1,149	1,167	1,170	1,243	1,281
Public development	2,678	3,327	3,417	2,744	1,629	2,032	1,859	2,663	2,896	3,110
Grant program and administration	10	596	301		5					
Community development program and administration	222	4,721	11,437	3,948	5,599	3,645	2,922	3,894	1,776	3,491
Operating grants and contributions	12,388	10,104	10,679	12,642	12,784	15,244	15,879	11,867	9,439	8,223
Capital grants and contributions	26,946	31,708	66,108	34,285	16,980	12,844	40,144	35,836	37,677	36,053
Total governmental activities program revenues	<u>69,027</u>	<u>81,156</u>	<u>124,058</u>	<u>88,770</u>	<u>71,627</u>	<u>70,476</u>	<u>93,197</u>	<u>87,790</u>	<u>85,632</u>	<u>85,419</u>
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer	46,544	51,179	55,034	56,038	57,062	58,397	59,683	61,648	64,146	67,754
Sanitation	27,450	27,658	26,873	22,182	20,564	19,844	21,574	24,982	25,424	26,901
Parking facilities	6,532	7,126	7,481	8,219	10,073	11,032	11,179	12,125	11,964	12,331
Civic center	1,376	1,374	1,212	1,417	1,303	1,404	1,654	1,483	1,651	1,509
Golf course	166	146	169	85	85	62				
Resource recovery	14,972	18,414	8,261	2,510						
Operating grants and contributions		48	45	41	49	54	70	71	63	54
Capital grants and contributions				14,489	5,476	1,064	950	530	942	4,685
Total business-type activities program revenues	<u>97,040</u>	<u>105,945</u>	<u>99,075</u>	<u>104,981</u>	<u>94,612</u>	<u>91,857</u>	<u>95,110</u>	<u>100,839</u>	<u>104,190</u>	<u>113,234</u>
Total primary government program revenues	<u>\$ 166,067</u>	<u>\$ 187,101</u>	<u>\$ 223,133</u>	<u>\$ 193,751</u>	<u>\$ 166,239</u>	<u>\$ 162,333</u>	<u>\$ 188,307</u>	<u>\$ 188,629</u>	<u>\$ 189,822</u>	<u>\$ 198,653</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (92,758)	\$ (85,240)	\$ (70,254)	\$ (122,063)	\$ (131,003)	\$ (131,193)	\$ (104,611)	\$ (112,489)	\$ (110,719)	\$ (113,305)
Business-type activities	3,417	(2,864)	3,878	13,976	3,200	2,102	13,160	10,940	13,148	21,550
Total primary government net expense	<u>\$ (89,341)</u>	<u>\$ (88,104)</u>	<u>\$ (66,376)</u>	<u>\$ (108,087)</u>	<u>\$ (127,803)</u>	<u>\$ (129,091)</u>	<u>\$ (91,451)</u>	<u>\$ (101,549)</u>	<u>\$ (97,571)</u>	<u>\$ (91,755)</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 43,684	\$ 50,918	\$ 53,742	\$ 57,794	\$ 61,664	\$ 62,386	\$ 55,607	\$ 55,627	\$ 59,874	\$ 62,590
Intangible, transfer and franchise taxes	15,479	16,236	17,128	19,055	17,163	17,713	18,852	18,735	19,014	19,369
General sales taxes	37,636	43,752	43,196	43,680	36,287	38,860	39,962	42,623	36,115	37,198
Selective sales taxes	13,746	15,373	16,440	16,418	15,209	16,493	17,445	19,171	19,975	22,752
Business taxes	7,248	7,691	7,974	8,109	7,977	7,853	7,018	7,441	7,669	8,047
Penalties and interest on delinquent taxes	862	746	474	428	632	860	1,422	1,064	1,216	920
Grants and contributions not restricted to specific programs	2,075	2,108	1,988	534	2,995	1,093	1,076	1,131	1,393	1,075
Investment earnings, unrestricted	2,917	4,549	5,645	3,044	993	396	195	180	47	69
Gain on sale of capital assets				5,042	1,494	484	670	810	320	659
Miscellaneous	1,178	1,548	747	765	716	395	592	389	504	598
Contributions to cemetery perpetual care	179	220	234	207	202	154	180	212	240	288
Extraordinary items									(9,530)	
Transfers	(3,897)	(2,783)	(2,607)	(2,796)	(2,122)	(3,930)	(6,143)	(4,761)	(4,363)	(3,213)
Total governmental activities	121,106	140,358	144,961	152,280	143,210	142,757	136,876	142,622	132,474	150,352
Business-type activities:										
Grants and contributions not restricted to specific programs	11,106	6,553	6,089		1,145	433	223	150	51	102
Investment earnings, unrestricted	3,308	6,204	6,170	3,329	89	6	19	3	(1)	
Gain on sale of capital assets										
Miscellaneous	730	179	195	395	545	416	365	412	433	413
Special items				(9,026)		(2,841)				
Transfers	3,897	2,783	2,607	2,796	2,122	3,930	6,143	4,761	4,363	3,213
Total business-type activities	19,041	15,719	15,061	(2,506)	3,901	1,944	6,750	5,326	4,846	3,728
Total primary government	<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>	<u>\$ 154,080</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 28,348	\$ 55,118	\$ 22,898	\$ 152,280	\$ 12,017	\$ 38,146	\$ 24,387	\$ 31,903	\$ 21,755	\$ 37,047
Business-type activities	22,458	12,855	29,037	(2,506)	6,003	15,104	17,690	18,619	17,994	25,278
Total primary government	<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>	<u>\$ 62,325</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Fund										
Reserved	\$ 958	\$ 1,160	\$ 1,331	\$ 1,248	\$ 1,546	\$ 1,551	\$ -	\$ -	\$ -	\$ -
Unreserved	17,114	18,751	20,380	20,724	21,382	21,837				
Committed							2,063	2,217	2,119	2,275
Unassigned							31,116	31,285	31,766	32,510
Total general fund	<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>	<u>\$ 34,785</u>
All other governmental funds										
Reserved	\$ 46,539	\$ 57,306	\$ 66,340	\$ 59,558	\$ 73,312	\$ 66,016	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,316	2,489	8,482	14,936	21,618	27,783				
Debt service funds	775	813	857	883	893	896				
Capital projects funds	32,369	39,114	41,178	38,419	21,756	18,773				
Nonspendable, reported in										
Special revenue funds							5,122	5,344	5,571	5,829
Restricted, reported in										
Special revenue funds							3,575	3,578	3,874	4,303
Capital projects funds							55,199	72,633	90,960	112,837
Committed, reported in										
Capital projects funds							29,938	30,519	35,533	36,981
Total all other governmental funds	<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>	<u>\$ 159,950</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									
Revenues	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxes	\$ 119,269	\$ 132,517	\$ 140,939	\$ 143,934	\$ 139,814	\$ 142,136	\$ 143,588	\$ 146,313	\$ 144,964	\$ 151,103
Licenses and permits	3,705	4,383	4,609	3,918	2,900	1,693	3,185	3,914	4,239	4,598
Intergovernmental	37,091	40,399	39,312	34,061	19,088	23,036	51,218	47,812	47,172	43,333
Charges for services	23,261	25,698	32,201	30,326	30,623	28,109	29,585	30,396	30,890	31,938
Fines	3,869	3,854	3,453	2,890	2,977	3,090	3,136	2,984	2,752	2,753
Investment earnings	2,909	5,106	6,659	3,930	1,292	473	218	214	288	668
Special assessments	21	10	6	8	5	4	2	1	1	
Miscellaneous	6,050	7,429	6,004	7,293	8,064	12,121	6,938	6,210	5,703	5,991
Total revenues	<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>	<u>240,384</u>
Expenditures										
General administration	1,995	2,394	2,820	2,998	3,018	3,017	29,052	4,230	4,398	4,162
Management and financial services	8,428	7,979	8,386	9,405	9,168	8,779	7,712	7,526	7,695	7,847
Facilities maintenance	20,052	20,916	22,125	30,940	21,274	19,065	22,026	23,657	27,580	29,127
Police	51,140	57,206	58,474	65,097	63,923	62,155	63,880	66,909	66,633	66,883
Recorder's court	1,820	1,934	2,031	2,117	2,143	2,126	2,149	2,272	2,231	2,311
Fire	17,651	19,657	21,152	23,163	23,754	23,919	23,924	25,506	25,890	26,701
Leisure services	12,132	12,827	13,668	14,725	19,130	20,034	19,163	20,085	20,576	20,907
Tourism enhancement				8,784	8,334	8,903	8,421	9,109	8,670	10,494
Social and cultural	2,015	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954	1,457
Public development	4,051	5,287	8,434	12,763	13,046	12,974	10,209	10,113	7,564	7,474
Other governmental services	14,324	19,083	16,112							
Grant program and administration	6,788	4,462	5,356	6,616	5,700	8,706	6,140	5,388	5,835	4,244
Community development program and administration	10,979	10,674	15,040	10,849	11,438	8,576	10,522	9,331	8,113	7,678
Capital outlay	39,778	30,303	35,590	40,450	34,238	27,807	34,719	27,036	17,664	20,209
Debt service										
Principal	167	167	1,487	1,540	18,610	2,377	2,462	2,625	2,680	13,180
Interest	1,139	1,129	1,119	1,050	1,083	1,040	1,120	1,025	991	933
Bond issuance costs										174
Total expenditures	<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>	<u>223,781</u>
Excess of revenues over (under) expenditures	<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>	<u>16,603</u>
Other financing sources (uses)										
Transfers in	23,820	26,316	32,992	21,259	22,818	25,947	17,972	22,841	18,871	23,757
Transfers out	(27,717)	(29,098)	(33,581)	(23,837)	(24,083)	(29,473)	(23,137)	(25,592)	(22,159)	(26,157)
Debt issuance proceeds					37,000	485	595			9,970
Premium on bond debt					505					738
Proceeds from the sale of capital assets				5,920	706					
Total other financing sources (uses)	<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>	<u>8,308</u>
Net change in fund balances	<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>	<u>\$ 24,911</u>
Debt service as a percentage of noncapital expenditures	0.9%	0.8%	1.5%	1.3%	10.6%	1.9%	1.7%	1.9%	1.4%	6.9%

**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	
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
2014	3,828,096	9,570,239	827,087	2,067,718	96,290	240,725	4,751,473	11,878,683	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>
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
2014	12.480	0.200	15.881	11.543	1.000	0.100	41.204

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	2014			2005		
		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	\$ 50,824,401	1	1.07%	\$ 36,344,761	2	1.01%
Oglethorpe Mall, LLC	Regional Shopping Mall	31,691,398	2	0.67%	27,903,600	5	0.78%
Home Depot	Distribution Center	29,899,234	3	0.63%	33,906,033	3	0.94%
Gulfstream Aerospace Corporation	Airplane manufacturer	29,778,411	4	0.63%	49,174,091	1	1.37%
International Paper Company	Paper Manufacturer	29,517,958	5	0.62%	32,778,000	4	0.91%
Columbia Properties Savannah	Regional Shopping Mall	28,720,000	6	0.60%	19,426,920	7	0.54%
HH Savannah LLC	Hyatt Hotel	25,733,144	7	0.54%	13,012,000	10	0.36%
Dollar Tree Stores Inc.	Distribution Center	19,373,997	8	0.41%			
CWT Savannah Hotel LLC	Westin Hotel	18,976,520	9	0.40%	15,348,600	9	0.43%
Oglethorpe Associates	Hampton Inn and Suites	16,426,760	10	0.35%			
Bell South	Telephone utility				25,140,024	6	0.70%
CS Hotels, LP	Marriott Hotel				15,878,800	8	0.44%
Totals		<u>\$ 280,941,823</u>		<u>5.91%</u>	<u>\$ 268,912,829</u>		<u>7.48%</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>
2005	\$ 44,905,647	\$ 40,996,707	91.3%	\$ 3,873,132	44,869,839	99.9%
2006	50,636,416	45,646,009	90.1%	4,927,360	50,573,368	99.9%
2007	57,029,874	51,966,832	91.1%	4,876,617	56,843,449	99.7%
2008	61,196,939	53,992,912	88.2%	6,839,175	60,832,087	99.4%
2009	63,355,201	53,862,308	85.0%	9,124,821	62,987,129	99.4%
2010	62,969,871	54,681,460	86.8%	7,872,112	62,553,572	99.3%
2011	58,361,303	51,491,991	88.2%	6,385,131	57,877,122	99.2%
2012	57,603,609	52,436,392	91.0%	4,565,754	57,002,146	99.0%
2013	57,477,943	52,608,040	91.5%	4,042,155	56,650,195	98.6%
2014	58,399,742	53,648,991	91.9%		53,648,991	91.9%

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			
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	3.9%	\$ 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	3.2%	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	3.2%	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	2.9%	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	3.6%	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%	1,274
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	2.7%	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	2.2%	941
2014		25,365,000	600,000			19,855,000	24,161,046		14,500,000	30,090,000	485,000	115,056,046	2.0%	844

**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>
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
2014	-	4,751,473	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, 2014**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt*</b>
<b>City of Savannah</b>			
General Obligation Bonded Debt	\$ -	100.0%	\$ -
Contractual Obligations:			
Resource Recovery Development Authority	14,500,000	100.0%	14,500,000
Downtown Savannah Authority (Capital Improvement Project)	5,755,000	100.0%	5,755,000
Downtown Savannah Authority (Parking Improvements)	24,820,000	100.0%	24,820,000
Downtown Savannah Authority (Stormwater Improvements)	<u>25,365,000</u>	100.0%	<u>25,365,000</u>
<b>Total Direct General Obligation Supported Bonded Debt</b>	<u>70,440,000</u>		<u>70,440,000</u>
<b>Chatham County</b>			
Contractual Obligations:			
Downtown Savannah Authority (Chatham County Projects), Series 2005	10,238,483	43.3%	4,437,359
Downtown Savannah Authority (Chatham County Projects), Series 2005A	3,944,267	43.3%	1,709,445
Downtown Savannah Authority (Union Mission), Series 2009	2,060,000	43.3%	892,804
Downtown Savannah Authority (Union Mission), Series 2011	2,680,000	43.3%	1,161,512
Mosquito Control Facility	3,699,106	43.3%	1,603,193
<b>Savannah/Chatham County School Board</b>			
General Obligation Bonded Debt	48,457,887	43.3%	21,001,648
Capital Leases	<u>11,937,255</u>	43.3%	<u>5,173,606</u>
<b>Total Indirect General Obligation Supported Bonded Debt</b>	<u>83,016,998</u>		<u>35,979,567</u>
<b>Total Direct and Indirect General Obligation Supported Bonded Debt</b>	<u><u>\$153,456,998</u></u>		<u><u>\$ 106,419,567</u></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 2014**

Assessed value 2014 Tax Roll	<u>\$ 4,751,472,819</u>
General Bonded Debt Limit, 10% of Assessed Value	\$ 475,147,282
Debt applicable to limit:	
Total bonded debt	\$ 35,510,798
Less: revenue bonds	<u>(35,510,798)</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 475,147,282</u>

	<b>Fiscal Year</b>									
	<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>	<u>2014</u>
Debt Limit	\$ 359,355,708	\$ 410,207,224	\$ 461,061,466	\$ 498,659,695	\$ 501,024,955	\$ 476,848,044	\$ 453,992,798	\$ 453,562,744	\$ 460,317,459	\$ 475,147,282
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>\$ 460,317,459</u>	<u>\$ 475,147,282</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	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections <sup>3</sup>	Debt Service		Coverage
		Expenses & Transfers Out <sup>2</sup>		Principal	Interest			Principal	Interest	
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	-	-	-
2014	67,952	40,622	27,330	3,035	1,411	6.15	196	-	-	-

<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>
2005	132,985	\$ 4,631,336	\$ 34,989	\$ 5,562	3.8%	41,571
2006	132,985	4,939,861	37,385	6,464	3.6%	41,225
2007	132,985	5,218,996	39,259	6,409	4.3%	40,520
2008	132,985	5,425,655	40,137	6,128	6.8%	40,244
2009	132,985	5,111,810	38,529	5,846	8.7%	41,152
2010	136,285	5,431,230	39,279	5,780	9.1%	40,973
2011	136,285	5,653,102	41,664	6,058	8.8%	41,588
2012	136,285	5,546,391	41,295	6,328	8.0%	42,064
2013	136,285	5,704,754	41,859	6,367	6.6%	42,349
2014	136,285	5,761,801 *	42,278 *	6,526	5.9%	43,438

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>2014</b>			<b>2005</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	10,126	1	7.85%	4,505	2	3.76%
Memorial Health University Medical Center	5,000	2	3.88%	5,473	1	4.57%
Savannah-Chatham Board of Education	4,808	3	3.73%			
Ft. Stewart/Hunter Army Airfield	4,637	4	3.59%			
St. Joseph's/Cander Health System	3,304	5	2.56%	3,400	3	2.84%
City of Savannah	2,795	6	2.17%			
Savannah College of Art and Design	1,590	7	1.23%			
Chatham County	1,578	8	1.22%			
Georgia Ports Authority	988	9	0.77%			
Armstrong Atlantic State University	602	10	0.47%			
Wal-Mart				2,421	4	2.02%
Georgia-Pacific Corporation				1,420	5	1.18%
Kroger				1,100	6	0.92%
International Paper				1,027	7	0.86%
The Home Depot				840	8	0.70%
Great Dane Trailers				650	9	0.54%
Savannah Electric				550	10	0.46%
Total	35,428		27.5%	21,386		17.9%

Information provided by Chatham County.

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

<u><b>Function/Program</b></u>	<u><b>Full-time Equivalent Employees as of December 31</b></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>	<u>2014</u>
General government										
General administration	36.00	41.00	43.00	43.00	43.00	35.00	51.00	39.00	46.00	48.00
Management and financial services	105.85	107.85	108.85	110.85	110.85	105.60	71.23	87.60	81.60	67.60
Information technology	35.00	35.00	37.00	37.00	37.00	34.00	37.25	36.00	36.00	36.00
Real property services	8.00	6.00	6.00	6.00	6.00	5.00	5.00	6.00	6.00	6.00
Recorder's court	27.50	27.50	27.50	27.50	28.50	27.50	27.00	28.00	28.00	28.00
Public works										
Park and Tree	65.00	66.00	66.00	66.00	66.00	66.00	58.00	56.00	56.00	56.00
Cemeteries	27.63	27.63	27.63	31.63	31.63	26.63	23.63	23.63	23.63	23.63
Streets and Drainage	155.00	158.00	160.00	160.00	161.00	143.00	141.00	142.00	194.00	201.00
Vehicle maintenance	44.00	44.00	44.00	44.00	44.00	41.00	41.00	41.00	41.00	41.00
Public safety										
Police	699.28	724.28	745.28	756.28	756.28	748.64	791.00	738.00	737.00	730.00
Communications center	85.00	87.00	84.00	91.00	91.00	90.00	106.00	106.00	105.00	105.00
Fire and emergency services	297.00	304.00	328.00	328.00	328.00	324.00	362.00	329.00	329.00	329.00
Leisure services	203.50	204.44	214.50	215.51	215.01	203.61	180.44	180.70	179.70	179.70
Public development	127.50	130.50	137.00	142.00	142.50	139.00	142.00	119.25	73.25	76.25
Sanitation	188.50	196.50	198.50	222.50	223.50	221.50	228.00	226.50	227.00	218.00
Civic center	20.00	20.00	21.00	25.00	25.00	24.00	23.50	22.00	22.00	22.00
Water and sewer	282.00	290.00	301.00	301.00	302.00	299.00	326.00	304.00	304.00	302.00
Parking services	66.40	66.40	77.15	77.65	78.65	78.75	77.15	70.20	69.20	74.20
Total	2,473.16	2,536.10	2,626.41	2,684.92	2,689.92	2,612.23	2,691.20	2,554.88	2,558.38	2,543.38

**Source:** City Budget Office



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

<b><u>Function/Program</u></b>	<b><u>Fiscal Year</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>	<b><u>2014</u></b>
Police										
Violent crimes	1,245	1,182	1,319	1,292	1,128	845	889	878	851	926
Property crimes	11,857	9,924	9,852	11,250	10,654	9,202	9,579	8,325	8,458	8,507
Fire										
Fire calls	1,038	1,390	1,270	1,105	935	996	1,050	1,041	1,074	1,937
Dwelling fires	196	410	391	429	384	432	361	387	389	372
Rescues	119	100	149	165	207	202	227	120	163	163
Refuse Disposal										
Total system City tons	199,414	192,214	201,637	157,237	163,221	109,341	124,987	118,484	111,126	104,011
Other public works										
Traffic sign repairs	4,075	5,100	7,573	5,200	8,910	7,778	6,992	7,266	7,578	6,729
Pothole repairs	1,835	1,616	2,530	1,400	720	732	701	616	579	578
Storm drain inlets cleaned	5,421	4,444	4,734	6,512	5,287	4,416	4,914	4,323	3,358	5,711
Leisure services										
Youth baseball participants	1,311	1,207	1,160	1,350	1,165	1,171	1,185	1,190	1,070	1,200
Youth football participants	1,475	1,509	1,576	1,623	2,040	1,976	1,594	1,596	1,386	1,234
Neighborhood center participants	7,490	6,664	7,433	7,775	5,865	7,021	6,113	5,451	4,700	3,820
Water										
Average daily ground water production (MGD)	23.99	24.04	25.59	25.03	23.39	23.36	22.86	21.88	21.59	21.71
Average daily surface water production (MGD)	31.53	30.10	29.92	28.43	27.51	32.53	30.00	29.11	28.70	2,989.00
Sewer										
Average flow (MGD)	27.03	26.33	25.26	24.27	26.31	25.99	23.08	24.59	24.79	26.49
Public Development										
Valuation of new commercial building permits issued (millions)	na	na	\$61	\$103	\$41	\$66	\$105	\$122	\$142	\$112
Valuation of new residential building permits issued (millions)	na	na	\$88	\$71	\$69	\$44	\$31	\$46	\$55	\$74

Sources Other data from various city departments.

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

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2014</u>
Police										
Stations	6	6	6	5	5	5	5	5	5	5
Fire										
Stations	13	15	15	15	15	15	15	15	15	15
Refuse Collection										
Available landfill capacity (cubic yards)	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	1,345,480
Other public works										
Streets (miles)	578	593	638	676	682	682	687	687	687	690
Signalized intersections		208	241	243	244	248	248	250	251	258
Cemeteries	5	5	5	5	5	5	5	5	5	5
Leisure services										
Parks (acreage)	460	460	661	661	661	663	663	663	663	663
Playgrounds	55	55	55	55	55	57	57	60	60	68
Water										
Wells	41	42	43	47	47	49	49	49	49	49
Sewer										
Treatment capacity (MGD)	35.45	35.45	35.45	36.95	36.95	36.95	36.95	36.95	36.95	36.95
Parking facilities										
Parking garages	3	4	4	5	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>		
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
2014	21.71	31.21	29.89	39.65	93,713	91,141

<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, 2014**

<b>Sewage Treatment Facility</b>	<b>Capacity (MGD)</b>	<b>Average Flow (MGD)</b>	<b>Maximum Dry Weather Daily Flow (MGD)</b>	<b>Maximum Wet Weather Daily Flow (MGD)</b>	<b>Year of Last Upgrade</b>	<b>Treatment Process</b>
President Street Plant	27.00	19.70	21.86	25.60	1997	Primary treatment, activated sludge, clarifier, chlorinator, gravity thickener, belt press, clarifiers, chlorination, sludge incineration: 2MGD reclaim water by filtration.
Wilshire Plant	4.50	2.65	3.74	3.81	1999	Activated sludge, clarifier, gravity thickener, chlorinator, belt press, sludge disposed at landfill.
Georgetown Plant	2.45	1.69	1.90	2.19	2005	Activated sludge, clarifiers, effluent filtration, ultra-violet disinfection, belt press, sludge disposed at landfill.
Crossroads Plant	3.00	2.45	2.69	3.22	2008	Screening, grit removal, flow equalization, activated sludge clarifiers, filtration, ultra-violet disinfection, post aeration, belt press, sludge disposed at landfill.
<b>Total</b>	<b>36.95</b>	<b>26.49</b>	<b>30.19</b>	<b>34.82</b>		

**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						
	Inside City			Outside City			Inside City			Outside City			Industrial Water Rate (\$ per MG)
	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.	
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
2014	11.06	0.90	1.08	16.59	1.35	1.62	8.80	2.88	3.26	13.20	4.32	4.89	752.26

**CITY OF SAVANNAH, GEORGIA  
WATER AND SEWER CONNECTION FEES  
EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2014**

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<b>Meter Size<sup>1</sup></b>	<b>Meter Installation Fee (per meter)</b>	
	<b>Installed by Plumber</b>	<b>Installed by City</b>
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.

	<b>Tap-in Fee per ERU<sup>2</sup></b>	
	<b>Inside City</b>	<b>Outside City</b>
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, 2014**

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

<b>Customer</b>	<b>Product/Business</b>	<b>2014 Customer Revenue</b>	<b>Percent of 2014 Water and Sewer Fund Gross Revenue</b>
Memorial Medical Center	General hospital	\$ 656,276	0.97%
Kerry Inc.	Food ingredient manufacturer	622,763	0.92%
Coastal Correctional Institute	State prison	494,414	0.73%
Housing Authority of Savannah	Public housing	491,548	0.72%
Candler/St. Josephs Hospital	General hospital	348,481	0.51%
International Paper	Paper mill	269,597	0.40%
Chatham County Detention Center	County jail	241,128	0.36%
Savannah College of Art & Design	Art college	193,227	0.28%
Georgia Ports Authority	State port	190,840	0.28%
Gulfstream Aerospace	Aircraft manufacturer	184,760	0.27%
		<u>\$ 3,693,034</u>	<u>5.45%</u>

Major industrial customers of the water system:

<b>Customer</b>	<b>Product/Business</b>	<b>2014 Customer Revenue</b>	<b>Percent of 2014 Water and Sewer Fund Gross Revenue</b>	<b>2014 Consumption (MG)</b>
Weyerhaeuser	Bleached pulp	\$ 3,473,790	5.12%	4,618
International Paper	Unbleached kraft products	1,994,022	2.94%	2,651
Savannah Foods	Sugar refinery	555,572	0.82%	739
		<u>\$ 6,023,384</u>	<u>8.88%</u>	<u>8,008</u>