

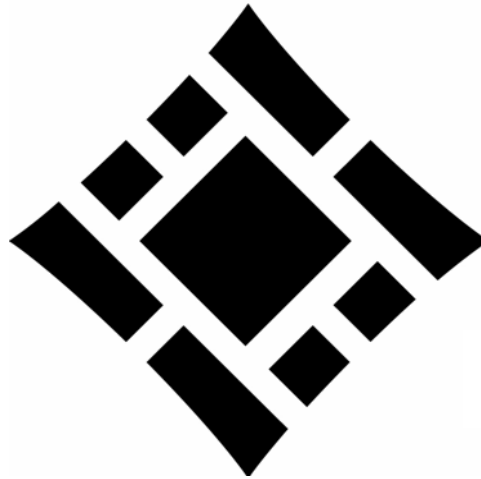
Comprehensive Annual Financial Report

Year Ended December 31, 2015

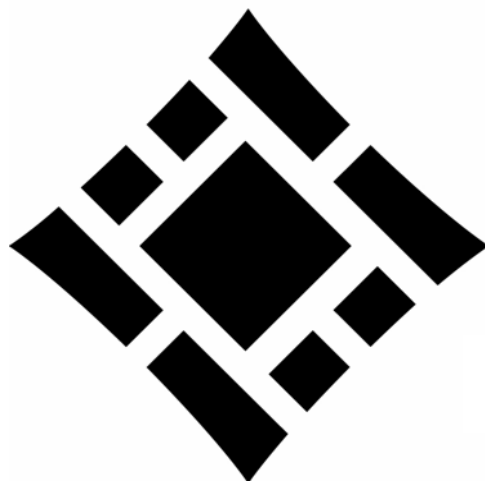


CITY OF
Savannah
Georgia

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF SAVANNAH, GEORGIA
YEAR ENDED DECEMBER 31, 2015**



**PREPARED BY:
FINANCE DEPARTMENT
May 16, 2016**



**CITY OF SAVANNAH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015**

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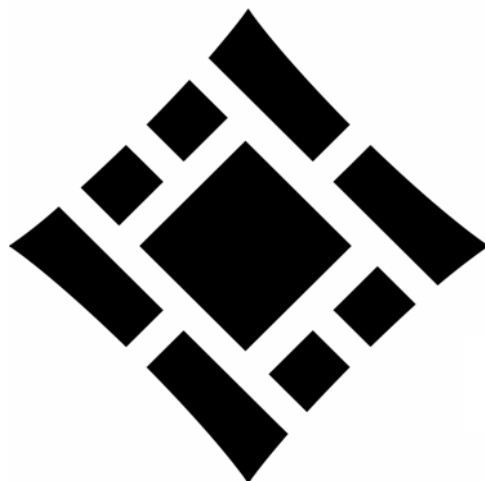
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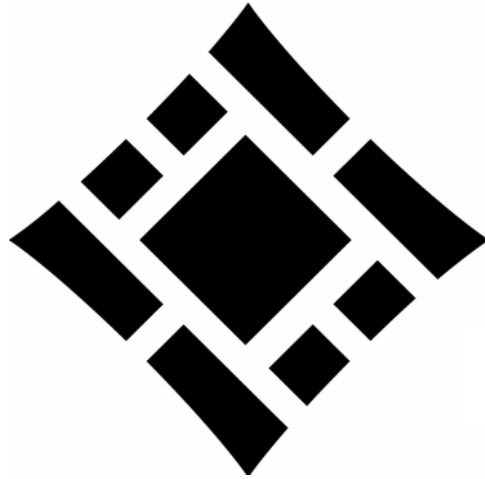
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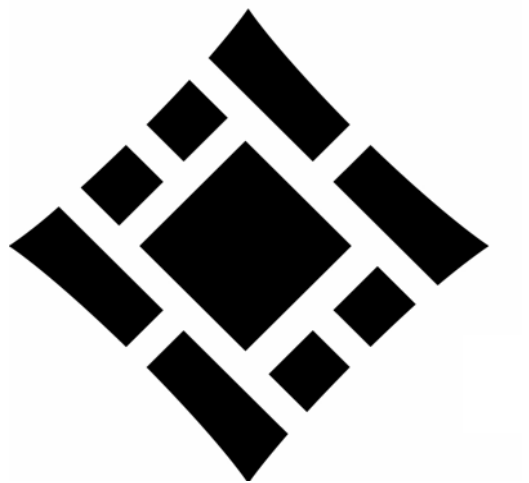
INTRODUCTORY SECTION

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 16, 2016

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, 2015. 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, 2015. 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) three acute care hospitals and 17 nursing care facilities, (iv) 19 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 2015, unemployment in the Savannah metropolitan area was 4.9% compared to 5.0% nationally and 5.4% for the State of Georgia as a whole.

Overall, six industry groups account for approximately three-quarters of the jobs in the Savannah area: educational and health services (14.4%), state and local government (11.2%), leisure and hospitality (14.5%), retail trade (12.1%), professional and business services (13.1%), and manufacturing (10.0%). The federal government is also a significant economic presence thanks to Fort Stewart and Hunter Army Airfield, which together provide employment to over 26,000 military and civilian personnel and have an annual financial impact of about \$4 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 11.6% per year over the past six years. Savannah was named a "2015 TripAdvisor Travelers' Choice Destinations" award winner in August of 2015 by TripAdvisor and a "Most Romantic Cities" by Trivago.com in February of 2015 and continues to be a destination of choice year round. As it did in 2014, 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 an estimated 13.4 million visitors annually.

The Georgia Ports Authority (GPA) had another successful year in 2015 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 2015 as the Georgia Ports Authority marked increases over 2014 in total containerized volume of 17% and has achieved a compound annual growth rate of 9.4% since 2000. For its FY 2015, the Port of Savannah handled more than 3.6 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. Contracts have been issued and work has already begun on dredging the 18.5 mile outer harbor to 49 feet at low tide. A later contract will deepen the inner harbor to 47 feet. In addition to the harbor deepening work, several harbor deepening mitigation projects will have an impact on the City. A \$40 million contract was awarded to construct a 17 acre reservoir on Abercorn Creek to supplement the City's surface water supply, with construction set to begin in 2016. This reservoir will provide a safe, raw water supply to the City's surface water treatment plant. In addition, recovery operations for the confederate ironclad, CSS Georgia, are underway in the Savannah River and have yielded many exceptional artifacts already. These artifacts include a 9,000 pound Dahlgren rifled cannon, leg-irons, and unexploded munitions. This recovery effort is expected to cost between \$9 million and \$14 million to complete. Finally, a \$100 million contract was awarded to install oxygen bubblers in the Savannah River to maintain ecosystem-healthy oxygen levels in the river during the summer months. These oxygen levels will help support the diverse population of wildlife found in the river, including the endangered short-nosed sturgeon.

Long-term Financial Planning

As of December 31, 2015, unassigned fund balance in the general fund (17.1% 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 2016 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 2015, the sales tax stabilization reserves totaled \$5,501,000. No draw on these reserves was necessary in 2015 or planned in the 2016 budget.

The adopted 2016 budget conservatively assumed 5.3% growth in the total taxable value of property in the City and tentatively set a 2016 property tax of 12.48 mills, the same rate that was set for 2015. Since 1996, the property tax rate has been reduced 4.96 mills or 28%. 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 was 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 2016 through 2020 identifies projects and funding that total \$221.8 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 \$23.7 million or 10.7% of the funding for the five year plan. The Water and Sewer Fund accounts for \$141.6 million during the five year plan and anticipated bond proceeds contribute \$32.5 million during the five year plan. Year one of the five year plan, which was adopted by the mayor and council in November

2015, totals \$81.9 million in project funding. Several signature projects included in the plan are downtown streetscape initiatives, a major landfill expansion and a new sewer treatment plant.

Major Initiatives

The City continues to focus its efforts in the eight areas of priority identified by the mayor and council, which include ambassadorship, culture and recreation, economic growth, health and environment, high performing government, neighborhood vitality, poverty reduction and public safety. In support of the ambassadorship priority, during 2015, the City teamed with several community partners to launch the “Savannah Serves” program. This program will focus resources on the City’s downtown area and strive to promote a clean and safe downtown area while enhancing the “Savannah Experience” for residents, businesses and visitors alike.

The City’s commitment to public safety will continue to focus on crime reduction efforts aimed at eliminating violent crime and gang violence, as well as working with Savannah’s youth by focusing on life skills such as work ethic, literacy and financial management through the pre-apprentice program. Facility enhancements are also providing much needed resources in the City’s efforts to curb crime. The City recently completed construction of the police training facility and also began 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 2016 and should complement the recently constructed stations located in the Bradley Pointe area and on Bull Street in the downtown area. Filling vacancies in both police and fire has been a priority for City management and the City has secured over \$2 million in grant funds to help ensure adequate fire response throughout the City. Recruiting efforts for police personnel have been enhanced by improved starting pay rates, broadened outreach through social media and television advertising, and training and experience incentives.

Public development and revitalization continue to be important initiatives to the City. During 2015, the City made efforts to acquire and begin development of the Coastal Empire Fairgrounds property on the City’s west side. This proposed, public-private partnership is estimated to cost approximately \$60 million and include about 400 varied dwellings, neighborhood retail and new public infrastructure with an area-wide recreation complex that will be linked to the Tatemville Community Center. It is anticipated that this investment will help stabilize and lead to other investments in adjoining neighborhoods. Pre-purchase due diligence is currently underway on this project.

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 about half way through the \$32 million in improvements on tap for President Street and is slated to spend 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. A downtown streetscape master plan will launch major streetscape improvements from Liberty Street north to the Savannah River with priority being given to the corridors of Broughton Street, River Street and Bay Street. These improvements will greatly enhance pedestrian safety, traffic management, overall aesthetics and will result in an increased potential for commercial development along these high volume areas.

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, 2014. 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.

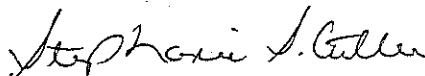
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2015 Service Program and Budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgments

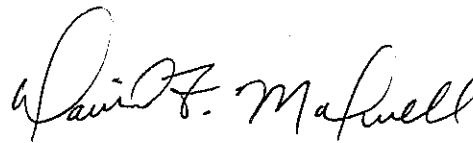
The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department, the Auditing Department, the Revenue Department, and the Research and Budget Department, as well as the independent auditors. We express 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
2015**

ELECTED OFFICIALS

MAYOR

Edna B. Jackson

ALDERMEN

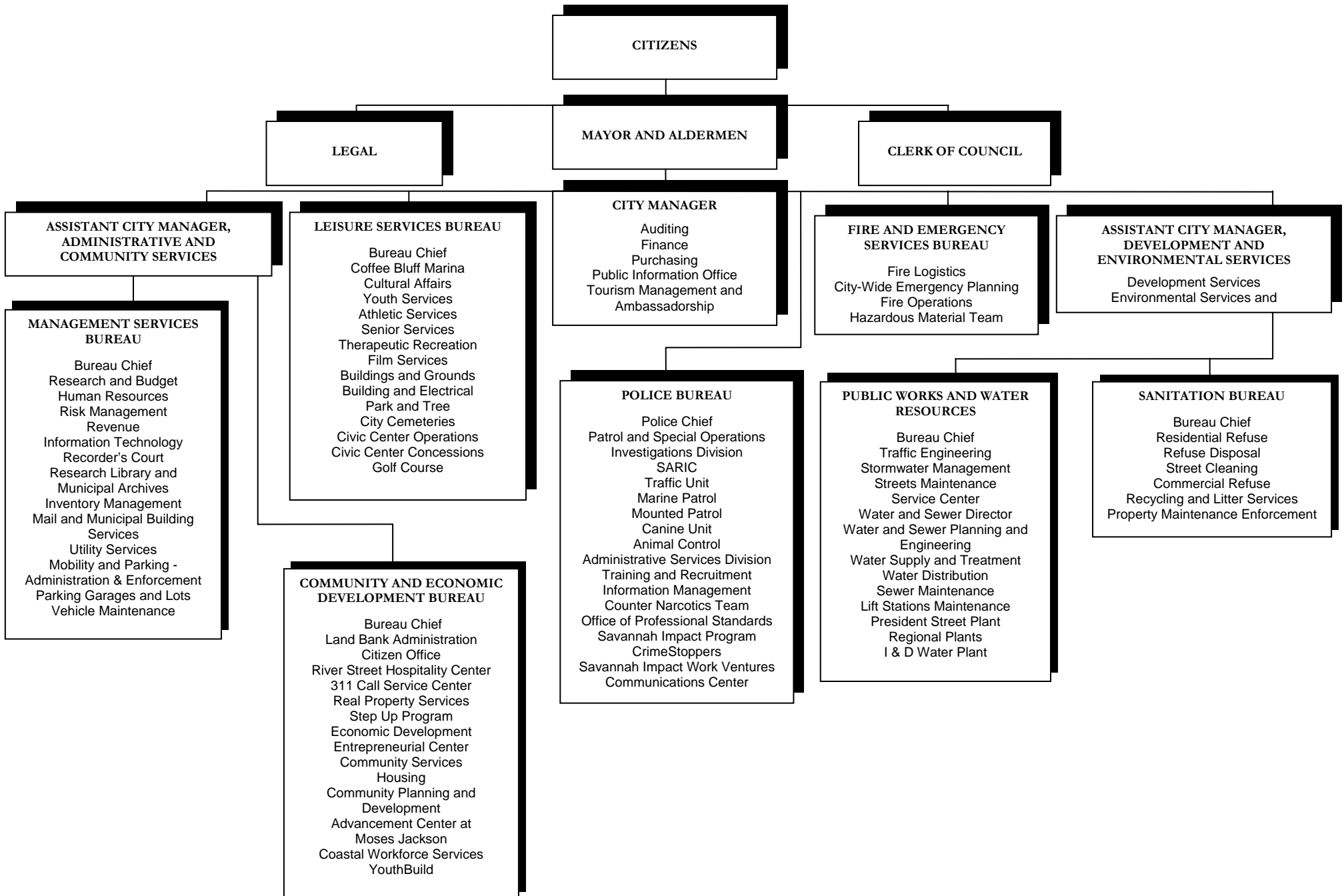
Carol Bell
Van R. Johnson II
John Hall
Dr. Estella Edwards Shabazz

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

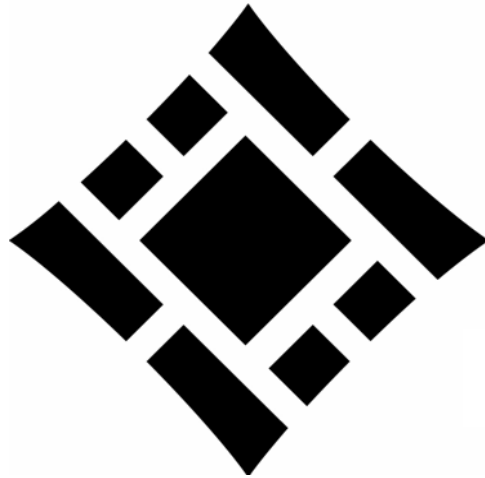
**City of Savannah
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

A handwritten signature in black ink, reading 'Jeffrey R. Egan'. The signature is written in a cursive, flowing style.

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

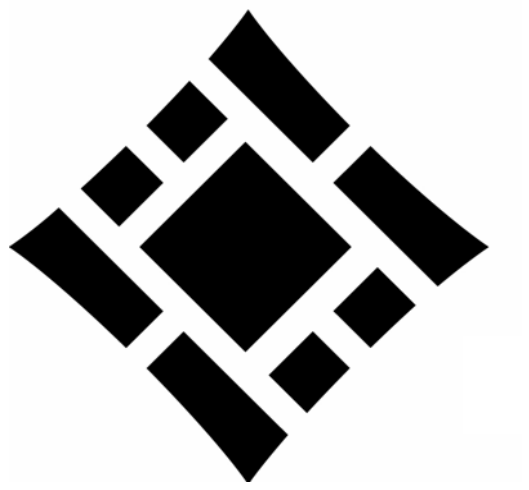
MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

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





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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Savannah, Georgia, (City), as of and for the year ended December 31, 2015 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, 2015, 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.

Emphasis of Matter

As described in Note 4, the City implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. The standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

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 88 through 100 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 16, 2016, 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 CPA&, PC

Savannah, Georgia

May 16, 2016

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, 2015. 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 2015 by \$1,170,339,165 (net position). Of this amount, \$98,963,990 is unrestricted net position.
- The government's total net position increased by \$52,990,245 during 2015. Approximately 64.5% of this increase is attributable to governmental activities - operating and capital grants/contributions. The remaining 35.5% is attributable to business-type activities, primarily the water and sewer utility.
- As of the close of 2015, the City's governmental funds reported combined ending fund balances of \$224,099,815, an increase of \$29,365,066 for the year ended December 31, 2015. The increase is mostly attributable to the collection of intergovernmental revenues within the SPLOST 2014-2020 Fund.
- The unassigned fund balance for the general fund at the end of 2015 was \$32,566,279 or 17.1% of total general fund expenditures and transfers-out for that year. For the year ended December 31, 2015, the total fund balance in the general fund increased \$685,362.
- The City's total long term liabilities experienced a net increase of \$106,649,123 during the 2015 fiscal year. Of this amount, \$94,014,642 was recognized in the governmental activities and \$12,634,481 was recognized in the business-type activities. The increase was attributable to the City's implementation of Governmental Accounting Standards Board Statement No. 68, related to pension accounting, which required the City to report its Net Pension Liability in the amount of \$99,443,653 at the end of 2015. In addition, the City's governmental activities recognized new long term liabilities from \$20 million in bonds issued in 2015 to construct improvements within the City's tax allocation district.
- The City's Net OPEB Obligation at the end of 2015 was \$7,235,033 as compared to \$9,832,607 at the end of 2014. In 2015, the City contributed \$10,521,038 to the OPEB Trust Fund, which was 132.8% of the City's 2015 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, SPLOST 2009-2014 fund and SPLOST 2014-2020 fund, which are considered to be major funds. Data from the other seventeen 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 - 87 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 88 - 100 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 101 - 130 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 \$1,170,339,165 at the close of the most recent fiscal year.

The following table provides a comparative summary of the City's net position for 2015 and 2014:

City of Savannah -- Net Position (\$000)*						
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$304,916	\$265,021	\$161,055	\$162,475	\$465,971	\$427,496
Capital assets	603,460	589,869	395,499	404,841	998,959	994,710
Total assets	<u>908,376</u>	<u>854,890</u>	<u>556,554</u>	<u>567,316</u>	<u>1,464,930</u>	<u>1,422,206</u>
Deferred outflows of resources	12,656		3,868	213	16,524	213
Total assets and deferred outflows of resources	<u>\$921,032</u>	<u>\$854,890</u>	<u>\$560,422</u>	<u>\$567,529</u>	<u>\$1,481,454</u>	<u>\$1,422,419</u>
Other liabilities	16,500	14,867	6,281	27,738	22,781	42,605
Long-term liabilities outstanding	152,996	58,982	123,665	111,030	276,661	170,012
Total liabilities	<u>169,496</u>	<u>73,849</u>	<u>129,946</u>	<u>138,768</u>	<u>299,442</u>	<u>212,617</u>
Deferred inflows of resources	<u>10,107</u>	<u>4,708</u>	<u>1,566</u>		<u>11,673</u>	<u>4,708</u>
Net position:						
Net investment in capital assets	582,292	577,031	316,149	294,940	898,441	871,971
Restricted	170,564	147,790	2,370	2,367	172,934	150,157
Unrestricted	<u>(11,427)</u>	<u>51,512</u>	<u>110,391</u>	<u>131,454</u>	<u>98,964</u>	<u>182,966</u>
Total net position	<u>741,429</u>	<u>776,333</u>	<u>428,910</u>	<u>428,761</u>	<u>1,170,339</u>	<u>1,205,094</u>
Total liabilities, deferred inflows of resources and net position	<u>\$921,032</u>	<u>\$854,890</u>	<u>\$560,422</u>	<u>\$567,529</u>	<u>\$1,481,454</u>	<u>\$1,422,419</u>

*Note: Figures for 2014 were not restated for the inclusion of the City's net pension liability.

The largest portion of the City's net position (76.8% or \$898,440,983) 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 (14.8% or \$172,934,192) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (8.4% or \$98,963,990) 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 2015 fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole and for the business-type activities. The governmental activities reported a negative unrestricted net position of \$11,426,836 at year end.

During the current fiscal year, the government's net position increased by \$52,990,245. About 64.5% of this increase is attributable to governmental activities mainly due to operating and capital grants/contributions received in 2015. The remaining increase (35.5%) 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, 2015 and 2014:

City of Savannah - Changes in Net Position (\$000)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 41,485	\$ 41,143	\$ 108,092	\$ 108,495	\$ 149,577	\$ 149,638
Operating grants and contributions	8,935	8,222	73	54	9,008	8,276
Capital grants and contributions	41,270	36,053	3,474	4,685	44,744	40,738
General revenues:						
Property taxes	64,605	62,590			64,605	62,590
General sales taxes	37,841	37,198			37,841	37,198
Other taxes	53,726	50,168			53,726	50,168
Grants and contributions not restricted as to use	1,675	1,075			1,675	1,075
Other	3,382	2,247	562	516	3,944	2,763
Total revenues	<u>252,919</u>	<u>238,696</u>	<u>112,201</u>	<u>113,750</u>	<u>365,120</u>	<u>352,446</u>
Expenses (net of indirect costs):						
General administration and management	18,788	8,821			18,788	8,821
Facilities maintenance	42,305	41,996			42,305	41,996
Public safety	99,441	93,641			99,441	93,641
Leisure services, social and cultural	35,221	34,141			35,221	34,141
Public development	6,200	6,256			6,200	6,256
Community development and workforce training	14,336	13,106			14,336	13,106
Interest on long-term debt and capital leases	1,036	763			1,036	763
Water and sewer			56,949	54,257	56,949	54,257
Sanitation and solid waste disposal			22,895	22,837	22,895	22,837
Parking services			11,217	10,703	11,217	10,703
Civic center and golf course			3,742	3,888	3,742	3,888
Total expenses	<u>217,327</u>	<u>198,724</u>	<u>94,803</u>	<u>91,685</u>	<u>312,130</u>	<u>290,409</u>
Increase in net position before contributions and transfers	35,592	39,972	17,398	22,065	52,990	62,037
Contributions		288			-	288
Extraordinary items					-	-
Transfers	(1,417)	(3,213)	1,417	3,213		
Change in net position	34,175	37,047	18,815	25,278	52,990	62,325
Net position - January 1	707,254	739,287	410,095	403,483	1,117,349	1,142,770
Net position - December 31	<u>\$ 741,429</u>	<u>\$ 776,334</u>	<u>\$ 428,910</u>	<u>\$ 428,761</u>	<u>\$ 1,170,339</u>	<u>\$ 1,205,095</u>

Governmental activities. Governmental activities increased the City's net position by \$34,174,747. Key elements of this increase are as follows:

- Capital grants and contributions were recognized in 2015 in the amount of \$41,270,011. Most of this revenue, \$34,173,280, was special purpose local option sales taxes received from Chatham County. An additional amount totaling \$1,900,314 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 \$2,015,180 (3.2%) during the year as compared to 2014. This increase resulted mainly from growth in the City's taxable digest and from increased collection efforts for current year taxes. In addition, collections of the title ad valorem tax fee totaled \$5,635,792 for 2015 compared to \$4,792,028 collected in 2014.
- General sales tax revenues increased in 2015 compared to the previous year by \$642,986 (1.7%). This increase resulted from increased taxable sales within Chatham County.
- Selective sales tax revenues increased in 2015 by \$2,302,903 (10.1%) compared to 2014. This increase is mostly attributable to increased tourist traffic for the City in 2015 compared to 2014, which increased the hotel/motel revenues by \$1,829,306. Another tourism related tax, auto rental tax, was \$67,439 higher in 2015 compared to 2014.

For 2015, overall governmental activity expenses increased by \$18,602,482 (9.4%) as compared to 2014. An expense increase of \$10,097,847 (218.4%) occurred in the general administration activity in 2015 compared to 2014. The majority of this increase is explained by a one-time payment to the board of public education of \$10 million. This payment was contractually required as part of the City's tax allocation district plan and will be used by the school board to construct education facilities in the district.

In 2015, the public safety activity, which includes police, recorder's court and fire protection, experienced a net increase in expenses of \$5,800,813 (6.2%). Within the public safety activity, expenses for police increased by \$1,936,738 (3.0%), court services decreased by \$151,826 (6.8%) and fire increased by \$4,015,901 (15.3%) for 2015 as compared to 2014. Expense increases within the police chief's office were higher by \$343,432 (25.9%). This increase is attributable to employee salaries and benefits and from the initial implementation of project Reducing Serious Violence in Savannah. This initiative is a collaborative effort among the law enforcement community to provide new and effective efforts at curbing Savannah's violent crimes. Expense increases were also substantial in the area of patrol, which increased 2015 expenses by \$1,275,650 or 3.6%. The City's emergency communications center increased 2015 expenses by \$237,455 or 3.7%.

Significant expense increases in fire can be mainly attributed to increases in fire department administration of \$2,842,708 (51.8%) and firefighting operations of \$1,520,952 (7.4%). This increase is mainly due to increased internal service charges related to the purchase of a new fire apparatus (\$1,250,000 increase) and use charges on existing firefighting equipment (\$809,079 increase). Expenses within fire department operations were higher due mainly to personal services, which included an increase in overtime expenses of \$814,665.

The leisure services, tourism enhancement and social and cultural activity expenses were higher in 2015 by \$1,079,173 (3.2%) compared to the previous year. Tourism enhancement expenses were higher by \$827,413 (7.9%) in 2015. 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. The City's social and cultural contributions, which support local events and festivals and not-for-profits, increased by \$247,265 (17.0%) in 2015 compared to 2014.

Expenses related to grant program and administration increased in 2015 by \$1,563,080 (37.2%) compared to 2014. 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 higher by a combined amount of \$1,121,279 (30.8%) in 2015 than in 2014.

Business-type activities. Business-type activities increased the City's net position by \$18,815,498. Key elements of this increase are as follows:

- Charges for services for business-type activities overall decreased by \$402,482 or 0.4%. The water and sewer activity decreased charges for services by \$1,246,433 or 1.8% in 2015 as compared to 2014. This decrease is attributable to lower metered water and sewer revenues for both in-side the city and out-side the city utility customers. The sanitation activity decreased charges for services by \$227,710 or 0.8%. This decrease resulted from lower revenues for services provided to residential customers for curbside pickup and to other city departments for disposal fees. Parking facility charges for services increased in 2015 by \$634,287 or 5.1% compared to 2014. This increase resulted mainly from on street parking and enforcement revenues and revenues from the Whitaker Street parking facility.
- Capital grants and contributions, associated with the water and sewer activity and the municipal golf course, in the amount of \$3,473,908 were recognized in 2015. Within the water and sewer activity, this amount represents the value of infrastructure contributed by developers to the city during the year, which totaled \$2,112,404. Within the golf course activity, this amount represents the value of capital improvements constructed by the course operator during the year, which totaled \$1,361,504. In 2015, the total amount of capital grants and contributions recognized in the business-type activities was lower than the amount recognized in 2014 by \$1,211,040.

Overall, expenses for business-type activities increased in 2015 by \$3,118,819, or 3.4%. 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 \$2,692,959 (5.0%) in 2015, compared to 2014. Within the water and sewer activity for 2015, expense increases were related to personal services in the amount of \$699,595 (4.1%), contractual services in the amount of \$2,192,226 (16.8%) and depreciation in the amount of \$333,431 (2.6%). The parking facilities activity increased expenses by \$514,274 (4.8%) in 2015, compared to 2014. Within the parking facilities activity for 2015, expense increases were related to personal services in the amount of \$361,253 (10.1%), internal service charges in the amount of \$168,360 (23.2%) and depreciation charges in the amount of \$268,036 (15.4%). The parking facilities activity also incurred \$501,816 in expenses for debt issuance during 2015 and none in 2014. Overall expenses in the civic center activity were lower in 2015 compared to 2014 by \$242,685 (6.4%) due to decreases in personal services (\$207,245 or 12.2%) and contractual services (\$149,732 or 13.2%). Compared to 2014, civic center expense related to commodities was higher by \$46,778 or 26.1% in 2015 and depreciation expense was higher by \$75,843 or 18.5% in 2015. Overall expenses in the golf course activity were higher in 2015 compared to 2014 by \$96,242 (140.6%) due to increased depreciation expense. Overall expenses in the sanitation activity were relatively stable in 2015 compared to 2014, experiencing an increase of only \$58,029 or 0.3%.

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 2015 fiscal year, the City's governmental funds reported combined ending fund balances of \$224,099,815, an increase of \$29,365,066 for the year ended December 31, 2015. Approximately 14.5% of the fund balance (\$32,566,279) 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, \$139,524,933 or 62.3% 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, \$121,940,477 is for SPLOST projects,

\$14,161,181 is for tax allocation district projects, \$2,156,068 is for public safety purposes, \$930,017 is for debt service and \$337,190 is for economic development purposes. The City's committed fund balance at year end was \$45,935,505. Committed fund balances represent amounts that have been constrained by the mayor and council for specific purposes. As of December 31, 2015, committed fund balance consisted of \$43,031,798 for other capital projects, \$1,484,299 for property redevelopment and \$1,419,408 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 \$6,073,098.

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 \$32,566,279. 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 17.1% of total general fund expenditures plus transfers-out.

The fund balance of the City's general fund increased in 2015 by \$685,362. Key factors in this increase are as follows:

- Property tax revenues increased by \$3,576,186 (5.7%) compared to the prior year. This increase in property tax revenues resulted mainly from increases in the City's taxable digest, which grew by 7.29% and an increased collection rate for the current year levy compared to 2014.
- Revenues from selective sales taxes increased by \$406,157 (9.0%) compared to the prior year. The additional revenue was derived mainly from increased collections of excise tax on energy used for manufacturing (\$272,441), mixed drink consumption tax (\$74,254) and tax on wholesale alcohol sales (\$59,462).
- General sales tax revenues increased \$642,986 (1.7%) in 2015 compared to the prior year. This increase resulted from increased retail activity and more taxable sales compared to 2014.
- Business tax revenues were higher in 2015 by \$554,576 (6.9%) compared to 2014. This increase can be mainly attributed to an increase in insurance premium taxes of \$502,450.

Overall total expenditures (and transfers out) of the general fund were \$190,433,631 in 2015, which was an increase of \$12,176,791 compared to 2014. Significant increases in general fund expenditures were related to fire \$4,363,660 (16.7%), police \$2,453,053 (4.1%), leisure services \$471,421 (2.2%) and social and cultural \$247,265 (17.0%). Significant decreases in general fund expenditures were related to recorders court \$139,836 (6.1%) and facilities maintenance \$27,551 (0.1%). General fund transfers out increased a total of \$4,143,159 (26.3%) during 2015 compared to 2014. General fund transfers to the capital improvement fund increased \$5,191,323 (60.6%). General fund transfers to the tax allocation district I fund in 2015 were \$826,479, whereas in 2014 this transfer was \$1,350,665.

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 2015, this fund expended \$8,316,112 on the City's community development program and its administration. In addition, in 2015 the community development fund expended \$111,795 for debt service payments related to Section 108 loans owed by the City.

The City 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. In 2015, the SPLOST 2009-2014 fund expended \$4,767,878 for the construction of capital projects. As of the end of 2015, the SPLOST 2009-2014 fund had a fund balance of \$60,441,784, all of which is required for projects specified within the authorizing referendum.

The City also maintains the SPLOST 2014-2020 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 2013. The City began receiving tax revenues associated with this tax in 2014. In 2015, the SPLOST 2014-2020 fund received \$34,151,467 in special purpose local option sales taxes and expended \$1,569,659 for the construction of capital projects. As of the end of 2015, the SPLOST 2014-2020 fund had a fund balance of \$37,493,314, 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 within the proprietary funds was reduced by the recognition of the net pension liability during 2015. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$109,735,479, which is a decrease from the prior year of \$612,292. 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 \$6,205,701, an increase in the deficit from 2014 of \$3,878,852. Unrestricted parking services net position decreased by \$15,523,273 for 2015 and ended the year with a balance of \$6,098,626. This decrease resulted primarily from cash payments to settle a lawsuit related to a City owned parking facility and recognition of the net pension liability during 2015. Unrestricted net position for the non-major enterprise funds at the end of 2015 was \$762,422 which is \$1,049,178 (57.9%) 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 \$15,104,052 which is 8.3%. Significant budget changes included an increase in the appropriation for transfers to the capital improvement fund of \$11,285,904, an increase in the appropriation for public development expenditures of \$1,724,678, an increase in the appropriation for leisure services of \$834,200 and an increase in the appropriation for fire expenditures of \$2,365,394. Significant budget decreases included amounts appropriated for facilities maintenance (reduced \$77,597), police (reduced \$506,684), and recorders court (reduced \$92,904). Overall for the general fund in 2015, actual expenditures and transfers out were below the final budget amount by \$7,546,952 or about 3.8%. Favorable budgetary variances between the final amended budget and actual results were experienced during 2015 in all of the general fund activities with the most significant favorable variances in facilities maintenance (\$1,121,908 or 3.7%), public development (\$1,126,129 or 12.74%) and police (\$953,340 or 1.5%).

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, 2015, amounted to \$998,959,786 (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 \$4,250,330 (a \$13,591,817 net increase for governmental activities and a \$9,341,487 net decrease for business-type activities).

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

- Various governmental capital asset projects, including land purchases, with a total value of \$31,273,711 were completed or acquired during the year. The total value of governmental capital assets of all types still under construction at year end was \$99,746,941.
- A variety of street and drainage construction projects with a total value of \$3,014,456 were completed or acquired during the year. Machinery and other rolling stock valued at \$12,647,277 were placed into service during the year. Buildings and other improvements valued at \$11,803,672 were completed during the year.
- Various business-type plant capital asset projects, including land purchases, with a total value of \$13,833,608 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 \$59,734,519.

The following table summarizes the City's governmental activity and business-type activity capital assets by major category as of the end of 2015 and 2014:

City of Savannah - Capital Assets (\$000)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 72,760	\$ 69,215	\$ 7,897	\$ 7,897	\$ 80,657	\$ 77,112
Plants and Buildings	63,405	52,143	610,970	599,187	674,375	651,330
Improvements other than buildings	84,339	83,797	37,168	35,806	121,507	119,603
Machinery, equipment and fixtures	120,750	116,569	36,699	36,016	157,449	152,585
Streets and drainage	496,742	493,727			496,742	493,727
Construction in progress	99,747	90,486	59,734	65,931	159,481	156,417
Less accumulated depreciation	(334,282)	(316,068)	(356,969)	(339,996)	(691,251)	(656,064)
Total	<u>\$603,461</u>	<u>\$589,869</u>	<u>\$395,499</u>	<u>\$404,841</u>	<u>\$998,960</u>	<u>\$994,710</u>

Additional information on the City's capital assets can be found in Notes to the Financial Statements Note 5 - Capital Assets on pages 59 - 62 of this report.

Long-term debt. At the end of year 2015, the City had total bonded debt (excluding special assessment debt) outstanding of \$29,502,915 (net of unamortized premiums and discounts). In addition to bonded debt, the City also had outstanding notes of \$21,688,415, and contractual obligations that secured bonds issued by certain public authorities (which are not part of the City entity) totaling \$73,875,344. All three types of debt obligations totaled \$125,066,674. Of this amount, \$65,467,332 comprises debt backed by the full faith and credit of the City and \$59,599,342 represents debt secured by specified revenue sources.

The following table summarizes outstanding debt of the City as of the end of 2015 and 2014:

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$ -	\$ -	\$ 17,197	\$ 35,511	\$ 17,197	\$ 35,511
Contractual obligations	43,779	26,100	42,403	30,501	86,182	56,601
Notes	500	600	21,188	23,816	21,688	24,416
Total	<u>\$ 44,279</u>	<u>\$ 26,700</u>	<u>\$ 80,788</u>	<u>\$ 89,828</u>	<u>\$ 125,067</u>	<u>\$ 116,528</u>

* Excluding special assessment debt.

As of the end of 2015, the City's total debt had increased by \$8,538,250 (7.3%) when compared to the amount outstanding at the end of 2014. This increase resulted from the City issuing \$19,950,000 in new debt on the Downtown Savannah Authority, Series 2015 bond issue. The proceeds of the Series 2015 bonds were used to fund capital improvement projects within the City's TAD district located east of downtown. In addition, certain debt amounts outstanding were reduced by the City meeting regularly scheduled debt service payments during 2015. 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 "Aa1" 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 \$509,801,454. As of December 31, 2015 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 63 - 73 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Savannah MSA as of the end of 2015 was 4.9% compared to 6.1% as of the end of 2014. The unemployment rate for the Savannah MSA as of December 2015 was lower than that of the state of Georgia as a whole (5.4%). The national average as of December 2015 was 5.0%.
- The City's property tax digest has increased in total value 6.9%, since 2010. The City's property tax digest value has increased each of the last three years which followed several years of declining values.

Year	Taxable Digest Value	Percent Change from Previous Year
2015	\$ 5,098,014,544	7.29%
2014	4,751,472,819	3.22%
2013	4,603,174,588	1.49%
2012	4,535,627,436	-0.09%
2011	4,539,927,978	-4.79%

- Hotel motel tax collections were the highest on record at the City and were 11.0% higher in 2015 compared to 2014.

All of these factors were considered in preparing the City of Savannah's budget for the 2016 fiscal year. The 2016 adopted budget is balanced and includes a tentative property tax millage rate of 12.48 mills, which is equivalent to the adopted millage for 2015.

Rates for water and sewer service for 2016 are increased from 2015. The base charges will remain the same; however, consumption charges will increase for the median inside City customer by \$1.50 per month, or 3.77%. The increase is necessary to fund anticipated increases in the operation and maintenance costs 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 2016. The monthly cost of residential curbside pickup is increased \$1.00 per month for 2016, increasing to \$31.50 and the commercial disposal fee is increased from \$4.15/cy to \$4.30/cy, or 3.6%.

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, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and investments	\$ 99,158,847	\$ 136,505,088	\$ 235,663,935
Receivables (net)	33,535,644	16,993,001	50,528,645
Internal balances	(78,282)	78,282	
Inventories	828,506	67,866	896,372
Restricted assets:			
Cash and investments	142,879,959	7,312,881	150,192,840
Accounts receivable	119,186	98,186	217,372
Notes receivable, due within one year	2,577,402		2,577,402
Notes receivable, long term	25,299,524		25,299,524
Property held for resale	595,020		595,020
Capital assets:			
Land and construction in progress	172,507,225	67,631,262	240,138,487
Other capital assets, net of depreciation	430,953,361	327,867,938	758,821,299
Total assets	<u>908,376,392</u>	<u>556,554,504</u>	<u>1,464,930,896</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Net difference between projected and actual earnings on pension plan investments	12,655,573	3,471,200	16,126,773
Deferred amounts from refunding of debt		396,798	396,798
Total deferred outflows of resources	<u>12,655,573</u>	<u>3,867,998</u>	<u>16,523,571</u>
Total assets and deferred outflows of resources	<u>\$ 921,031,965</u>	<u>\$ 560,422,502</u>	<u>\$ 1,481,454,467</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 11,225,521	\$ 1,811,650	\$ 13,037,171
Interest payable	688,253	627,743	1,315,996
Payable from restricted assets:			
Deposits	3,583,863	3,532,321	7,116,184
Interest payable	4,262	34,591	38,853
Unexpended grant proceeds	997,375		997,375
Current portion of debt payable		275,417	275,417
Long-term liabilities:			
Due within one year	13,736,040	10,084,565	23,820,605
Due in more than one year	55,045,229	91,116,281	146,161,510
Net Pension Liability	78,072,981	21,370,672	99,443,653
Net OPEB Obligation	6,142,233	1,092,800	7,235,033
Total liabilities	<u>169,495,757</u>	<u>129,946,040</u>	<u>299,441,797</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable program income	3,551,800		3,551,800
Unavailable property sale proceeds	595,020		595,020
Deferred amounts from refunding of debt	20,340		20,340
Pension plan differences between expected and actual experience	5,940,048	1,566,297	7,506,345
Total deferred inflows of resources	<u>10,107,208</u>	<u>1,566,297</u>	<u>11,673,505</u>
<u>NET POSITION</u>			
Net investment in capital assets	582,291,671	316,149,312	898,440,983
Restricted for:			
Sales Tax Capital projects	121,940,477		121,940,477
Other Capital Projects	14,161,181		14,161,181
Community Development projects	25,200,653		25,200,653
HUD Section 108 projects	377,532		377,532
Nonexpendable perpetual care	6,213,885		6,213,885
Debt service	356,688	2,370,027	2,726,715
Public safety communications	1,401,056		1,401,056
Court technology fee	662,824		662,824
Other grants	249,869		249,869
Unrestricted	(11,426,836)	110,390,826	98,963,990
Total net position	<u>741,429,000</u>	<u>428,910,165</u>	<u>1,170,339,165</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 921,031,965</u>	<u>\$ 560,422,502</u>	<u>\$ 1,481,454,467</u>

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

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

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	\$ 14,722,337	\$ -	\$ -	\$ -	\$ -	\$ (14,722,337)		\$ (14,722,337)
Management and financial services	8,702,201	(4,637,000)	2,821,086			(1,244,115)		(1,244,115)
Facilities maintenance	42,305,119		1,034,286		38,212,709	(3,058,124)		(3,058,124)
Police	67,027,448		26,211,534	272,407	121,927	(40,421,580)		(40,421,580)
Recorder's court	2,082,381		1,900,767			(181,614)		(181,614)
Fire	30,313,723	17,262	409,691	90,788	225,000	(29,605,506)		(29,605,506)
Leisure services	22,201,696		1,169,740	448,481		(20,583,475)		(20,583,475)
Tourism enhancement	11,314,012		1,366,640			(9,947,372)		(9,947,372)
Social and cultural	1,704,355					(1,704,355)		(1,704,355)
Public development	6,200,432		3,735,299			(2,465,133)		(2,465,133)
Grant program and administration	5,654,543	108,509		5,654,732	741,209	632,889		632,889
Community development program and administration	8,231,250	341,426	2,835,645	2,468,789	1,969,166	(1,299,076)		(1,299,076)
Interest on long-term debt	1,035,998					(1,035,998)		(1,035,998)
Total governmental activities	221,495,495	(4,169,803)	41,484,688	8,935,197	41,270,011	(125,635,796)		(125,635,796)
Business-type activities:								
Water and sewer	54,229,406	2,719,452	66,507,888	72,993	2,112,404		\$ 11,744,427	11,744,427
Sanitation	22,034,164	860,671	26,673,531				3,778,696	3,778,696
Parking facilities	10,772,494	445,086	12,965,159				1,747,579	1,747,579
Civic Center	3,432,381	144,594	1,945,963				(1,631,012)	(1,631,012)
Golf Course	164,669				1,361,504		1,196,835	1,196,835
Resource Recovery								
Total business-type activities	90,633,114	4,169,803	108,092,541	72,993	3,473,908		16,836,525	16,836,525
Total	\$ 312,128,609	\$ -	\$ 149,577,229	\$ 9,008,190	\$ 44,743,919	(125,635,796)	16,836,525	(108,799,271)
General Revenues:								
Taxes:								
Property taxes						64,604,769		64,604,769
Intangible, transfer and franchise taxes						20,068,897		20,068,897
General sales taxes						37,841,206		37,841,206
Selective sales taxes						25,054,603		25,054,603
Business taxes						8,601,194		8,601,194
Penalties and interest on delinquent taxes						785,323		785,323
Grants and contributions not restricted to specific programs						1,674,651		1,674,651
Investment earnings, unrestricted						73,190	148,070	221,260
Gain on sale of capital assets						1,375,604	(2,457)	1,373,147
Miscellaneous revenue						1,148,337	416,129	1,564,466
Transfers						(1,417,231)	1,417,231	
Total general revenues, contributions, and transfers						159,810,543	1,978,973	161,789,516
Change in net position						34,174,747	18,815,498	52,990,245
Net position, beginning						707,254,253	410,094,667	1,117,348,920
Net position, ending						\$ 741,429,000	\$ 428,910,165	\$ 1,170,339,165

**CITY OF SAVANNAH, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	GENERAL	COMMUNITY DEVELOPMENT	SPLOST 2009-2014	SPLOST 2014-2020	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Cash and investments	\$ 61,498,763	\$ 99,851	\$ -	\$ -	\$ 7,472,998	\$ 69,071,612
Receivables, net	14,166,504				1,743,655	15,910,159
Due from other funds	1,711,966				37,217,361	38,929,327
Due from other governments	10,322,972	877,287		2,756,010	2,536,257	16,492,526
Restricted assets:						
Cash and investments		135,597	60,556,320	34,836,614	47,351,428	142,879,959
Special assessment receivable, net					119,186	119,186
Notes receivable, long-term		27,836,584			40,342	27,876,926
Property held for resale	595,020					595,020
Total assets	<u>\$ 88,295,225</u>	<u>\$ 28,949,319</u>	<u>\$ 60,556,320</u>	<u>\$ 37,592,624</u>	<u>\$ 96,481,227</u>	<u>\$ 311,874,715</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 4,019,828	\$ 137,309	\$ 114,536	\$ 99,310	\$ 3,538,252	\$ 7,909,235
Accrued liabilities	1,876,326					1,876,326
Due to other funds	37,217,361				1,790,248	39,007,609
Payable from restricted assets:						
Unexpended grant proceeds		839,694			157,681	997,375
Escrow deposits	3,448,266	135,597				3,583,863
Total liabilities	<u>46,561,781</u>	<u>1,112,600</u>	<u>114,536</u>	<u>99,310</u>	<u>5,486,181</u>	<u>53,374,408</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable property taxes	5,203,833					5,203,833
Unavailable program income	464,605	27,836,719			300,315	28,601,639
Unavailable property sale proceeds	595,020					595,020
Total deferred inflows of resources	<u>6,263,458</u>	<u>27,836,719</u>			<u>300,315</u>	<u>34,400,492</u>
<u>FUND BALANCES</u>						
Nonspendable					6,073,098	6,073,098
Restricted			60,441,784	37,493,314	41,589,835	139,524,933
Committed	2,903,707				43,031,798	45,935,505
Unassigned	32,566,279					32,566,279
Total fund balance	<u>35,469,986</u>		<u>60,441,784</u>	<u>37,493,314</u>	<u>90,694,731</u>	<u>224,099,815</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,295,225</u>	<u>\$ 28,949,319</u>	<u>\$ 60,556,320</u>	<u>\$ 37,592,624</u>	<u>\$ 96,481,227</u>	<u>\$ 311,874,715</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, 2015**

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)	\$ 224,099,815
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	572,593,733
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund financial statements.	6,715,525
Other long-term assets are not available to pay for current-period expenditures and are not recognized as revenues at the fund level	30,253,673
Internal service funds are used by management to charge costs of fleet management, information 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.	54,329,967
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(146,563,713)</u>
Net position of governmental activities (page 14)	<u><u>\$ 741,429,000</u></u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	GENERAL	COMMUNITY DEVELOPMENT	SPLOST 2009-2014	SPLOST 2014-2020	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes	\$ 66,170,518	\$ -	\$ -	\$ -	\$ 160,029	\$ 66,330,547
Intangible, transfer and franchise taxes	20,068,897					20,068,897
General sales tax	37,841,206					37,841,206
Selective sales taxes	4,931,970				20,122,633	25,054,603
Business taxes	8,601,194					8,601,194
Penalties and interest on delinquent taxes	785,323					785,323
Licenses and permits	1,977,163					1,977,163
Inspection fees	3,267,977					3,267,977
Intergovernmental revenue	2,198,058	4,437,955		34,151,467	8,317,324	49,104,804
Charges for services	23,314,201	1,378,764			6,156,001	30,848,966
Indirect cost allocations	5,206,248					5,206,248
Special assessments					319	319
Fines and forfeitures	2,496,233					2,496,233
Investment income	21,527	487,283	88,076	26,497	60,326	683,709
Miscellaneous revenue	1,499,583	402,602			712,851	2,615,036
Total revenues	<u>178,380,098</u>	<u>6,706,604</u>	<u>88,076</u>	<u>34,177,964</u>	<u>35,529,483</u>	<u>254,882,225</u>
EXPENDITURES:						
Current:						
General administration	4,399,164				10,000,000	14,399,164
Management and financial services	8,011,323					8,011,323
Facilities maintenance	29,172,459					29,172,459
Police	62,652,134				7,644,468	70,296,602
Recorder's court	2,171,260				16,271	2,187,531
Fire	30,434,789				538,753	30,973,542
Leisure services	21,498,227					21,498,227
Tourism enhancement	2,680,364				8,653,113	11,333,477
Social and cultural	1,704,355					1,704,355
Public development	7,712,109					7,712,109
Grant program and administration					6,567,553	6,567,553
Community development program and administration	108,285	8,316,112				8,424,397
Debt Service:						
Principal		100,000			2,640,000	2,740,000
Interest and fiscal charges		11,795			837,647	849,442
Bond issuance costs					401,774	401,774
Capital outlay					21,225,929	21,225,929
Capital outlay - SPLOST funded			4,767,878	1,569,659	3,357,252	9,694,789
Total expenditures	<u>170,544,469</u>	<u>8,427,907</u>	<u>4,767,878</u>	<u>1,569,659</u>	<u>61,882,760</u>	<u>247,192,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,835,629</u>	<u>(1,721,303)</u>	<u>(4,679,802)</u>	<u>32,608,305</u>	<u>(26,353,277)</u>	<u>7,689,552</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	12,738,895	1,721,303			18,181,638	32,641,836
Transfers out	(19,889,162)				(11,478,934)	(31,368,096)
Debt issuance					19,950,000	19,950,000
Premium on bond debt					451,774	451,774
Total other financing sources (uses)	<u>(7,150,267)</u>	<u>1,721,303</u>			<u>27,104,478</u>	<u>21,675,514</u>
Net change in fund balances	685,362		(4,679,802)	32,608,305	751,201	29,365,066
Fund balances, beginning of year	34,784,624		65,121,586	4,885,009	89,943,530	194,734,749
Fund balances, end of year	<u>\$ 35,469,986</u>	<u>\$ -</u>	<u>\$ 60,441,784</u>	<u>\$ 37,493,314</u>	<u>\$ 90,694,731</u>	<u>\$ 224,099,815</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, 2015**

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)	\$ 29,365,066
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.	12,303,973
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	1,862,771
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,133,821)
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.	(17,576,451)
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.	(2,760,501)
Internal service funds are used by management to charge costs of fleet management, information services, and risk management to individual funds.	10,701,507
The net revenue of certain activities of internal service funds is reported with governmental activities.	1,412,203
Change in net position of governmental activities (page 15)	<u>\$ 34,174,747</u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

		ENTERPRISE FUNDS					
		WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<u>ASSETS</u>							
ASSETS							
Current assets:							
Cash and investments		\$ 109,738,024	\$ 15,305,542	\$ 9,504,989	\$ 1,956,533	\$ 136,505,088	\$ 30,087,235
Receivables, net		13,035,655	3,953,978	3,368		16,993,001	1,132,959
Due from other funds					78,282	78,282	
Inventories		35,177			32,689	67,866	828,506
Total current assets		122,808,856	19,259,520	9,508,357	2,067,504	153,644,237	32,048,700
Noncurrent assets:							
Restricted assets:							
Cash and investments		5,287,351	1,031,100		994,430	7,312,881	
Accounts receivable					98,186	98,186	
Capital assets:							
Land		1,976,460	1,910,772	1,810,415	2,199,096	7,896,743	
Plant, buildings, stations, reservoirs, etc		506,378,839	1,455,453	84,032,153	19,103,491	610,969,936	2,479,758
Improvements, other than buildings			30,023,489	414,670	6,729,515	37,167,674	419,908
Machinery and equipment		7,797,689	21,506,981	4,337,175	2,044,796	35,686,641	83,371,248
Other capital assets					1,011,977	1,011,977	
Less accumulated depreciation		(266,407,619)	(41,575,427)	(27,636,982)	(21,348,262)	(356,968,290)	(55,404,061)
Construction in progress		54,543,843	1,321,621	1,316,464	2,552,591	59,734,519	
Total noncurrent assets		309,576,563	15,673,989	64,273,895	13,385,820	402,910,267	30,866,853
Total assets		432,385,419	34,933,509	73,782,252	15,453,324	556,554,504	62,915,553
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Net difference between projected and actual earnings on pension plan investments		1,805,024	1,110,784	381,832	173,560	3,471,200	
Deferred amounts from refunding of debt		74,100	59,863	262,835		396,798	
Total deferred outflows of resources		1,879,124	1,170,647	644,667	173,560	3,867,998	
Total assets and deferred outflows of resources		\$ 434,264,543	\$ 36,104,156	\$ 74,426,919	\$ 15,626,884	\$ 560,422,502	\$ 62,915,553
<u>LIABILITIES</u>							
Current liabilities:							
Accounts payable		\$ 1,428,818	\$ 86,507	\$ 191,411	\$ 104,914	\$ 1,811,650	\$ 1,439,961
Interest payable		76,263	111,979	439,501		627,743	
Current portion of contractual obligations				1,155,000		1,155,000	
Current portion of notes and bonds payable		4,967,694	2,880,000			7,847,694	
Current portion of compensated absences		571,248	343,292	113,165	54,166	1,081,871	176,616
Current portion of claims and judgments payable							3,924,750
Total current liabilities		7,044,023	3,421,778	1,899,077	159,080	12,523,958	5,541,327
Noncurrent liabilities:							
Payable from restricted assets:							
Customer deposits		2,439,705			1,092,616	3,532,321	
Interest payable		34,591				34,591	
Current portion of revenue bonds payable		275,417				275,417	
Contractual obligations				28,941,427		28,941,427	
Notes payable		19,250,304				19,250,304	
Revenue bonds payable, net of discount		13,891,559	9,426,356			23,317,915	
Compensated absences		781,654	725,863	91,935	142,923	1,742,375	262,901
Accrued landfill closure costs			17,864,260			17,864,260	
Claims and judgments							2,781,358
Net Pension Liability		11,112,749	6,838,615	2,350,774	1,068,534	21,370,672	
Net OPEB Obligation		520,339	107,374	435,297	29,790	1,092,800	
Total noncurrent liabilities		48,306,318	34,962,468	31,819,433	2,333,863	117,422,082	3,044,259
Total liabilities		55,350,341	38,384,246	33,718,510	2,492,943	129,946,040	8,585,586
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Pension plan differences between expected and actual experience		814,474	501,215	172,293	78,315	1,566,297	
<u>NET POSITION</u>							
Net investment in capital assets		265,994,222	3,424,396	34,437,490	12,293,204	316,149,312	30,866,853
Restricted for:							
Debt service		2,370,027				2,370,027	
Unrestricted		109,735,479	(6,205,701)	6,098,626	762,422	110,390,826	23,463,114
Total net position		378,099,728	(2,781,305)	40,536,116	13,055,626	428,910,165	54,329,967
Total liabilities, deferred inflows of resources and net position		\$ 434,264,543	\$ 36,104,156	\$ 74,426,919	\$ 15,626,884	\$ 560,422,502	\$ 62,915,553

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, 2015

	ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
OPERATING REVENUES:						
Metered sales	\$ 55,214,029	\$ -	\$ -	\$ -	\$ 55,214,029	\$ -
Charges for services	11,089,673	26,673,531			37,763,204	23,589,275
Rental fees	277,179		12,965,159	1,407,478	14,649,816	
Recreation fees				538,485	538,485	
Risk management fees						32,171,209
Miscellaneous	72,747	242,651	100,731		416,129	
Total operating revenues	66,653,628	26,916,182	13,065,890	1,945,963	108,581,663	55,760,484
OPERATING EXPENSES:						
Personal services	17,711,122	11,700,146	3,940,980	1,498,049	34,850,297	
Contractual services	15,243,267	4,276,008	2,543,168	987,901	23,050,344	
Commodities	4,712,013	1,336,521	241,229	226,266	6,516,029	
Internal service	5,298,149	3,104,402	892,852	386,140	9,681,543	
Landfill closure and post closure care		1,048,401			1,048,401	
Depreciation	13,060,486	1,262,682	2,003,401	650,322	16,976,891	7,667,235
Central garage						5,422,487
Information services						5,976,181
Risk management						25,993,074
Total operating expenses	56,025,037	22,728,160	9,621,630	3,748,678	92,123,505	45,058,977
Operating Income (Loss)	10,628,591	4,188,022	3,444,260	(1,802,715)	16,458,158	10,701,507
NONOPERATING REVENUES (EXPENSES):						
Interest earned	126,594	21,398		78	148,070	32,099
Interest expense	(993,335)	(306,751)	(1,159,153)	(5,658)	(2,464,897)	
Gain (loss) on disposal of assets	(552,489)		(2,457)		(554,946)	1,375,604
Debt issuance costs			(501,816)		(501,816)	
Amortization	69,514	140,076	65,019	12,692	287,301	
Total nonoperating revenues (expenses)	(1,349,716)	(145,277)	(1,598,407)	7,112	(3,086,288)	1,407,703
Income (loss) before contributions and transfers	9,278,875	4,042,745	1,845,853	(1,795,603)	13,371,870	12,109,210
CAPITAL CONTRIBUTIONS	2,151,988		2,898,027	1,667,353	6,717,368	4,500
TRANSFERS IN				1,830,625	1,830,625	
TRANSFERS OUT			(3,104,365)		(3,104,365)	
Change in net position	11,430,863	4,042,745	1,639,515	1,702,375	18,815,498	12,113,710
Total net position - beginning	366,668,865	(6,824,050)	38,896,601	11,353,251	410,094,667	42,216,257
Total net position - ending	\$ 378,099,728	\$ (2,781,305)	\$ 40,536,116	\$ 13,055,626	\$ 428,910,165	\$ 54,329,967

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	ENTERPRISE FUNDS					
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 65,762,289	\$ 18,767,444	\$ 12,640,256	\$ 1,739,594	\$ 98,909,583	\$ -
Cash received from other funds for services	312,822	8,198,664	427,734		8,939,220	23,588,105
Customer deposits received	999,274				999,274	
Customer deposits returned	(835,473)				(835,473)	
Cash received for services and fees						32,179,189
Cash paid to suppliers	(19,989,847)	(5,722,490)	(2,818,864)	(1,260,467)	(29,791,668)	(12,279,810)
Cash paid to other funds for services	(5,475,907)	(3,104,402)	(892,852)	(386,140)	(9,859,301)	
Cash paid to employees	(17,833,640)	(11,835,956)	(3,917,171)	(1,498,049)	(35,084,816)	
Cash paid for supplies and insurance						(27,520,047)
Net cash provided (used) by operating activities	22,939,518	6,303,260	5,439,103	(1,405,062)	33,276,819	15,967,437
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:						
Repayment of due to (from) other funds	-			1,403	1,403	
Transfers in		-		1,830,625	1,830,625	-
Transfer out	-	-	(3,104,365)	-	(3,104,365)	
Net cash provided (used) by non capital financing activities	-	-	(3,104,365)	1,832,028	(1,272,337)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital contribution	-	-	-	-	-	4,500
Bond proceeds used to refinance debt	-	-	25,055,000	-	25,055,000	-
Issuance costs, premiums and discounts on issuance of bonds	-	-	335,875	-	335,875	-
Principal paid on long-term debt	(5,570,529)	(2,600,000)	(25,960,000)	(485,000)	(34,615,529)	-
Interest paid	(1,226,072)	(337,376)	(1,239,298)	(9,700)	(2,812,446)	-
Proceeds from sale of equipment	-	-	-	-	-	1,452,395
Acquisition and construction of capital assets	(6,986,154)	(488,308)	(14,087,765)	(292,350)	(21,854,577)	(7,169,100)
Net cash provided (used) by capital and related financing activities	(13,782,755)	(3,425,684)	(15,896,188)	(787,050)	(33,891,677)	(5,712,205)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	126,594	21,398	-	78	148,070	32,099
Net cash provided by investing activities	126,594	21,398	-	78	148,070	32,099
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,283,357	2,898,974	(13,561,450)	(360,006)	(1,739,125)	10,287,331
CASH AND CASH EQUIVALENTS, JANUARY 1 (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
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$7,312,881 IN 2015)	\$ 115,025,375	\$ 16,336,642	\$ 9,504,989	\$ 2,950,963	\$ 143,817,969	\$ 30,087,235
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 10,628,591	\$ 4,188,022	\$ 3,444,260	\$ (1,802,715)	\$ 16,458,158	\$ 10,701,507
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	13,060,486	1,262,682	2,003,401	650,322	16,976,891	7,667,235
Change in assets and liabilities:						
(Increase) decrease in receivables	(414,716)	49,926	2,100	7,717	(354,973)	6,810
(Increase) decrease in prepaid items and inventories	22,584			11,797	34,381	96,927
Increase (decrease) in accounts and other payables	(381,307)	938,440	(34,467)	(272,183)	250,483	(2,505,042)
Increase (decrease) in net pension liability and OPEB obligation	23,880	(135,810)	23,809	-	(88,121)	
Net cash provided (used) by operating activities	\$ 22,939,518	\$ 6,303,260	\$ 5,439,103	\$ (1,405,062)	\$ 33,276,819	\$ 15,967,437
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributions of capital assets from developers/other entities	\$ 2,112,404	\$ -	\$ -	\$ 1,667,353	\$ 3,779,757	\$ -
Contributions of capital assets from government	39,584	-	2,898,027		2,937,611	

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, 2015**

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash and cash equivalents	\$ 65,740,753	\$ 242,463
Accrued income	662,528	
Accounts receivable:		
From employer	16,929	
From participants	61,688	
Investments, at fair value:		
U.S. government obligations	67,557,210	
Foreign corporate bonds	4,074,059	
Corporate bonds	24,126,481	
Domestic stocks	123,968,720	
Domestic stock fund	30,247,628	
Foreign stocks	6,131,539	
International stock fund	29,943,676	
Real estate fund	36,371,248	
Total investments	<u>322,420,561</u>	
Total assets	<u>388,902,459</u>	<u>\$ 242,463</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Payable from restricted assets:		
Accounts payable	\$ 364,078	\$ 71,872
Employee benefits payable		75,014
Benefit plan surplus		95,577
Total liabilities	<u>364,078</u>	<u>\$ 242,463</u>
Net position:		
Held in trust for:		
Pension benefits	328,003,219	
OPEB	60,535,162	
Total net position	<u>\$ 388,538,381</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, 2015**

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS
ADDITIONS	
Contributions	
Employer	\$ 22,147,095
Plan members	9,453,191
Total contributions	<u>31,600,286</u>
Investment income	
Interest	2,641,980
Dividends	3,040,129
Real estate net income	4,463,410
Net appreciation (depreciation) in fair value of investments	<u>(5,158,110)</u>
Total investment income	4,987,409
Less investment expense	<u>1,295,502</u>
Net investment income (loss)	<u>3,691,907</u>
Total additions	<u>35,292,193</u>
DEDUCTIONS	
Benefits	29,320,689
Refunds of contributions	2,528,765
Administrative expense	<u>449,298</u>
Total deductions	<u>32,298,752</u>
Change in net position	2,993,441
Net position:	
Beginning of year - January 1	<u>385,544,940</u>
End of year - December 31	<u><u>\$ 388,538,381</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, 2015

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, 2015. They include all the activities controlled by the Mayor and Aldermen 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 Aldermen 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 five 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 71.

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, SPLOST 2009-2014 and the SPLOST 2014-2020 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.

(c) 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. This 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)

- (d) SPLOST 2014 – 2020 Fund – This fund accounts for special purpose local option sales tax resources provided to the City by Chatham County in accordance with a 2013 Special Purpose Local Option Sales Tax referendum, which was passed on a county-wide basis. The current SPLOST commenced on October 1, 2014 and expires on September 30, 2020. 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.

(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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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) 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

(L) 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.

(M) 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)

(N) 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 \$572,593,733 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) 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 \$5,203,833 related to taxes, \$119,186 related to special assessment receivables, \$234,645 related to cemetery receivables, and \$24,696,009 related to loan receivables that will be used in grant programs in future periods.

- (3) 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	\$ 43,799,257
Compensated absences payable	17,356,727
Net OPEB obligation	6,142,233
Net pension liability	78,072,981
Section 108 notes payable	500,000
Accrued interest payable	692,515
	<u>\$146,563,713</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 \$31,203,349.
- (2) Depreciation expense during the year recorded on the government-wide statements but not on the fund financial statements was \$18,899,376.
- (3) The net effect of various miscellaneous transactions involving capital assets during the year was \$1,862,771; this amount represents the value of assets donated to the City (\$2,125,314) and a loss of \$262,543 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	\$ 2,640,000
HUD Section 108 Note	100,000
Amortization of premiums	85,323
Debt issuance:	
Debt issuance proceeds	(19,950,000)
Premium on bond issuance	<u>(451,774)</u>
	<u>\$17,576,451</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 \$2,760,501 are as follows:

Net OPEB expense	\$ (1,727,110)
Net pension expense	2,515,884
Compensated absences	1,699,847
Accrued interest	<u>271,880</u>
	<u>\$ 2,760,501</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, 2015, 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, 2015, 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
Primary Government:						
Georgia Fund I	AAAf	\$350,861,012	\$350,861,012	\$ -	\$ -	\$ -
Pension Trust Fund:						
US Government/Agency Securities	Aaa	67,557,211	10,458,605	12,386,761	4,626,370	40,085,475
Corporate Bonds						
Various	A	6,672,309	3,672,900	1,104,373	232,633	1,662,403
Various	Aa	1,952,921	408,546	696,738		847,637
Various	Aaa	2,912,365	237,002		255,360	2,420,003
Various	Ba	687,964				687,964
Various	Baa	9,689,667	4,245,511	1,692,499	228,835	3,522,822
Private Placement Bonds	NR	6,285,313	1,315,265	1,091,287	499,214	3,379,547
Domestic Stock	NR	154,216,348				
International Equity Funds	NR	36,075,215				
Real Estate Investment Trust	NR	36,371,248				
Total Investments		\$673,281,573	\$371,198,841	\$16,971,658	\$5,842,412	\$52,605,851

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, 2015, the City had investments of \$350,861,012 in Georgia Fund 1, which reported a weighted average maturity on its entire portfolio of 36 days.

Policies of the City of Savannah Employees Retirement Plan limit cash and 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, 2015, the City of Savannah Employees Retirement Plan had 2.94% of its portfolio in cash and 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 \$36,075,215 and \$4,074,059 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	\$ 235,663,935
Restricted cash	150,192,840
Trust and agency funds	<u>388,403,777</u>
Total	<u>\$ 774,260,552</u>

Notes to financial statements:

Cash on Hand	\$ 45,350
Deposits	100,933,629
Investments	<u>673,281,573</u>
Total	<u>\$ 774,260,552</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS

The City maintains a cost-sharing multiple-employer pension plan to provide retirement benefits to employees of the City called the City of Savannah Employees' Retirement Plan (COSERP). In addition, certain employees of the City's police department participate in a separate cost-sharing multiple-employer pension plan administered by the Chatham County Employees' Retirement Plan (CCERP). Separate plan disclosures are provided herein. The proportionate share of the net pension liability allocated to the City of Savannah for the two plans is:

	Total Pension Liability	Plan Fiduciary Net Position	Proportionate Share of Net Pension Liability	Deferred Outflows	Deferred Inflows
City of Savannah Employees' Retirement Plan	\$ 393,621,412	\$ 296,481,992	\$ 97,139,420	\$ 15,778,188	\$ 7,119,530
Chatham County Employees' Retirement Plan	12,067,444	9,763,211	2,304,233	348,585	386,815
	<u>\$ 405,688,856</u>	<u>\$ 306,245,203</u>	<u>\$ 99,443,653</u>	<u>\$ 16,126,773</u>	<u>\$ 7,506,345</u>

(A) City of Savannah Employees' Retirement Plan

Summary of Significant Accounting Policies

Basis of Accounting. COSERP financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Plan Description and Contribution Information

Plan Administration. The City of Savannah administers 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

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, 2015, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,317
Terminated employees entitled to benefits but not yet receiving them	<u>115</u>
	<u>1,432</u>
Active plan participants:	
Vested	1,517
Nonvested	<u>923</u>
Total	<u>2,440</u>

The Plan's audited financial statements are included in the City's comprehensive annual financial report as a pension trust fund. The Plan does not issue a stand-alone financial report.

Benefits provided. 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:

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

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.

Contributions. The annual contribution amounts are actuarially determined. 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 benefit payments. The employer contribution as a percentage of payroll determined by the most recent actuarial valuation is 10.94%. In 2015, contributions to the COSERP by the City of Savannah were \$10,292,739 and the contributions paid by City employees totaled \$6,288,169. The total payroll for City employees covered under the COSERP for the year ended December 31, 2015 was \$90,288,005.

Investments

Investment Policy. 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, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
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.

Rate of Return. For the year ended December 31, 2015, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.61 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

Net Pension Liability

Net components of the net pension liability of the COSERP at December 31, 2015, were as follows:

Total pension liability	\$ 435,181,218
Plan fiduciary net position	<u>327,785,507</u>
Employers' net pension liability	<u><u>\$ 107,395,711</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 75.32%

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - beginning of year	\$ 425,561,588	\$ 331,754,250	\$ 93,807,338
Changes for the Year:			
Service cost	12,832,463	-	12,832,463
Interest expense	31,983,189	-	31,983,189
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(9,445,475)		(9,445,475)
Contributions--employer	-	11,378,991	(11,378,991)
Contributions--employee	-	6,948,068	(6,948,068)
Net investment income	-	3,612,074	(3,612,074)
Benefits paid, including refunds of member contributions	(25,750,547)	(25,750,547)	-
Plan administrative expenses	-	(157,329)	157,329
Net Changes	<u>9,619,630</u>	<u>(3,968,743)</u>	<u>13,588,373</u>
Balances - end of year	<u><u>\$ 435,181,218</u></u>	<u><u>\$ 327,785,507</u></u>	<u><u>\$ 107,395,711</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

The net pension liability is based on an actuarial valuation dated January 1, 2015, upon which update procedures were used to roll forward the total pension liability to the year end of December 31, 2015.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2015, 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.

Long-term expected rate of return. 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) are 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 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:

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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability was 7.75% as of January 1, 2015. 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, the 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, 2015.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the COSERP as of December 31, 2015, calculated using the discount rate of 7.75%, as well as what the 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:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Decrease (8.75%)
Net pension liability as of December 31, 2015	\$ 157,458,914	\$ 107,395,711	\$ 64,930,783

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the City of Savannah reported a liability of \$97,139,420 for its proportionate share of the net pension liability of the COSERP. The net pension liability was measured as of December 31, 2015 and determined based on the total pension liability from the actuarial valuation as of January 1, 2015. The City's proportion of the net pension liability was based on the fiscal 2015 employer contributions into the Plan.

For the year ended December 31, 2015, the City recognized pension expense of \$13,924,320. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,119,530
Net difference between projected and actual earnings on pension plan investments	15,778,188	
Total	<u>\$ 15,778,188</u>	<u>\$ 7,119,530</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Recognition of deferred outflows/(inflows)
December 31, 2016	\$2,520,641
December 31, 2017	2,520,641
December 31, 2018	2,520,641
December 31, 2019	2,520,641
December 31, 2020	(1,423,906)
Thereafter	- -

(B) Chatham County Employees' Retirement Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Chatham County Employees' Retirement Plan (CCERP), and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by CCERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description. The Chatham County Employees' Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan that covers all Chatham County, Georgia employees and certain former members of the Chatham County police department now employed within the Savannah-Chatham Metropolitan Police Department. The Plan is administered by Chatham County and provides retirement, disability, and death benefits to plan members and their beneficiaries. Article IX of the Chatham County Employees' Retirement Plan defines the authority of the Pension Board including their ability to establish and amend the benefit provisions of the plan. The City's proportionate share was calculated on the basis of actual employer contributions.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

The CCERP does not issue a stand-alone financial report. The plan's audited financial statements are included in the Chatham County, Georgia Comprehensive Annual Financial Report as a pension trust fund. That report may be obtained by writing to Chatham County Finance Department, 124 Bull Street, Savannah, Georgia 31401.

Membership. Participation in the plan for City employees is limited to those former Chatham County Police Department employees who elected to remain participants in the CCERP when the County and City police departments were merged into the Savannah-Chatham Metropolitan Police Department (SCMPD). As of December 31, 2015, fifty-four members of the SCMPD were active participants in the CCERP. No other past or future City employees are eligible to participate in the CCERP.

Benefits Provided. For plan members with participation dates beginning prior to July 1, 2013 benefits vest after five years of service. For plan members with participation dates beginning after July 1, 2013 benefits vest after 10 years of service. For general employees normal retirement age is 62 and for peace officers the normal retirement age is 55. Participants that retire at normal retirement age are entitled to 2 percent of the final average earnings for each of the first 30 years of credited service plus one percent of final average earnings for the remaining number of years of credited service. Participants that are age 55 with 25 or more years of service have the reduced benefit from 30 years of service in lieu of age. The plan also provides for occupational and non-occupational disability. Participants may also retire with unreduced benefits with 25 years of credited service. The plan also provides incentives for early retirements with reduced benefits of a 3 percent per year penalty for early retirement. Full benefits are equal to the average of the highest three years of covered earnings. Cost-of-living adjustments (COLA) are provided at the discretion of the Pension Board.

Contributions. The annual contribution amounts are actuarially determined. Effective July 1, 2007, the CCERP requires participants to contribute 3.5% of covered earnings to the plan. The employer contributes such additional amounts as are necessary, based on actuarial valuations, to provide the plan with sufficient assets to meet future benefit payments. In 2015, the City contributed \$668,058 (23.6% of covered payroll), and the contributions paid by employees totaled \$98,946. The total payroll for employees covered under the plan for the year ended December 31, 2015 was \$2,831,675.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2015, the City of Savannah reported a liability of \$2,304,233 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the actual employer contributions. At December 31, 2015, the City's proportion was 4.69737 percent.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

Changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - beginning of year	\$ 11,649,920	\$ 9,344,634	\$ 2,305,286
Changes for the Year:			
Service cost	268,165	-	268,165
Interest expense	904,962	-	904,962
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(111,488)	-	(111,488)
Contributions--employer	-	672,238	(672,238)
Contributions--employee	-	104,569	(104,569)
Net investment income	-	297,774	(297,774)
Benefits paid, including refunds of member contributions	(644,116)	(644,116)	-
Plan administrative expenses	-	(11,889)	11,889
Net Changes	<u>417,523</u>	<u>418,576</u>	<u>(1,053)</u>
Balances - end of year	<u>\$ 12,067,443</u>	<u>\$ 9,763,210</u>	<u>\$ 2,304,233</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

For the year ended December 31, 2015, the City recognized pension expense of \$355,145. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 92,590
Net difference between projected and actual earnings on pension plan investments	348,585	-
Changes in proportion	-	294,225
Total	<u>\$ 348,585</u>	<u>\$ 386,815</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement period ending December 31,

2016	\$ 8,204
2017	8,204
2018	8,204
2019	8,204
2020	<u>(71,046)</u>

Net balance of deferred outflows/(inflows) of resources \$ (38,230)

Actuarial Assumptions and Method. The actuarial valuations use the entry age normal actuarial cost method. The plan changed from the aggregate actuarial cost method to the entry age normal method on July 1, 2003. The plan's amortization method is level dollar with closed amortization periods. The equivalent single amortization period is 12 years, based on all of the current amortizations. The actuarial assumptions include a 7.8% investment rate of return (net of administrative expenses). Salary progression rates are based on actual compensation increases from 2005 to 2015. The rates range from .5% to 3% depending on age and years of service. An inflation factor of 3% is included in the assumptions for salary growth purposes. The

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

assumptions do not include postretirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Gains or losses are recognized at 20% per year. The July 1, 2003 unfunded actuarial accrued liability is being amortized over 30 years (20 remaining), increases or decreases in the actuarial accrued liability due to plan amendments over 20 years, actuarial gains/losses over 15 years, and changes in the actuarial accrued liability due to assumption changes over 30 years. Assumption changes for retired members only are amortized over 10 years.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected to 2008 and updated to reflect actual large governmental plan experience through 2010. The table includes a margin for future improvement in the life expectancy.

Disability mortality rates were based on the RP-2000 Disabled Retiree Mortality Table projected to 2008 and updated to reflect actual large government plan experience through 2010. The table includes a margin for future improvement in life expectancy.

The valuation interest rate remained 7.8% based on analysis performed by the investment consultant.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of the last actuarial experience study dated August 26, 2015. The total pension liability is based on the actuarial valuation date of July 1, 2014. The result was rolled forward using standard actuarial techniques to the measurement date.

Long-Term Expected Rate of Return. Dahab Associates, investment consultants for the Chatham County Employees' Retirement Plan, recommended to the Pension Board a series of long-term investment return expectations. The chart below indicates the asset class, index and the long-term expected returns (arithmetic averages not adjusted for inflation) for the past 20 years as of June 30, 2015.

Asset Class	Index	Long-term expected rate of return
Large Cap Equity	Russell 1000	10.7 %
Mid Cap Equity	Russell Midcap	13.1
International Equity	MSCI ACWI Ex US	7.9
Small Cap Equity	Russell 2000	11.6
	Barclays	
Fixed Income	Gov/Credit	5.7
Inflation	CIP	3.0

Discount Rate. Based on the 30% Large Cap Equity, 8% Mid Cap Equity, 8% Small Cap Equity, 15% International Equity, and 30% Fixed Income policy target allocation of the plan, it is expected to achieve a combined long-term return of 7.8%.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

Projected Cash Flows. The projection of cash flows used to determine the discount rate assumed the employers would contribute 22.97% of payroll. The employers have, since July 1, 2003, followed a policy of funding each year an amount at least equal to the normal cost plus an amount sufficient to amortize the unfunded actuarial accrued liability in accordance with the Public Retirement Systems Standards Law. This allows the amortization of July 1, 2003 unfunded actuarial accrued liability over 30 years, increases or decreases in actuarial accrued liability due to plan amendments over 20 years, actuarial gains/losses over 15 years, and changes in the actuarial accrued liability due to assumption changes over 30 years. If the plan amendment applies to retired members only, the change is amortized over 10 years. The resulting contribution can be reduced by prior year contributions in excess of the amount determined in accordance with the policy.

Periods of Projected Benefit Payments. Projected future benefit payments for all current plan members were projected through 2111.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the net pension liability of the City relative to the CCERP plan calculated using the discount rate of 7.8%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.0% percent lower (6.8%) or 1.0% higher (8.8%).

	<u>1.0% Decrease (6.8%)</u>	<u>Current Discount Rate (7.8%)</u>	<u>1.0% Increase (8.8%)</u>
City's Net Pension Obligation at December 31, 2015	\$ 3,567,261	\$ 2,304,233	\$ 1,226,776

(C) Pensions with a Special Funding Situation

The City participates in two pension plans that are considered to have a special funding situation. The two plans are the Peace Officers' Annuity and Benefit Fund of Georgia (POAB) and the Georgia Firefighters' Pension Plan (GFFP). Both of these pension plans are cost-sharing, multiple employer defined benefit plans and the employer contributions are funded by the State on behalf of the City. GASB Statement No. 68, Accounting and Financial Reporting for Pensions requires participating employers and nonemployer contributing entities to recognize their proportional share of the collective net pension liability and pension expense. Since the City does not contribute directly to the plans, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The State's proportionate share of the collective net pension liability (asset) of the POAB plan total \$(844,334) and the Georgia Firefighters' plan totals \$2,016,199. The State revenue and pension expense of the plans total \$31,269 for the POAB and \$239,477 for the Georgia Firefighters' plan. Detailed information about each of the plans' fiduciary net position is available in separately issued financial reports that can be obtained at www.poab.georgia.gov (POAB) and at www.gfpp.org (Georgia Firefighters Pension Plan).

Peace Officers' Annuity and Benefit Fund of Georgia (POAB): The Peace Officers' Annuity and Benefit Fund of Georgia was created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers.

Benefits provided. POAB provides retirement as well as death benefits. Title 47 of the O.C.G.A. assigns the authority to establish and amend the provisions of the fund to the State Legislature. A member must have terminated his or her active employment as a peace officer to receive benefits. The monthly benefit is a single life annuity payable in monthly installments for the life of the member only. The monthly payment amount at June 30, 2015,

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

was \$24.41 per month (plus 1/12 of this amount for each month of any partial year) for each full year of creditable service up to a maximum of 30 years of total service. The Board of Trustees is authorized to provide for increases effective as of January 1 and July 1 of each year up to 1.5% of the maximum monthly retirement benefit then in effect. Members may elect, as an alternate to the benefit described above, to receive a 100% joint life annuity payable during the life of the member or the member's spouse, or a contingency life annuity with a 50% monthly payment to the surviving spouse. The amount of the benefit for these options is an actuarially reduced portion of the single life annuity benefit described above.

Contributions and Vesting. A member is eligible to receive retirement benefits with 30 years of service, regardless of age. A member is also eligible to receive retirement benefits at age 55 with 10 years of service; however, members joining on or after July 1, 2010, must have 15 years of service to be eligible for benefits. A member must have terminated his or her active employment as a peace officer to receive benefits. POAB is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statute and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in O.C.G.A. 47-17-44 and are not actuarially determined. Each member must contribute \$20 per month, to be paid no later than the tenth day of each month. Nonemployer contributions consist of court fines and forfeitures collected and remitted by the courts directly to POAB in accordance with O.C.G.A. 47-17-60. These court fines and forfeitures are considered to be made by the State of Georgia as the nonemployer contributing entity.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014.

Actuarial Assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with blue collar adjustment projected on a fully generational mortality basis using Scale AA for healthy lives and the RP 2000 Disabled Mortality Table for disabled lives. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 6.66% using a Monte Carlo simulation in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The fund's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation of the fund's investment manager.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

Discount rate. The discount rate used to determine the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

Georgia Firefighters' Pension Fund (GFFP): The Georgia Firefighters' Pension Fund was created in 1955 by an act of the Georgia General Assembly to provide retirement benefits for qualified firefighters. The GFFP administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the GFFP is eligible for membership in the fund. The various fire departments located within the State of Georgia, as the employers of the members of the GFFP, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the fund through the collection of insurance premiums tax. These nonemployer contributions are recognized as revenue by the fund when collected from the insurers.

Benefits provided. The GFFP provides retirement as well as disability and death benefits. Benefit provisions and vesting requirements are established by state statute and may be amended only by the General Assembly of Georgia. A member is eligible to receive retirement benefits at age 55 provided the member has 25 years of service. A member is eligible to receive a pro rata share of benefits, at the latter of age 55 or at the member's termination as a firefighter or volunteer firefighter, after at least 15 years of service (amount received to be the maximum benefit amount times a ratio of years of service to 25 years). At age 50, a member may elect to receive a percentage of benefits to which the member would have been eligible to receive at age 55. Members may not receive benefits while they are still an employee of a fire department or of the fund. Members may receive benefits and continue service as a volunteer firefighter as long as they receive no form of compensation for their volunteer department activity.

The maximum retirement benefit at June 30, 2015 is \$882 per month for the life of the member. The Board of Trustees is authorized to provide for ad-hoc cost-of-living adjustments (COLAs) effective as of January 1 and July 1 of each year up to 1.5% of the maximum retirement benefit then in effect. Members retiring after July 1, 1984 with service in excess of 25 years are entitled to an additional 1% of the maximum benefit in effect at the time of retirement for each additional full year of service. Members retiring after July 1, 2002 with service in excess of 25 years are entitled to an additional 2% of the maximum benefit in effect at the time of retirement for each additional full year of service.

Members may elect, as an alternate to the benefit described above, to receive either:

- the joint and survivor option, which is an actuarially reduced benefit payable during the joint lifetime of the member and the member's spouse, continuing after the death of the member through the lifetime of the spouse, or
- the ten years' certain and life option, which is a reduced benefit during the member's lifetime. In the event of the member's death within 10 years of retirement, the same monthly benefits continue to be paid to the member's selected beneficiary for the balance of the 10 year period.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

Disability benefits are provided subject to the approval of the Board of Trustees to any firefighter or volunteer firefighter, who was an active member, and became totally and permanently disabled, applied for disability benefits, and was awarded such benefits prior to July 1, 1003.

A death benefit in the amount of \$5,000 is provided to the beneficiary of a member in the event of the death of a member of the GFFP who is in good standing and who has not commenced receiving any benefits. In the event of the death of a member of the fund who is in good standing and who has commenced receiving benefits, but who has not received total benefits in the amount of \$5,000; the designated beneficiary of such deceased member is entitled to receive the difference between \$5,000 and the amount of the benefits received by the deceased member. In the event of the death of a member with 15 years of service, prior to commencing benefits, the spouse or beneficiary of the member is entitled to the retirement benefit elected to have been received by the member in accordance with the plan's regular benefit terms.

In the event a member terminates prior to receiving retirement benefits, 95% of the member's contributions will be returned. No interest is paid upon amounts so withdrawn.

Contributions. The GFFP is funded by member and nonemployer contributing entity (nonemployer) contributions. Contribution provisions are established by statute and may be amended only by the General Assembly of Georgia.

Member contribution requirements are set forth in O.C.G.A. 47-7-60 and are not actuarially determined. Each member must contribute \$25 per month, to be paid no later than the tenth day of each month.

Nonemployer contributions consist of insurance premiums tax collected and remitted by insurers directly to the GFFP in accordance with O.C.G.A. 47-7-61. Every fire insurance company, corporation or association doing business within the State of Georgia must pay to the executive director of the fund 1% of the gross premiums written by such insurance company, corporation, or association for fire, lightning, or extend coverage, inland marine or allied lines, or windstorm insurance policies covering property within the State of Georgia. These insurance premiums taxes are considered to be made by the State of Georgia as the nonemployer contributing entity.

Actuarial Assumptions. The total pension liability was determined based on an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014:

Inflation	3.0%
Salary increases	N/A
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

Mortality rates for pre-retirement and post-retirement were based on the RP-2000 Blended Mortality Table with Projection Scale AA. Mortality rates for post-disability mortality rates were based on the 1944 Railroad Board Ultimate table.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period of July 1, 2001 – July 1, 2006.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table.

Asset Class	Target Allocation	Long-term expected real rate of return
Cash	0.40 %	0.75 %
Intermediate government corporate credit	3.60	2.25
Mortgage-backed securities	12.40	1.25
Core bonds	10.30	1.46
Custom fixed income	7.60	2.25
Large cap equities	16.50	4.75
Small/mid cap equities	18.30	5.00
International unhedged equities	15.00	5.25
Emerging international equities	5.00	6.50
Private equity	1.20	6.75
Real estate (core)	5.00	3.50
Real estate (liquid)	4.70	4.75
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions (dues) will be made at the current contribution rate and that nonemployer contributions (from insurers) will continue to be made at the current rates. Based on those assumptions, the fund's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

(D) 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 2015. 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 2015.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

(E) Statement of Fiduciary Net Position for Individual Pension Plans

CITY OF SAVANNAH STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS DECEMBER 31, 2015			
	EMPLOYEES' RETIREMENT		
	<u>PENSION TRUST</u>	<u>OLD PENSION TRUST</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,987,879	\$ 217,712	\$ 5,205,591
Accrued income	662,528		662,528
Accounts receivable:			
From employers	16,929		16,929
From participants	61,688		61,688
Investments, at fair value:			
U.S. government obligations	67,557,210		67,557,210
Foreign corporate bonds	4,074,059		4,074,059
Domestic corporate bonds	24,126,481		24,126,481
Domestic stocks	123,968,720		123,968,720
Domestic stock fund	30,247,628		30,247,628
Foreign stocks	6,131,539		6,131,539
International stock fund	29,943,676		29,943,676
Real estate fund	36,371,248		36,371,248
Total investments	<u>322,420,561</u>		<u>322,420,561</u>
Total assets	<u>328,149,585</u>	<u>217,712</u>	<u>328,367,297</u>
<u>LIABILITIES</u>			
Payable from restricted assets:			
Accounts payable	\$ 364,078	\$ -	\$ 364,078
Total liabilities	<u>364,078</u>		<u>364,078</u>
<u>NET POSITION</u>			
Held in trust for:			
Pension benefits	<u>\$ 327,785,507</u>	<u>\$ 217,712</u>	<u>\$ 328,003,219</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

(F) 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, 2015

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<u>ADDITIONS</u>			
Contributions			
Employer	\$ 11,378,991	\$ -	\$ 11,378,991
Plan members	6,948,068		6,948,068
Total contributions	<u>18,327,059</u>	<u></u>	<u>18,327,059</u>
Investment income			
Interest	2,562,147	319	2,562,466
Dividends	3,040,129		3,040,129
Real estate net income	4,463,410		4,463,410
Net appreciation (depreciation) in fair value of investments	<u>(5,158,110)</u>	<u></u>	<u>(5,158,110)</u>
Total investment income	4,907,576	319	4,907,895
Less investment expense	<u>1,295,502</u>	<u></u>	<u>1,295,502</u>
Net investment income (loss)	<u>3,612,074</u>	<u>319</u>	<u>3,612,393</u>
Total additions	<u>21,939,133</u>	<u>319</u>	<u>21,939,452</u>
<u>DEDUCTIONS</u>			
Benefits	23,221,782	20,649	23,242,431
Refunds of contributions	2,528,765		2,528,765
Administrative expense	<u>157,329</u>	<u></u>	<u>157,329</u>
Total deductions	<u>25,907,876</u>	<u>20,649</u>	<u>25,928,525</u>
Change in net position	<u>(3,968,743)</u>	<u>(20,330)</u>	<u>(3,989,073)</u>
Net position:			
Beginning of year - January 1	331,754,250	238,042	331,992,292
End of year - December 31	<u>\$ 327,785,507</u>	<u>\$ 217,712</u>	<u>\$ 328,003,219</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 69,214,521	\$ 3,808,306	\$ 262,543	\$ -	\$ 72,760,284
Construction in progress	90,486,169	32,925,501	23,664,729		99,746,941
Total capital assets, not being depreciated	<u>159,700,690</u>	<u>36,733,807</u>	<u>23,927,272</u>	<u>-</u>	<u>172,507,225</u>
Capital assets, being depreciated					
Plants and buildings	52,142,534	11,261,971			63,404,505
Improvements other than buildings	83,797,363	541,701			84,339,064
Machinery, equipment and vehicles	116,569,279	12,647,277	8,466,162		120,750,394
Streets and drainage	493,727,058	3,014,456			496,741,514
Total capital assets, being depreciated	<u>746,236,234</u>	<u>27,465,405</u>	<u>8,466,162</u>	<u>-</u>	<u>765,235,477</u>
Less: Accumulated Depreciation					
Plants and buildings	21,100,383	1,708,329			22,808,712
Improvements other than buildings	26,515,715	1,799,164			28,314,879
Machinery, equipment and vehicles	75,425,402	9,821,104	8,352,650		76,893,856
Streets and drainage	193,026,655	13,238,014			206,264,669
Total accumulated depreciation	<u>316,068,155</u>	<u>26,566,611</u>	<u>8,352,650</u>	<u>-</u>	<u>334,282,116</u>
Total capital assets, being depreciated, net	<u>430,168,079</u>	<u>898,794</u>	<u>113,512</u>	<u>-</u>	<u>430,953,361</u>
Governmental activities capital assets, net	<u>\$ 589,868,769</u>	<u>\$ 37,632,601</u>	<u>\$ 24,040,784</u>	<u>\$ -</u>	<u>\$ 603,460,586</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 7,896,743	\$ -	\$ -	\$ -	\$ 7,896,743
Construction in progress	65,930,267	21,206,540	27,402,288		59,734,519
Total capital assets, not being depreciated	<u>73,827,010</u>	<u>21,206,540</u>	<u>27,402,288</u>	<u>-</u>	<u>67,631,262</u>
Capital assets, being depreciated					
Plants, buildings, stations and reservoirs	599,187,322	11,782,614			610,969,936
Improvements other than buildings	35,806,170	1,361,504			37,167,674
Machinery and equipment	36,016,090	689,490	6,962		36,698,618
Total capital assets, being depreciated	<u>671,009,582</u>	<u>13,833,608</u>	<u>6,962</u>	<u>-</u>	<u>684,836,228</u>
Less: Accumulated Depreciation					
Plants, buildings, stations and reservoirs	287,247,140	14,856,667			302,103,807
Improvements other than buildings	24,696,358	891,127			25,587,485
Machinery and equipment	28,052,407	1,229,097	4,506		29,276,998
Total accumulated depreciation	<u>339,995,905</u>	<u>16,976,891</u>	<u>4,506</u>	<u>-</u>	<u>356,968,290</u>
Total capital assets, being depreciated, net	<u>331,013,677</u>	<u>(3,143,283)</u>	<u>2,456</u>	<u>-</u>	<u>327,867,938</u>
Business-type activities capital assets, net	<u>\$ 404,840,687</u>	<u>\$ 18,063,257</u>	<u>\$ 27,404,744</u>	<u>\$ -</u>	<u>\$ 395,499,200</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, 2015 is \$19,865,094.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (CONTINUED)

During 2015, depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General administration	\$ 171,570
Management and financial services	1,201,758
Facilities maintenance	13,563,317
Police	686,576
Recorders Court	3,290
Fire	878,592
Leisure services	2,012,891
Public development	380,727
Grant program and administration	<u>655</u>
Total depreciation expense – governmental activities	18,899,376
Depreciation expense on Internal Service Fund Capital Assets	<u>7,667,235</u>
Total depreciation expense allocated to governmental activities	<u>\$26,566,611</u>

Business-type activities:

Water and sewer	\$ 13,060,486
Sanitation	1,262,682
Parking facilities	2,003,401
Civic Center	485,653
Golf course	<u>164,669</u>
Total depreciation expense allocated to business-type activities	<u>\$16,976,891</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – CAPITAL ASSETS (CONTINUED)

During 2015, the City incurred total interest expense of \$2,683,117 in its business-type activities and of this amount; \$218,220 was capitalized during the year.

As of December 31, 2015, the City had the following commitments with respect to unfinished capital projects:

<u>Project by Type</u>	<u>Project Authorization</u>	<u>Expended at Year-end</u>	<u>Committed</u>	<u>Required Future Financing</u>
Drainage	\$67,168,776	\$9,152,479	\$58,016,297	NONE
Public Buildings	198,608,026	27,237,224	171,370,802	NONE
Recreation	16,589,917	11,951,486	4,638,431	NONE
Sanitation	2,643,698	1,321,621	1,322,077	NONE
Sewerage	106,021,720	35,499,172	70,522,548	NONE
Squares	11,071,691	6,827,419	4,244,272	NONE
Street Paving	7,122,080	3,600,725	3,521,355	NONE
Traffic Engineering	60,174,400	20,613,931	39,560,469	NONE
Water	55,406,833	18,785,255	36,621,578	NONE
Other	82,153,106	24,492,148	57,660,958	NONE
Total	<u>\$606,960,247</u>	<u>\$159,481,460</u>	<u>\$447,478,787</u>	

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES

(A) The following shows the composition of bonds, notes, and contractual obligations payable at December 31, 2015 and the annual maturities of long-term liabilities:

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/15	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035
GOVERNMENTAL ACTIVITIES PRINCIPAL PORTION											
Contractual Obligations Related to:											
2009 Downtown Savannah Authority Bonds Series "A"	2.25/3.50	\$ 16,845,000	\$ 6,040,000	\$ 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							5,690,000	2,580,000
2014 Downtown Savannah Authority Bonds	2.0/4.00	9,970,000	8,415,000	755,000	770,000	785,000	795,000	810,000	4,500,000		
2015 Downtown Savannah Authority Bonds	2.0/4.00	19,950,000	19,950,000	760,000	895,000	910,000	695,000	935,000	4,725,000	5,105,000	5,925,000
Total Contractual Obligations		66,920,000	42,675,000	3,465,000	3,680,000	3,770,000	1,490,000	1,745,000	9,225,000	10,795,000	8,505,000
Notes:											
2011-A Series HUD Section 108 Note	1.60/2.92	595,000	415,000	50,000	65,000	100,000	100,000	100,000			
2010-A Series HUD Section 108 Note	1.70/2.91	485,000	85,000	50,000	35,000						
Total Notes Payable		1,080,000	500,000	100,000	100,000	100,000	100,000	100,000	-		
Total Governmental Activities Principal Portion		<u>\$ 68,000,000</u>	<u>\$ 43,175,000</u>	<u>\$ 3,565,000</u>	<u>\$ 3,780,000</u>	<u>\$ 3,870,000</u>	<u>\$ 1,590,000</u>	<u>\$ 1,845,000</u>	<u>\$ 9,225,000</u>	<u>\$ 10,795,000</u>	<u>\$ 8,505,000</u>
GOVERNMENTAL ACTIVITIES INTEREST PORTION											
Contractual Obligations			16,323,871	1,599,962	1,459,319	1,360,530	1,254,005	1,224,206	5,284,278	3,252,205	889,366
Section 108 Notes			31,739	10,229	8,290	6,270	4,500	2,450			
Total Governmental Activities Interest Portion			<u>16,355,610</u>	<u>1,610,191</u>	<u>1,467,609</u>	<u>1,366,800</u>	<u>1,258,505</u>	<u>1,226,656</u>	<u>5,284,278</u>	<u>3,252,205</u>	<u>889,366</u>
Total Governmental Activities Debt Service Requirements			<u>\$ 59,530,610</u>	<u>\$ 5,175,191</u>	<u>\$ 5,247,609</u>	<u>\$ 5,236,800</u>	<u>\$ 2,848,505</u>	<u>\$ 3,071,656</u>	<u>\$ 14,509,278</u>	<u>\$ 14,047,205</u>	<u>\$ 9,394,366</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

	Lowest /Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/15	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035
BUSINESS-TYPE ACTIVITIES PRINCIPAL PORTION											
WATER AND SEWER SYSTEM											
2014 Water and Sewer Revenue Bonds	2.0/3.0	\$ 17,690,000	\$ 16,725,000	\$ 3,305,000	\$ 1,890,000	\$ 845,000	\$ 860,000	\$ 875,000	\$ 4,695,000	\$ 4,255,000	\$ -
SRF Notes	2.0/4.0	49,441,933	21,720,517	1,938,111	1,618,708	1,670,431	1,723,943	1,779,042	7,335,510	5,654,772	
Total Water and Sewer Bonds and Notes		<u>67,131,933</u>	<u>38,445,517</u>	<u>5,243,111</u>	<u>3,508,708</u>	<u>2,515,431</u>	<u>2,583,943</u>	<u>2,654,042</u>	<u>12,030,510</u>	<u>9,909,772</u>	
SANITATION											
2013 Resource Recovery Bonds	2.0/3.0	12,950,000	11,900,000	2,880,000	2,940,000	3,005,000	3,075,000				
Total Sanitation Bonds		<u>12,950,000</u>	<u>11,900,000</u>	<u>2,880,000</u>	<u>2,940,000</u>	<u>3,005,000</u>	<u>3,075,000</u>				
PARKING SERVICES											
Contractual Obligations Related to:											
2013 Downtown Savannah Authority Bonds	2.0	6,485,000	4,130,000	1,155,000	1,185,000	1,215,000	575,000				
2015 Downtown Savannah Authority Bonds	2.0/4.0	25,055,000	25,055,000				940,000	1,405,000	7,995,000	10,020,000	4,695,000
Total Parking Services Contractual Obligations		<u>31,540,000</u>	<u>29,185,000</u>	<u>1,155,000</u>	<u>1,185,000</u>	<u>1,215,000</u>	<u>1,515,000</u>	<u>1,405,000</u>	<u>7,995,000</u>	<u>10,020,000</u>	<u>4,695,000</u>
Total Business-type Activities Principal Portion		<u>\$ 111,621,933</u>	<u>79,530,517</u>	<u>9,278,111</u>	<u>7,633,708</u>	<u>6,735,431</u>	<u>7,173,943</u>	<u>4,059,042</u>	<u>20,025,510</u>	<u>19,929,772</u>	<u>4,695,000</u>
BUSINESS-TYPE ACTIVITIES INTEREST PORTION											
Water and Sewer Bonds			3,029,800	415,100	349,000	311,200	294,300	277,100	1,059,550	323,550	
Water and Sewer Notes			4,378,847	641,400	585,329	533,606	480,093	424,995	1,389,678	323,746	
Sanitation Resource Recovery Bonds			724,500	268,750	211,150	152,350	92,250				
Parking Services Contractual Obligations			9,640,904	960,282	869,668	845,968	821,668	791,368	3,321,340	1,785,154	245,456
Civic Center Contractual Obligations			9,700	9,700							
Total Business-type Activities Interest Portion			<u>17,783,751</u>	<u>2,295,232</u>	<u>2,015,147</u>	<u>1,843,124</u>	<u>1,688,311</u>	<u>1,493,463</u>	<u>5,770,568</u>	<u>2,432,450</u>	<u>245,456</u>
Total Business-type Activities Debt Service Requirements			<u>\$ 97,314,268</u>	<u>\$ 11,573,343</u>	<u>\$ 9,648,855</u>	<u>\$ 8,578,555</u>	<u>\$ 8,862,254</u>	<u>\$ 5,552,505</u>	<u>\$ 25,796,078</u>	<u>\$ 22,362,222</u>	<u>\$ 4,940,456</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

(B) The following are changes in the long-term liabilities for the year ended December 31, 2015:

	Balance 12/31/14	2015 Issues	2015 Retirements	Balance 12/31/15	Unamortized (Discounts)/ Premiums	Balance 12/31/15	Amounts Due Within One Year	Accrued Interest at 12/31/2015
Governmental Activities:								
Bonds and notes payable:								
Contractual Obligations relating to:								
Downtown Savannah Authority Bonds 2009	\$16,205,000	\$ -	\$ 1,895,000	\$ 14,310,000	\$ 55,658	\$ 14,365,658	\$ 1,950,000	\$ 276,513
Downtown Savannah Authority Bonds 2014	9,160,000		745,000	8,415,000	615,000	9,030,000	755,000	109,312
Downtown Savannah Authority Bonds 2015		19,950,000		19,950,000	433,259	20,383,259	760,000	302,428
Series 2011-A HUD Section 108 Note	465,000		50,000	415,000		415,000	50,000	3,284
Series 2010-A HUD Section 108 Note	135,000		50,000	85,000		85,000	50,000	978
Total bonds and notes payable	25,965,000	19,950,000	2,740,000	43,175,000	1,103,917	44,278,917	3,565,000	692,515
Other liabilities:								
Compensated absences	16,067,394	8,723,055	6,994,205	17,796,244		17,796,244	6,246,290	
Net pension liability	68,841,574	23,871,685	14,640,278	78,072,981		78,072,981		
Net OPEB obligation	7,869,342	6,011,284	7,738,393	6,142,233		6,142,233		
Claims and judgments	8,344,676	24,354,506	25,993,074	6,706,108		6,706,108	3,924,750	
Total other liabilities	101,122,986	62,960,530	55,365,950	108,717,566		108,717,566	10,171,040	
Governmental Activities long-term liabilities	\$ 127,087,986	\$ 82,910,530	\$ 58,105,950	\$ 151,892,566	\$ 1,103,917	\$ 152,996,483	\$ 13,736,040	\$ 692,515
Business-type Activities:								
Bonds and notes payable:								
Water and Sewer Revenue Bonds 2009	\$ 2,165,000	\$ -	\$ 2,165,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Sewer Revenue Bonds 2014	17,690,000		965,000	16,725,000	471,559	17,196,559	3,305,000	34,591
Sewer SRF Loan	24,161,046		2,440,529	21,720,517	(532,102)	21,188,415	1,938,111	76,263
Resource Recovery Bonds 2009	2,150,000		2,150,000					
Resource Recovery Bonds 2013	12,350,000		450,000	11,900,000	406,356	12,306,356	2,880,000	111,979
Contractual obligations relating to:								
Downtown Savannah Authority Bonds 2005	24,820,000		24,820,000					
Downtown Savannah Authority Bonds 2013	5,755,000		1,625,000	4,130,000	109,635	4,239,635	1,155,000	34,417
Downtown Savannah Authority Bonds 2015		25,055,000		25,055,000	801,792	25,856,792		405,084
Total bonds and notes payable	89,091,046	25,055,000	34,615,529	79,530,517	1,257,240	80,787,757	9,278,111	662,334
Other liabilities:								
Compensated absences	2,683,552	1,324,802	1,184,108	2,824,246		2,824,246	1,081,871	
Net pension liability	18,666,722	6,534,551	3,830,601	21,370,672		21,370,672		
Net OPEB obligation	1,963,265	1,912,180	2,782,645	1,092,800		1,092,800		
Closure and Postclosure Liability	16,815,859	1,048,401		17,864,260		17,864,260		
Total other liabilities	40,129,398	10,819,934	7,797,354	43,151,978		43,151,978	1,081,871	
Business-type Activities long-term liabilities	\$ 129,220,444	\$ 35,874,934	\$ 42,412,883	\$ 122,682,495	\$ 1,257,240	\$ 123,939,735	\$ 10,359,982	\$ 662,334

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, Net Pension Liability 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) 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, Series 2014 and Series 2015 are liquidated by the Tax Allocation District I Fund, a non-major fund.
- 4) 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 and in the Tax Allocation District I Fund.

(1) General Obligation Bonds

The City is authorized to issue, under the provisions 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 2015, and as of December 31, 2015 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

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. A maturity schedule for the contractual obligations is shown on page 63.

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.

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.

During 2015, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 2015, tax-exempt bonds issued in the principal amount of \$45,005,000. Of this amount, \$25,055,000 was allocated to the Parking Services Fund to currently refund the Downtown Savannah Authority Revenue Bonds, Series 2005, which had a principal balance of \$24,820,000 at refunding, and to cover issuance costs. The remaining proceeds of the bond sale, \$19,950,000, were allocated to the governmental activities and used for the purpose of acquiring, constructing and equipping improvements to the downtown area of the City and paying issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.00% to 4.00% and mature serially beginning August 1, 2016.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

The Authority's Series 2009A, Series 2009B, Series 2015 and Series 2015 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 63.

(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 costs associated with renovations to the City's 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 63.

(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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

(1) Water and Sewer Revenue Bonds

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 64.

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.

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. A maturity schedule for the water and sewer revenue bonds is shown on page 64.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

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, 2015 the debt service reserve requirement is calculated as 125% of the average annual debt service of bonds outstanding, which is \$1,948,679. The debt service reserve requirement is met with cash held in 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, 2015, the sinking fund requirements and actual balances were as follows:

Sinking Fund Requirements:	
Interest requirements (for June 1, 2016)	\$ 34,591
Principal requirements (for December 1, 2016)	275,417
Debt Service Reserve	<u>1,948,679</u>
Total requirements at December 31, 2015	<u>2,258,687</u>
Sinking Fund Resources:	
Cash and investments in sinking fund at December 31, 2015	<u>2,680,035</u>
Surplus	\$ <u>421,348</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, 2015.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

Year of Loan	Project Description	Total Loan Commitment	Interest Rate (%)	Amortization Period (Years)	Amount Drawn	<u>-As of December 31, 2015-</u>	
						Principal Retired	Loan Payable
1990	Georgetown Sewage Plant & Gateway Area Force Main	\$ 6,719,514	2.00%	20	\$ 6,719,514	\$ 6,719,514	\$ -
1996	President Street Plant	10,020,200	4.00%	18	10,020,200	9,650,285	369,915
2000	I & D Plant Improvements	8,205,660	3.53%	20	8,205,660	5,115,518	3,090,142
2005	Crossroads Wastewater Plant	24,496,559	3.00%	20	24,496,559	6,236,099	18,260,460
2014	President Street Biosolids Handling Facility	28,470,000	1.03%	20	-	-	-
		<u>\$ 77,911,933</u>			<u>\$ 49,441,933</u>	<u>\$ 27,721,416</u>	<u>\$ 21,720,517</u>

A maturity schedule for the SRF loans is located on page 64.

(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 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.

As discussed previously, in 2015, the City entered into a contractual obligation related to Downtown Savannah Authority Revenue Refunding, Series 2015 issued in the principal amount of \$45,005,000. The proceeds of the bond sale were made available to the City to (1) refund and redeem all of the Authority's Series 2005 Bonds currently outstanding (2) acquire, construct and equip improvements to the downtown area of the City and (3) fund all expenses incidental to the issuance of the Bonds. The portion of the bond proceeds used by the City's Parking Services Fund to refund debt and pay issuance costs amounted to \$25,055,000 and has been allocated to the Parking Services Fund. The bonds bear interest at a fixed rate between 2.00% and 4.00% and mature serially beginning August 1, 2019. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$250,394. This amount is classified as a deferred

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

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 \$3,438,002 and a reduction of \$4,258,436 in future debt service payments.

The Authority's Series 2005, Series 2013 and Series 2015 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 64.

(4) Sanitation Fund Resource Recovery Bonds

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

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

The Authority's Series 2009 and Series 2013 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 64.

(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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

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 64.

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 2015, the City recognized a postclosure expense of \$1,048,401, which is based on 74.06% usage (filled) of the landfill. It is estimated that an additional \$6,256,395 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 (\$24,120,655) 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, 2015. Based on landfill capacity, the estimated remaining useful life of the landfill is approximately 10.7 years. The actual cost of closure and postclosure care may fluctuate annually due to inflation, changes in technology, or changes in environmental laws and regulations.

At December 31, 2015, the City had accrued \$17,864,260 in landfill closure and postclosure costs. This amount was determined as follows:

Estimated total cost of closure and postclosure care	\$ 24,120,655
Percent utilized at 12/31/15	<u>74.06</u>
Total postclosure and closure liability at 12/31/15	17,864,260
Less amount recognized in prior years	<u>16,815,859</u>
Current year closure/postclosure expense (credit)	\$ <u>1,048,401</u>

The City will fund the closure and postclosure care costs with user fees and subsidies from the General Fund. As of December 31, 2015, no amount of assets had been restricted for the payment of closure and postclosure care costs. The landfill postclosure and closure liability of \$17,864,260 is included in long-term liabilities on the Statement of Net Position.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2014, the latest valuation date, employee membership data related to the OPEB plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,000
Active plan participants	<u>2,269</u>
Total	<u>3,269</u>

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

(2) Summary of Significant Accounting Policies

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid. Plan investments, if any, are reported at their fair value at the reporting date. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller and for financial reporting purposes is measured by the market price unless such prices are not available, in which case, fair value is estimated. As of December 31, 2015 the Plan reported \$60,535,162 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

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 the 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 2015 by the City of Savannah in the amount of \$6,903,000. Required contribution rates of plan members for the valuation dated December 31, 2014 were set as follows:

<u>Class of Retiree</u>	<u>Monthly Contribution per Retiree</u>
• Single retiree with Medicare	\$ 98.78
• Single retiree without Medicare	271.92
• 2 – Party Retiree, one with Medicare and one without Medicare	370.70
• 2 – Party Retiree, both with Medicare	197.56
• 2 – Party Retiree, neither with Medicare	543.84

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

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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

(4) OPEB Cost

For the fiscal year ended December 31, 2015, the Plan's annual OPEB cost was \$8,203,494, 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 \$10,768,104. As of December 31, 2015 the Plan had a net OPEB obligation of \$12,260,797, the components of which are disclosed as the following:

Annual required contribution	\$ 8,154,429
Interest on net OPEB obligation	887,993
Adjustments to annual required contributions	<u>(838,928)</u>
Annual OPEB cost	\$ 8,203,494
Contributions made	<u>(10,768,104)</u>
Increase/(decrease) in net OPEB obligation	(2,564,610)
Net OPEB obligation – beginning of year	<u>14,825,407</u>
Net OPEB obligation – end of year	<u>\$12,260,797</u>

For the fiscal year ended December 31, 2015, the City's annual OPEB cost was \$7,923,465, 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 \$10,521,035. As of December 31, 2015 the City had a net OPEB obligation of \$7,235,033.

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
12/31/2013	\$ 8,874,900	128.7%	\$ 18,206,390
12/31/2014	7,937,031	138.5%	14,825,407
12/31/2015	8,203,494	131.3%	12,260,797

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(5) Funded Status and Funding Progress

As of the Plan's most recent OPEB actuarial valuation, dated December 31, 2014, the actuarial accrued liability for benefits was \$108,747,888, of which, \$55,195,240 was unfunded. As of the valuation date, the Plan had assets with an actuarial value of \$53,552,648. 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
12/31/2014	\$53,552,648	\$108,747,888	\$55,195,240	49.24	\$92,213,838	59.86%

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.

(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 assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the actuarial valuation dated December 31, 2014, 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 for prefunded plan, 4.00 percent for pay-as-you-go plans
- Projected salary increases were 5.60 percent at age 20 graded to 3.75 percent at age 62.
- The medical cost trend rate (pre 65) used was 7.50 percent graded to 5.00 percent over 5 years.
- The drug cost trend rate (pre 65) used was 12.50 percent graded to 5.00 percent over 10 years.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

- The medical and drug cost trend rate (post 65) used was 6.75 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 22 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, 2015

ASSETS

Cash and cash equivalents	\$ 60,535,162
Total assets	60,535,162

NET POSITION

Held in trust for:	
OPEB	\$ 60,535,162

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, 2015

ADDITIONS

Contributions	
Employer	\$ 10,768,104
Plan members	2,505,123
Total contributions	<u>13,273,227</u>
Investment income	
Interest	<u>79,514</u>
Total additions	<u>13,352,741</u>

DEDUCTIONS

Benefits	6,078,258
Administrative expense	<u>291,969</u>
Total deductions	<u>6,370,227</u>
Change in net position	6,982,514
Net position:	
Beginning of year - January 1	<u>53,552,648</u>
End of year - December 31	<u><u>\$ 60,535,162</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 2015 did not exceed commercial coverage.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - RISK MANAGEMENT (CONTINUED)

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 2015, premiums paid into the fund by both the City and its employees exceeded liabilities incurred for the various types of claims covered by \$6,189,467. The amount available for catastrophic losses at December 31, 2015 had a total net position balance of \$3,629,949.

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 \$6,706,108 reported as of year-end is based on the requirements of Governmental Accounting Standards Board Statement 30, which requires that a liability for claims be established if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. At December 31, 2015, \$2,781,358 of those covered liabilities is considered to be long-term and \$3,924,750 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
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
2015	8,344,676	24,354,506	(25,993,074)	6,706,108

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, 2015, are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Hazardous Materials Team Fund	\$ 222,334	Provide resources to fund operating expenditures.
General Fund	Grant Fund	157,833	Provide resources to fund grant match requirements.
General Fund	Tax Allocation District I Fund	826,479	Provide resources to fund debt service expenditures.
General Fund	Community Development Fund	1,721,303	Provide resources to fund operating expenditures and grant matches.
General Fund	Debt Service Fund	2,148,463	Provide resources to fund debt service expenditures.
General Fund	Capital Improvement Fund	13,754,970	Provide resources to fund planned capital project expenditures.
General Fund	Public Safety Communications Fund	1,057,780	Provide resources to fund emergency communications expenditures.
Confiscated Assets Fund	Grant Fund	9,414	Provide resources for grant matches
Hotel/motel Tax Fund	Civic Center Fund	563,362	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	General Fund	9,216,474	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	Civic Center Fund	1,267,263	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	General Fund	422,421	Transfer restricted revenues to fund required to expend them.
Parking Services Fund	Grant Fund	4,365	Provide resources for grant matches
Parking Services Fund	General Fund	3,100,000	Provide resources to fund property acquisition
	Total	<u><u>\$ 34,472,461</u></u>	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds, including capital projects, in accordance with budgetary operations.

In certain years, the General Fund transfers amounts to the Tax Allocation District I Fund in order to fund debt service obligations liquidated by the Tax Allocation District I Fund. While the transfers do not meet the definition of an advance and no advance to/from is recorded on the financial statements, if future revenues within the Tax Allocation District I Fund are sufficient a repayment of these transfers is desired by the City. As of December 31, 2015, the General Fund had transferred an aggregate total of \$4,601,603 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, 2015 are as follows:

<u>Payable from</u>	<u>Payable to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Improvements Fund	\$ 37,217,361	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	1,122,192	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Nonmajor governmental fund	General Fund	563,680	Hotel/motel taxes receivable at year end which are to be transfered to General Fund when received.
Nonmajor governmental fund	General Fund	26,094	Auto rental taxes receivable at year end which are to be transfered to General Fund when received.
Nonmajor governmental fund	Nonmajor business-type fund	78,282	Auto rental taxes receivable at year end which are to be transfered for use by Civic Center when received.
		<u>\$ 39,007,609</u>	

NOTE 11 – RECEIVABLE AND PAYABLE BALANCES

Receivables at December 31, 2015 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes Receivable	\$ 8,078,753	
Due from other Governments	16,492,526	
Miscellaneous accounts receivable	11,659,962	\$24,306,084
Less: allowance for uncollectible	<u>2,576,411</u>	<u>7,214,897</u>
Total	<u>\$33,654,830</u>	<u>\$17,091,187</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – RECEIVABLE AND PAYABLE BALANCES (CONTINUED)

Payables at December 31, 2015 consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due to vendors	\$ 9,349,195	\$ 1,811,650
Accrued payroll tax liabilities and withholdings	<u>1,876,326</u>	
Total	<u>\$ 11,225,521</u>	<u>\$ 1,811,650</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, 2015 include:

Activity	Restricted by	Amount
Governmental Activities:		
Sales Tax Capital Projects	Law	\$121,940,477
Other Capital Projects	Bond covenants	14,161,181
Community Development projects	Grantor agencies	25,200,653
HUD Section 108 projects	Creditor – U. S. Dept. of Housing & Urban Development	377,532
Nonexpendable Perpetual Care	Cemetery perpetual care	6,213,885
Debt service	Special assessment bonds	356,688
Public safety communications	Law	1,401,056
Court technology fee	Law	662,824
Other grants	Grantor agencies	249,869
Business-Type Activities:		
Debt service	Bond covenants	2,370,027

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

As of December 31, 2015, Governmental Funds' balance sheet reports fund balances as follows:

	<u>General</u>	<u>SPLOST 2009-2014</u>	<u>SPLOST 2014-2020</u>	<u>Other Funds</u>
Fund Balances:				
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ -	\$ 6,073,098
Restricted for:				
Public safety				2,156,068
Community development program and administration				337,190
Debt service				930,017
Other capital projects		60,441,784	37,493,314	38,166,560
Committed to:				
General administration	47,903			
Management and financial services	143,896			
Facilities maintenance	94,657			
Public safety	679,684			
Leisure services	243,333			
Social and cultural	116,709			
Public development	93,226			
Community development program and administration	1,484,299			
Other capital projects				43,031,798
Unassigned:	32,566,279			
Total fund balances	<u>\$ 35,469,986</u>	<u>\$ 60,441,784</u>	<u>\$ 37,493,314</u>	<u>\$ 90,694,731</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 \$603,460,586 less related debt of \$21,168,915, which includes contractor retainage payable of \$2,363,832 and contractual obligations of \$33,799,257 less unspent bonds proceeds of \$14,994,174. 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 \$395,499,200 less related debt of \$79,349,888, which includes contractor retainage payable of \$433,059 and debt of \$80,115,541 less unspent bond proceeds of \$1,198,712. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities.

For the year ended December 31, 2015, the Sanitation Fund reported a deficit in ending net position of \$2,781,305. The City anticipates that the deficit in the Sanitation Fund will be eliminated by increased charges for services and General Fund transfers.

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:

2015 (tentative) millage rate adopted by ordinance	December 31, 2014
Beginning of fiscal year for taxes	January 1, 2015
First installment real property tax bills rendered	April 11, 2015
First installment real property tax payment due	May 15, 2015
County Tax Digest approved by the State of Georgia	September 12, 2015
2015 final millage rate adopted by ordinance	July 25, 2015
Second installment real property tax bills rendered	October 4, 2015
Personal property tax bills rendered	October 11, 2015
Second installment real property tax payment due	November 21, 2015
Personal property tax payment due	November 27, 2015

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, 2015. 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, 2015, which have not been accrued.

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, 2015, the Series 2011 Revenue Bonds outstanding were \$5,550,000. At December 31, 2015, all Series 1992 bonds and Series 2001 bonds had been defeased.

NOTE 16 – SUBSEQUENT EVENTS

On January 6, 2016, the City issued the Water and Sewer Refunding Bond, Series 2016 in the principal amount of \$21,255,000. The proceeds of the bond sale were made available to the City to (1) currently refund a portion of the Water and Sewer Fund's outstanding loans in the amount of \$21,145,105, and (2) fund expenses incidental to the bond issue.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 – RESTATEMENT OF NET POSITION ON ENTITY-WIDE FINANCIAL STATEMENTS

For the year ended December 31, 2015, the City implemented the provisions of GASB No. 68 and 71 – Accounting and Financial Reporting for Pensions. Accordingly, beginning net position of the Water and Sewer Fund was reduced by \$9,706,696; the Sanitation Fund was reduced by \$5,973,351; the Parking Services Fund was reduced by \$2,053,333; and the non-major enterprise Civic Center Fund was reduced by \$933,336. The governmental activities net position was reduced by \$69,079,747. These reductions reflect the recording of net pension liabilities, deferred inflows of resources and deferred outflows of resources as required under the new GASB pronouncements.

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes	\$ 63,022,825	\$ 66,963,627	\$ 66,170,518	\$ (793,109)
Intangible, transfer and franchise taxes	19,099,870	19,982,164	20,068,897	86,733
General sales tax	37,080,000	38,218,000	37,841,206	(376,794)
Selective sales taxes	4,510,000	4,825,000	4,931,970	106,970
Business taxes	8,162,520	8,555,971	8,601,194	45,223
Penalties and interest on delinquent taxes	800,000	800,000	785,323	(14,677)
Licenses and permits	1,900,235	1,962,200	1,977,163	14,963
Inspection fees	2,155,200	2,888,400	3,267,977	379,577
Intergovernmental revenue	1,734,350	1,760,000	2,198,058	438,058
Charges for services	27,725,685	26,172,078	23,314,201	(2,857,877)
Indirect cost allocations	5,206,248	5,206,248	5,206,248	
Fines and forfeitures	2,635,000	2,450,000	2,496,233	46,233
Investment income	5,000	12,000	21,527	9,527
Miscellaneous revenue	89,597	174,893	1,499,583	1,324,690
Total revenues	174,126,530	179,970,581	178,380,098	(1,590,483)
EXPENDITURES:				
Current:				
General administration	4,560,778	4,565,188	4,399,164	166,024
Management and financial services	8,232,143	8,326,138	8,011,323	314,815
Facilities maintenance	30,371,964	30,294,367	29,172,459	1,121,908
Police	64,112,160	63,605,476	62,652,134	953,342
Recorder's court	2,336,343	2,243,439	2,171,260	72,179
Fire	28,381,888	30,747,282	30,434,789	312,493
Leisure services	21,484,589	22,318,789	21,498,227	820,562
Tourism enhancement	2,875,223	2,871,298	2,680,364	190,934
Social and cultural	1,726,470	1,716,970	1,704,355	12,615
Public development	7,113,560	8,838,238	7,712,109	1,126,129
Community development program and administration	2,100,000	2,100,000	108,285	1,991,715
Total expenditures	173,295,118	177,627,185	170,544,469	7,082,716
Excess (deficiency) of revenues over (under) expenditures	831,412	2,343,396	7,835,629	5,492,233
OTHER FINANCING SOURCES (USES):				
Transfers in	8,750,000	12,510,000	12,738,895	228,895
Transfers out	(9,581,413)	(20,353,398)	(19,889,162)	464,236
Total other financing sources (uses)	(831,413)	(7,843,398)	(7,150,267)	693,131
Net change in fund balance	\$ -	\$ (5,500,002)	685,362	\$ 6,185,364
FUND BALANCE - JANUARY 1			34,784,624	
FUND BALANCE - DECEMBER 31			<u>\$ 35,469,986</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, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Intergovernmental Revenue	\$ 8,824,412	\$ 8,966,885	\$ 4,437,955	\$ (4,528,930)
Charges for services			1,378,764	1,378,764
Interest earned			487,283	487,283
Miscellaneous revenue			402,602	402,602
Total revenues	<u>8,824,412</u>	<u>8,966,885</u>	<u>6,706,604</u>	<u>(2,260,281)</u>
EXPENDITURES:				
Community development program and administration	10,017,795	10,124,848	8,316,112	1,808,736
Debt Service:				
Principal	100,000	100,000	100,000	
Interest and fiscal charges	<u>12,000</u>	<u>12,000</u>	<u>11,795</u>	<u>205</u>
Total expenditures	<u>10,129,795</u>	<u>10,236,848</u>	<u>8,427,907</u>	<u>1,808,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,305,383)</u>	<u>(1,269,963)</u>	<u>(1,721,303)</u>	<u>(451,340)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,305,383</u>	<u>1,269,963</u>	<u>1,721,303</u>	<u>451,340</u>
Total other financing sources (uses)	<u>1,305,383</u>	<u>1,269,963</u>	<u>1,721,303</u>	<u>451,340</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
FUND BALANCE - JANUARY 1				
FUND BALANCE - DECEMBER 31			<u>\$ -</u>	

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 12,832,463	\$ 12,803,097
Interest	31,983,189	30,562,389
Change of benefit terms	-	-
Differences between expected and actual experience	(9,445,475)	-
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	<u>(25,750,547)</u>	<u>(24,314,601)</u>
Net change in total pension liability	<u>9,619,630</u>	<u>19,050,885</u>
Total pension liability - beginning	<u>425,561,588</u>	<u>406,510,703</u>
Total pension liability - ending (a)	<u><u>\$ 435,181,218</u></u>	<u><u>\$ 425,561,588</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 11,378,991	\$ 11,989,213
Contributions - employee	6,948,068	6,656,241
Net investment income	3,612,074	23,393,123
Benefit payments, including refunds of employee contributions	(25,750,547)	(24,314,601)
Administrative expense	(157,329)	(99,358)
Other	-	-
Net change in plan fiduciary net position	<u>(3,968,743)</u>	<u>17,624,618</u>
Plan fiduciary net position - beginning	<u>331,754,250</u>	<u>314,129,632</u>
Plan fiduciary net position - ending (b)	<u>327,785,507</u>	<u>331,754,250</u>
Employers' net pension liability - ending (a) - (b)	<u><u>\$ 107,395,711</u></u>	<u><u>\$ 93,807,338</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.32%	77.96%
Covered employee payroll	\$ 99,962,326	\$ 100,296,655
Employers' net pension liability as a percentage of covered employee payroll	107.44%	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
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- employee Payroll	Contributions as a Percentage of Covered-employee Payroll
City of Savannah Employees' Retirement Plan						
	2015	\$10,292,739	\$10,292,739	\$ -	\$90,288,005	11.40%
Chatham County Employees' Retirement Plan						
	2015	\$668,058	\$668,058	\$ -	\$2,831,675	23.59%

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, 2015**

Valuation date	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
Actuarial cost method	Projected unit credit method for actuarially determined contributions; Entry age normal for total pension liability
Amortization method	Level percent of compensation using 3.75% increases
Remaining amortization period	Closed period, 28 years as of January 1, 2015
Asset valuation method	Market value of assets

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

Other information:	Please see the January 1, 2015 actuarial valuation for a full listing of assumptions.
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**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2015**

Year Ended December 31	Annual Money- weighted Rate of Return
2014	7.8 %
2015	0.6

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

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF
NET PENSION LIABILITY
PLANS WITHOUT A SPECIAL FUNDING SITUATION
LAST TEN FISCAL YEARS**

		City's Proportion (Percentage) of the Collective Net Pension Liability	City's Proportion (Amount) of the Collective Net Pension Liability (A)	City's Covered Employee Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered-employee Payroll	Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
City of Savannah Employees' Retirement Plan						
	2015	90.45%	\$97,139,421	\$90,288,005	107.59%	75.32%
Chatham County Employees' Retirement Plan						
	2015	4.70%	\$2,304,233	\$2,831,675	81.37%	80.91%

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

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF
NET PENSION LIABILITY
PLANS WITH A SPECIAL FUNDING SITUATION
LAST TEN FISCAL YEARS

		City's Proportion (Percentage) of the Collective Net Pension Liability	City's Proportion (Amount) of the Collective Net Pension Liability (A)	State of Georgia's Portion of the Total Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the City (B)	Total (A) + (B)	City's Covered Employee Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered-employee Payroll	Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Peace Officers' Annuity and Benefit Fund of Georgia								
	2015	0.00%	\$0	(\$844,334)	(\$844,334)	N/A	N/A	103.75%
Georgia Firefighters' Pension Fund								
	2015	0.00%	\$0	\$2,016,199	\$2,016,199	N/A	N/A	89.72%

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Ratio of the Unfunded Actuarial Liability to Annual Covered Payroll
12/31/2005	\$ -	\$ 170,475,649	\$ 170,475,649	0.00%	\$ 75,576,872	225.57%
12/31/2007	-	160,168,208	160,168,208	0.00%	97,873,785	163.65%
12/31/2009	-	179,958,099	179,958,099	0.00%	101,788,736	176.80%
12/31/2010	-	159,649,684	159,649,684	0.00%	101,231,939	157.71%
12/31/2011	32,972,354	141,972,845	109,000,491	23.22%	97,898,141	111.34%
12/31/2012	39,665,471	104,329,839	64,664,368	38.02%	100,925,268	64.07%
12/31/2013	46,594,003	102,425,282	55,831,279	45.49%	93,188,755	59.91%
12/31/2014	53,552,648	108,747,888	55,195,240	49.24%	92,213,838	59.86%

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2015

Year Ended December 31	Annual Required Contribution	Percentage Contributed
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%
2015	8,154,429	132.1%

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF VALUATION DETAILS
DECEMBER 31, 2015**

Valuation date	December 31, 2014
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay, closed, 30 years
Remaining amortization period	22 years as of January 1, 2014
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%
Inflation rate	3.75%
Projected salary increases	5.60% at age 20 graded to 3.75% at age 62
Medical cost trend rate (pre-65)	7.50% graded to 5.00% over 5 years
Drug cost trend rate (pre-65)	12.5% graded to 5.00% over 10 years
Medical and drug trend rate (post-65)	6.75% graded to 5.00% over 6 years
Plan membership:	
Current retirees, beneficiaries, and dependents	1,296
Current active members	2,269
Terminated members entitled but not yet eligible	-
Total	<u><u>3,565</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE A - BUDGET

The City adopted annual budgets for the 2015 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 2015 is presented below:

Fund	Original Appropriation	Encumbered Appropriations Carried Forward From Prior Years	Budgetary Amendments	Final Appropriations
Major Funds:				
General	\$ 182,876,531	\$ 814,674	\$ 14,289,378	\$ 197,980,583
Community Development	10,129,795	8,694	98,359	10,236,848
Nonmajor Funds:				
Grant	4,161,676	877,443	1,081,348	6,120,467
Economic Development	1,500,000			1,500,000
Hazardous Materials Team	530,322	43,315	(10,804)	562,833
Public Safety Communications	7,095,398	30,707	547,227	7,673,332
Hote/motel Tax	16,800,000		1,200,000	18,000,000
Automobile Rental Tax	1,400,000		240,000	1,640,000
Recorders Court Technology Fee			500,000	500,000
Confiscated Assets	200,000	39,234	160,766	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

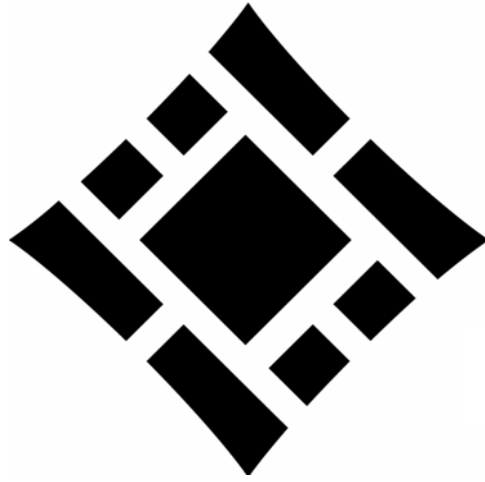
NOTE A – BUDGET (CONTINUED)

During 2015, expenditures and transfers out in the following non-major funds exceeded the final budgeted amounts adopted by City Council:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (\$)</u>	<u>Variance (%)</u>
Grant Fund	\$ 6,120,467	\$ 6,567,553	\$ (447,086)	7.30 %
Hotel/motel Tax Fund	18,000,000	18,432,949	(432,949)	2.41
Automobile Rental Tax Fund	1,640,000	1,689,684	(49,684)	3.03

In accordance with State law, new appropriations for projects for the capital project funds were adopted by ordinance and totaled \$259,593,625 in 2015.

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.

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 the golf course management company.

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, 2015

		SPECIAL REVENUE FUNDS								PERMANENT FUND
		ECONOMIC DEVELOPMENT	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	COURT TECHNOLOGY FEE	CONFISCATED ASSETS	TOTAL	CEMETERY
<u>ASSETS</u>		GRANT								
Cash and investments	\$ -	\$ -	\$ 138	\$ -	\$ 348,363	\$ -	\$ -	\$ 92,188	\$ 440,689	\$ -
Receivables, net				371,131	1,127,361	104,376			1,602,868	140,787
Due from other governments	1,753,672			782,585					2,536,257	
Restricted assets:										
Cash and investments		337,190		249,625			662,824		1,249,639	6,073,098
Notes receivable, long-term		40,342							40,342	
Total assets	\$ 1,753,672	\$ 377,532	\$ 138	\$ 1,403,341	\$ 1,475,724	\$ 104,376	\$ 662,824	\$ 92,188	\$ 5,869,795	\$ 6,213,885
<u>LIABILITIES</u>										
Accounts payable	\$ 473,799	\$ -	\$ 138	\$ 2,285	\$ 912,044	\$ -	\$ -	\$ -	\$ 1,388,266	\$ -
Unexpended grant proceeds	157,681								157,681	
Due to other funds	1,122,192				563,680	104,376			1,790,248	
Total liabilities	1,753,672		138	2,285	1,475,724	104,376			3,336,195	
<u>DEFERRED INFLOWS OF RESOURCES</u>										
Unavailable program income		40,342							40,342	140,787
<u>FUND BALANCES</u>										
Nonspendable										6,073,098
Restricted		337,190		1,401,056			662,824	92,188	2,493,258	
Total fund balance		337,190		1,401,056			662,824	92,188	2,493,258	6,073,098
Total liabilities, deferred inflows of resources and fund balances	\$ 1,753,672	\$ 377,532	\$ 138	\$ 1,403,341	\$ 1,475,724	\$ 104,376	\$ 662,824	\$ 92,188	\$ 5,869,795	\$ 6,213,885

This statement is continued on the next page.

CITY OF SAVANNAH, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	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	CAPITAL IMPROVEMENT	TAX ALLOCATION DISTRICT I	TOTAL	
ASSETS											
Cash and investments	\$ 901,967	\$ -	\$ 901,967	\$ -	\$ -	\$ -	\$ -	\$ 6,130,342	\$ -	\$ 6,130,342	\$ 7,472,998
Receivables, net											1,743,655
Due from other funds								37,217,361		37,217,361	37,217,361
Due from other governments											2,536,257
Restricted assets:											
Cash and investments		28,050	28,050	19,915	528,859	2,371,533	21,102,349		15,977,985	40,000,641	47,351,428
Special assessments receivable, net		119,186	119,186								119,186
Notes receivable, long-term											40,342
Total assets	<u>\$ 901,967</u>	<u>\$ 147,236</u>	<u>\$ 1,049,203</u>	<u>\$ 19,915</u>	<u>\$ 528,859</u>	<u>\$ 2,371,533</u>	<u>\$ 21,102,349</u>	<u>\$ 43,347,703</u>	<u>\$ 15,977,985</u>	<u>\$ 83,348,344</u>	<u>\$ 96,481,227</u>
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,277	\$ 315,905	\$ 1,816,804	\$ 2,149,986	\$ 3,538,252
Unexpended grant proceeds											157,681
Due to other funds											1,790,248
Total liabilities							17,277	315,905	1,816,804	2,149,986	5,486,181
DEFERRED INFLOWS OF RESOURCES											
Unavailable program income		119,186	119,186								300,315
FUND BALANCES											
Nonspendable											6,073,098
Restricted	901,967	28,050	930,017	19,915	528,859	2,371,533	21,085,072	43,031,798	14,161,181	38,166,560	41,589,835
Committed										43,031,798	43,031,798
Total fund balance	<u>901,967</u>	<u>28,050</u>	<u>930,017</u>	<u>19,915</u>	<u>528,859</u>	<u>2,371,533</u>	<u>21,085,072</u>	<u>43,031,798</u>	<u>14,161,181</u>	<u>81,198,358</u>	<u>90,694,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 901,967</u>	<u>\$ 147,236</u>	<u>\$ 1,049,203</u>	<u>\$ 19,915</u>	<u>\$ 528,859</u>	<u>\$ 2,371,533</u>	<u>\$ 21,102,349</u>	<u>\$ 43,347,703</u>	<u>\$ 15,977,985</u>	<u>\$ 83,348,344</u>	<u>\$ 96,481,227</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, 2015

	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	CEMETERY
REVENUES:									
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 18,432,949	\$ 1,689,684	\$ -	\$ -	\$ -
Intergovernmental revenue	6,177,319		59,519					72,931	6,309,769
Charges for services		22,031	256,900	5,565,855			67,545		5,912,331
Investment income				2,769				248	3,017
Miscellaneous revenue	218,622								218,622
Total revenues	6,395,941	22,031	316,419	5,568,624	18,432,949	1,689,684	67,545	73,179	243,670
EXPENDITURES:									
Police				7,378,404				266,064	7,644,468
Recorders court							16,271		16,271
Fire			538,753						538,753
Tourism enhancement					8,653,113				8,653,113
Grant program and administration	6,567,553								6,567,553
Total expenditures	6,567,553		538,753	7,378,404	8,653,113		16,271	266,064	23,420,158
Excess (deficiency) of revenues over (under) expenditures	(171,612)	22,031	(222,334)	(1,809,780)	9,779,836	1,689,684	51,274	(192,885)	243,670
Transfers in	171,612		222,334	1,057,780					1,451,726
Transfers out					(9,779,836)	(1,689,684)		(9,414)	(11,478,934)
Total other financing sources (uses)	171,612		222,334	1,057,780	(9,779,836)	(1,689,684)		(9,414)	(10,027,208)
Net change in fund balances		22,031		(752,000)			51,274	(202,299)	243,670
FUND BALANCES - JANUARY 1		315,159		2,153,056			611,550	294,487	5,829,428
FUND BALANCES - DECEMBER 31	\$ -	\$ 337,190	\$ -	\$ 1,401,056	\$ -	\$ -	\$ 662,824	\$ 92,188	\$ 6,073,098

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, 2015

	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	CAPITAL IMPROVEMENT	TAX ALLOCATION DISTRICT I	TOTAL	
REVENUES:											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	160,029	\$ 160,029	\$ 160,029
Selective sales tax											20,122,633
Intergovernmental revenue							21,813	1,368,114	617,628	2,007,555	8,317,324
Charges for services											6,156,001
Special assessments		319	319								319
Investment income	1,271	38	1,309	28	802	3,401	31,605	1,766	18,398	56,000	60,326
Miscellaneous revenue								494,229		494,229	712,851
Total revenues	1,271	357	1,628	28	802	3,401	53,418	1,864,109	796,055	2,717,813	35,529,483
EXPENDITURES:											
General administration									10,000,000	10,000,000	10,000,000
Police											7,644,468
Recorders court											16,271
Fire											538,753
Tourism enhancement											8,653,113
Grant program and administration											6,567,553
Debt Service:											
Principal	1,895,000		1,895,000						745,000	745,000	2,640,000
Interest and fiscal charges	253,463		253,463						584,184	584,184	837,647
Debt issuance costs									401,774	401,774	401,774
Capital outlay					69,150	105,299	3,182,803	9,568,703	11,657,226	21,225,929	21,225,929
Capital outlay - SPLOST funded										3,357,252	3,357,252
Total expenditures	2,148,463		2,148,463		69,150	105,299	3,182,803	9,568,703	23,388,184	36,314,139	61,882,760
Excess (deficiency) of revenues over (under) expenditures	(2,147,192)	357	(2,146,835)	28	(68,348)	(101,898)	(3,129,385)	(7,704,594)	(22,592,129)	(33,596,326)	(26,353,277)
OTHER FINANCING SOURCES (USES):											
Transfers in	2,148,463		2,148,463					13,754,970	826,479	14,581,449	18,181,638
Transfers out											(11,478,934)
Debt issuance									19,950,000	19,950,000	19,950,000
Premium on bond debt									451,774	451,774	451,774
Total other financing sources (uses)	2,148,463		2,148,463					13,754,970	21,228,253	34,983,223	27,104,478
Net change in fund balances	1,271	357	1,628	28	(68,348)	(101,898)	(3,129,385)	6,050,376	(1,363,876)	1,386,897	751,201
FUND BALANCES - JANUARY 1	900,696	27,693	928,389	19,887	597,207	2,473,431	24,214,457	36,981,422	15,525,057	79,811,461	89,943,530
FUND BALANCES - DECEMBER 31	\$ 901,967	\$ 28,050	\$ 930,017	\$ 19,915	\$ 528,859	\$ 2,371,533	\$ 21,085,072	\$ 43,031,798	\$ 14,161,181	\$ 81,198,358	\$ 90,694,731

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, 2015

	GRANT FUND				ECONOMIC DEVELOPMENT FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ 3,968,266	\$ 5,897,126	\$ 6,177,319	\$ 280,193	\$ -	\$ -	\$ -	\$ -
Charges for services					1,500,000	1,500,000	22,031	(1,477,969)
Investment income								
Miscellaneous revenue			218,622	218,622				
Total revenues	<u>3,968,266</u>	<u>5,897,126</u>	<u>6,395,941</u>	<u>498,815</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>22,031</u>	<u>(1,477,969)</u>
EXPENDITURES:								
Grant program and administration	4,161,676	6,120,467	6,567,553	(447,086)				
Community development program and administration					1,500,000	1,500,000		1,500,000
Total expenditures	<u>4,161,676</u>	<u>6,120,467</u>	<u>6,567,553</u>	<u>(447,086)</u>	<u>1,500,000</u>	<u>1,500,000</u>		<u>1,500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,410)</u>	<u>(223,341)</u>	<u>(171,612)</u>	<u>51,729</u>			<u>22,031</u>	<u>22,031</u>
Transfers in	<u>193,410</u>	<u>223,341</u>	<u>171,612</u>	<u>(51,729)</u>				
Total other financing sources (uses)	<u>193,410</u>	<u>223,341</u>	<u>171,612</u>	<u>(51,729)</u>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>22,031</u>	<u>\$ 22,031</u>
FUND BALANCE - JANUARY 1							<u>315,159</u>	
FUND BALANCE - DECEMBER 31			<u>\$ -</u>				<u>\$ 337,190</u>	

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, 2015

	HAZARDOUS MATERIALS TEAM			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental revenue	\$ 48,000	\$ 64,888	\$ 59,519	\$ (5,369)
Charges for services	200,000	256,900	256,900	
Total revenues	248,000	321,788	316,419	(5,369)
EXPENDITURES:				
Fire	530,322	562,833	538,753	24,080
Total expenditures	530,322	562,833	538,753	24,080
Excess (deficiency) of revenues over (under) expenditures	(282,322)	(241,045)	(222,334)	18,711
OTHER FINANCING SOURCES (USES):				
Transfers in	282,322	241,045	222,334	(18,711)
Total other financing sources (uses)	282,322	241,045	222,334	(18,711)
Net change in fund balance	\$ -	\$ -		\$ -
FUND BALANCE - JANUARY 1				
FUND BALANCE - DECEMBER 31			\$ -	

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, 2015

	PUBLIC SAFETY COMMUNICATIONS				HOTEL/MOTEL TAX			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 16,800,000	\$ 18,000,000	\$ 18,432,949	\$ 432,949
Charges for services	5,400,000	5,945,000	5,565,855	(379,145)				
Investment income			2,769	2,769				
Total revenues	5,400,000	5,945,000	5,568,624	(376,376)	16,800,000	18,000,000	18,432,949	432,949
EXPENDITURES:								
Police	7,095,398	7,673,332	7,378,404	294,928				
Tourism enhancement					7,899,860	8,449,850	8,653,113	(203,263)
Total expenditures	7,095,398	7,673,332	7,378,404	294,928	7,899,860	8,449,850	8,653,113	(203,263)
Excess (deficiency) of revenues over (under) expenditures	(1,695,398)	(1,728,332)	(1,809,780)	(81,448)	8,900,140	9,550,150	9,779,836	229,686
OTHER FINANCING SOURCES (USES):								
Transfers in	1,695,398	1,728,332	1,057,780	(670,552)				
Transfers out					(8,900,140)	(9,550,150)	(9,779,836)	(229,686)
Total other financing sources (uses)	1,695,398	1,728,332	1,057,780	(670,552)	(8,900,140)	(9,550,150)	(9,779,836)	(229,686)
Net change in fund balance	\$ -	\$ -	(752,000)	\$ (752,000)	\$ -	\$ -		\$ -
FUND BALANCE - JANUARY 1			2,153,056					
FUND BALANCE - DECEMBER 31			\$ 1,401,056				\$ -	

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, 2015

	AUTOMOBILE RENTAL			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Selective sales taxes	\$ 1,400,000	\$ 1,640,000	\$ 1,689,684	\$ 49,684
Total revenues	1,400,000	1,640,000	1,689,684	49,684
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,400,000)	(1,640,000)	(1,689,684)	(49,684)
Total other financing sources (uses)	(1,400,000)	(1,640,000)	(1,689,684)	(49,684)
Net change in fund balance	\$ -	\$ -		\$ -
FUND BALANCE - JANUARY 1				
FUND BALANCE - DECEMBER 31			\$ -	

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, 2015

	RECORDERS COURT TECHNOLOGY FEE				CONFISCATED ASSETS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 400,000	\$ 72,931	\$ (327,069)
Charges for services		500,000	67,545	(432,455)			248	248
Investment income								
Total revenues		500,000	67,545	(432,455)	200,000	400,000	73,179	(326,821)
EXPENDITURES:								
Police					200,000	400,000	266,064	133,936
Recorders court		500,000	16,271	483,729				
Total expenditures		500,000	16,271	483,729	200,000	400,000	266,064	133,936
Excess (deficiency) of revenues over (under) expenditures			51,274	483,729	-	-	(193,133)	(193,133)
OTHER FINANCING SOURCES (USES):								
Transfers out							(9,414)	(9,414)
Total other financing sources (uses)							(9,414)	(9,414)
Net change in fund balance	\$ -	\$ -	51,274	\$ 483,729	\$ -	\$ -	(202,299)	\$ (202,547)
FUND BALANCE - JANUARY 1			611,550				294,487	
FUND BALANCE - DECEMBER 31			\$ 662,824				\$ 92,188	

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, 2015

	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
REVENUES:								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 319	\$ (99,681)
Investment income			1,271	1,271			38	38
Total revenues			1,271	1,271	100,000	100,000	357	(99,643)
EXPENDITURES:								
Debt Service:								
Principal	1,895,000	2,000,000	1,895,000	105,000	50,000	50,000		50,000
Interest and fiscal charges	249,588	1,000,000	253,463	746,537	50,000	50,000		50,000
Total expenditures	2,144,588	3,000,000	2,148,463	851,537	100,000	100,000		100,000
Excess (deficiency) of revenues over (under) expenditures	(2,144,588)	(3,000,000)	(2,147,192)	852,808	-	-	357	357
OTHER FINANCING SOURCES (USES):								
Transfers in	2,144,588	3,000,000	2,148,463	(851,537)				
Total other financing sources (uses)	2,144,588	3,000,000	2,148,463	(851,537)				
Net change in fund balance	\$ -	\$ -	1,271	\$ 1,271	\$ -	\$ -	357	\$ 357
FUND BALANCE - JANUARY 1			900,696				27,693	
FUND BALANCE - DECEMBER 31			<u>\$ 901,967</u>				<u>\$ 28,050</u>	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2015

	RESOURCE RECOVERY	CIVIC CENTER	GOLF COURSE	TOTAL
<u>ASSETS</u>				
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 1,956,492	\$ 41	\$ 1,956,533
Due from other funds		78,282		78,282
Inventories		32,689		32,689
Total current assets		2,067,463	41	2,067,504
Noncurrent assets:				
Restricted assets:				
Cash and investments		994,430		994,430
Accounts receivable		98,186		98,186
Capital assets:				
Land	1,592,559	606,537		2,199,096
Plant, buildings, stations, reservoirs, etc		18,005,706	1,097,785	19,103,491
Improvements, other than buildings		537,690	6,191,825	6,729,515
Machinery and equipment		1,990,353	54,443	2,044,796
Other capital assets		1,007,285	4,692	1,011,977
Less accumulated depreciation		(17,670,151)	(3,678,111)	(21,348,262)
Construction in progress		2,157,142	395,449	2,552,591
Total noncurrent assets	1,592,559	7,727,178	4,066,083	13,385,820
Total assets	1,592,559	9,794,641	4,066,124	15,453,324
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Net difference between projected and actual earnings on pension plan investments		173,560		173,560
Total deferred outflows of resources		173,560		173,560
Total assets and deferred outflows of resources	\$ 1,592,559	\$ 9,968,201	\$ 4,066,124	\$ 15,626,884
<u>LIABILITIES</u>				
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 104,914	\$ -	\$ 104,914
Current portion of compensated absences		54,166		54,166
Total current liabilities		159,080		159,080
Noncurrent liabilities:				
Payable from restricted assets:				
Accounts payable				
Customer deposits		1,092,616		1,092,616
Compensated absences		142,923		142,923
Net Pension Liability		1,068,534		1,068,534
Net OPEB obligation		29,790		29,790
Total noncurrent liabilities		2,333,863		2,333,863
Total liabilities		2,492,943		2,492,943
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension plan differences between expected and actual experience		78,315		78,315
<u>NET POSITION</u>				
Net investment in capital assets	1,592,559	6,634,562	4,066,083	12,293,204
Unrestricted		762,381	41	762,422
Total net position	1,592,559	7,396,943	4,066,124	13,055,626
Total liabilities, deferred inflows of resources and net position	\$ 1,592,559	\$ 9,968,201	\$ 4,066,124	\$ 15,626,884

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2015

	<u>RESOURCE RECOVERY</u>	<u>CIVIC CENTER</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
OPERATING REVENUES:				
Rental fees	\$ -	\$ 1,407,478	\$ -	\$ 1,407,478
Recreation fees		538,485		538,485
Total operating revenues		1,945,963		1,945,963
OPERATING EXPENSES:				
Personal services		1,498,049		1,498,049
Contractual services		987,901		987,901
Commodities		226,266		226,266
Internal service		386,140		386,140
Depreciation		485,653	164,669	650,322
Total operating expenses		3,584,009	164,669	3,748,678
Operating Income (Loss)		(1,638,046)	(164,669)	(1,802,715)
NONOPERATING REVENUES (EXPENSES):				
Interest earned			78	78
Interest expense		(5,658)		(5,658)
Amortization		12,692		12,692
Total nonoperating revenues (expenses)		7,034	78	7,112
Income (loss) before contributions and transfers		(1,631,012)	(164,591)	(1,795,603)
CAPITAL CONTRIBUTIONS			1,667,353	1,667,353
TRANSFERS IN		1,830,625		1,830,625
Change in net position		199,613	1,502,762	1,702,375
Total net position - beginning	1,592,559	7,197,330	2,563,362	11,353,251
Total net position - ending	<u>\$ 1,592,559</u>	<u>\$ 7,396,943</u>	<u>\$ 4,066,124</u>	<u>\$ 13,055,626</u>

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2015**

	CIVIC CENTER	GOLF COURSE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,739,594	\$ -	\$ 1,739,594
Cash paid to suppliers	(1,260,467)		(1,260,467)
Cash paid to other funds for services	(386,140)		(386,140)
Cash paid to employees	(1,498,049)		(1,498,049)
Net cash provided (used) by operating activities	(1,405,062)	-	(1,405,062)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:			
Repayment of due to (from) other funds	1,403		1,403
Transfers in	1,830,625		1,830,625
Net cash provided (used) by non capital financing activities	1,832,028	-	1,832,028
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	(485,000)		(485,000)
Interest paid	(9,700)		(9,700)
Acquisition and construction of capital assets	(198,748)	(93,602)	(292,350)
Net cash provided (used) by capital and related financing activities	(693,448)	(93,602)	(787,050)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	-	78	78
Net cash provided by investing activities	-	78	78
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(266,482)	(93,524)	(360,006)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$1,200,798 IN 2014)	3,217,404	93,565	3,310,969
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$944,430 IN 2015)	<u>\$ 2,950,922</u>	<u>\$ 41</u>	<u>\$ 2,950,963</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,638,046)	\$ (164,669)	\$ (1,802,715)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	485,653	164,669	650,322
Change in assets and liabilities:			
(Increase) decrease in receivables	7,717		7,717
(Increase) decrease in prepaid items and inventories	11,797		11,797
Increase (decrease) in accounts and other payables	(272,183)		(272,183)
Net cash provided (used) by operating activities	<u>\$ (1,405,062)</u>	<u>\$ -</u>	<u>\$ (1,405,062)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Contributions of capital assets from other entities	<u>\$ -</u>	<u>\$ 1,667,353</u>	<u>\$ 1,667,353</u>

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015**

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
ASSETS			
Current assets:			
Cash and investments	\$ 19,914,786	\$ 10,172,449	\$ 30,087,235
Receivables, net	37,867	1,095,092	1,132,959
Inventories	828,506		828,506
Total current assets	<u>20,781,159</u>	<u>11,267,541</u>	<u>32,048,700</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	83,371,248		83,371,248
Machinery and equipment under capital lease			
Less accumulated depreciation	(55,404,061)		(55,404,061)
Total noncurrent assets	<u>30,866,853</u>		<u>30,866,853</u>
Total assets	<u>\$ 51,648,012</u>	<u>\$ 11,267,541</u>	<u>\$ 62,915,553</u>
<u>LIABILITIES AND NET POSITION</u>			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 508,477	\$ 931,484	\$ 1,439,961
Current portion of compensated absences	176,616		176,616
Current portion of claims and judgments		3,924,750	3,924,750
Total current liabilities	<u>685,093</u>	<u>4,856,234</u>	<u>5,541,327</u>
Noncurrent liabilities:			
Compensated absences	262,901		262,901
Claims and judgments		2,781,358	2,781,358
Total noncurrent liabilities	<u>262,901</u>	<u>2,781,358</u>	<u>3,044,259</u>
Total liabilities	<u>947,994</u>	<u>7,637,592</u>	<u>8,585,586</u>
NET POSITION			
Net investment in capital assets	30,866,853		30,866,853
Unrestricted	19,833,165	3,629,949	23,463,114
Total net position	<u>50,700,018</u>	<u>3,629,949</u>	<u>54,329,967</u>
Total liabilities and net position	<u>\$ 51,648,012</u>	<u>\$ 11,267,541</u>	<u>\$ 62,915,553</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2015

	REVOLVING	RISK MANAGEMENT	TOTAL
OPERATING REVENUES:			
Charges for services	\$ 23,589,275	\$ -	\$ 23,589,275
Risk management fees		32,171,209	32,171,209
	<hr/>	<hr/>	<hr/>
Total operating revenues	23,589,275	32,171,209	55,760,484
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES:			
Depreciation	7,667,235		7,667,235
Central garage	5,422,487		5,422,487
Information services	5,976,181		5,976,181
Risk management		25,993,074	25,993,074
	<hr/>	<hr/>	<hr/>
Total operating expenses	19,065,903	25,993,074	45,058,977
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	4,523,372	6,178,135	10,701,507
	<hr/>	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):			
Interest earned	20,767	11,332	32,099
Interest expense			
Gain (loss) on disposal of assets	1,375,604		1,375,604
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	1,396,371	11,332	1,407,703
	<hr/>	<hr/>	<hr/>
Income (loss) before contributions	5,919,743	6,189,467	12,109,210
	<hr/>	<hr/>	<hr/>
CAPITAL CONTRIBUTIONS	4,500		4,500
	<hr/>	<hr/>	<hr/>
Change in net position	5,924,243	6,189,467	12,113,710
	<hr/>	<hr/>	<hr/>
Total net position - beginning	44,775,775	(2,559,518)	42,216,257
	<hr/>	<hr/>	<hr/>
Total net position - ending	<u>\$ 50,700,018</u>	<u>\$ 3,629,949</u>	<u>\$ 54,329,967</u>

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2015**

	REVOLVING	RISK MANAGEMENT	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 23,588,105	\$ -	\$ 23,588,105
Cash received for services and fees		32,179,189	32,179,189
Cash paid to suppliers	(12,279,810)		(12,279,810)
Cash paid for supplies and insurance		(27,520,047)	(27,520,047)
Net cash provided (used) by operating activities	<u>11,308,295</u>	<u>4,659,142</u>	<u>15,967,437</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contribution	4,500		4,500
Proceeds from sale of equipment	1,452,395		1,452,395
Acquisition and construction of capital assets	(7,169,100)		(7,169,100)
Net cash provided (used) by capital and related financing activities	<u>(5,712,205)</u>	<u>-</u>	<u>(5,712,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	<u>20,767</u>	<u>11,332</u>	<u>32,099</u>
Net cash provided by investing activities	<u>20,767</u>	<u>11,332</u>	<u>32,099</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,616,857	4,670,474	10,287,331
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>14,297,929</u>	<u>5,501,975</u>	<u>19,799,904</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 19,914,786</u>	<u>\$ 10,172,449</u>	<u>\$ 30,087,235</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 4,523,372	\$ 6,178,135	\$ 10,701,507
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	7,667,235		7,667,235
Change in assets and liabilities:			
(Increase) decrease in receivables	(1,170)	7,980	6,810
(Increase) decrease in prepaid items	-	-	
(Increase) decrease in inventories	96,927		96,927
Increase (decrease) in accounts payables	(1,007,072)	111,595	(895,477)
Increase (decrease) in compensated absences	29,003		29,003
Increase (decrease) in claims and judgments payable		(1,638,568)	(1,638,568)
Net cash provided (used) by operating activities	<u>\$ 11,308,295</u>	<u>\$ 4,659,142</u>	<u>\$ 15,967,437</u>

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS AND AGENCY FUNDS
DECEMBER 31, 2015**

	TRUST FUNDS				AGENCY FUNDS		
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL	RECORDERS COURT	FLEXIBLE BENEFITS	TOTAL
<u>ASSETS</u>							
Cash and cash equivalents	\$ 4,987,879	\$ 217,712	\$ 60,535,162	\$ 65,740,753	\$ 63,070	\$ 179,393	\$ 242,463
Accrued income	662,528			662,528			
Accounts receivable:							
From employers	16,929			16,929			
From participants	61,688			61,688			
Investments, at fair value:							
U.S. government obligations	67,557,210			67,557,210			
Foreign corporate bonds	4,074,059			4,074,059			
Domestic corporate bonds	24,126,481			24,126,481			
Domestic stocks	123,968,720			123,968,720			
Domestic stock fund	30,247,628			30,247,628			
Foreign stocks	6,131,539			6,131,539			
International stock fund	29,943,676			29,943,676			
Real estate fund	36,371,248			36,371,248			
Total investments	<u>322,420,561</u>			<u>322,420,561</u>			
Total assets	<u>328,149,585</u>	<u>217,712</u>	<u>60,535,162</u>	<u>388,902,459</u>	<u>\$ 63,070</u>	<u>\$ 179,393</u>	<u>\$ 242,463</u>
<u>LIABILITIES AND NET POSITION</u>							
Liabilities:							
Payable from restricted assets:							
Accounts payable	\$ 364,078	\$ -	\$ -	\$ 364,078	\$ 63,070	\$ 8,802	\$ 71,872
Benefits payable						75,014	75,014
Benefit plan surplus						95,577	95,577
Total liabilities	<u>364,078</u>			<u>364,078</u>	<u>\$ 63,070</u>	<u>\$ 179,393</u>	<u>\$ 242,463</u>
Net Position:							
Held in trust for:							
Pension benefits	327,785,507	217,712		328,003,219			
OPEB			60,535,162	60,535,162			
Total net position	<u>\$ 327,785,507</u>	<u>\$ 217,712</u>	<u>\$ 60,535,162</u>	<u>\$ 388,538,381</u>			

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUNDS
YEAR ENDED DECEMBER 31, 2015

	PENSION (AND OTHER EMPLOYEE BENEFITS)			
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL
ADDITIONS				
Contributions:				
Employers	\$ 11,378,991	\$ -	\$ 10,768,104	\$ 22,147,095
Plan members	6,948,068		2,505,123	9,453,191
Total contributions	18,327,059		13,273,227	31,600,286
Investment income:				
Interest	2,562,147	319	79,514	2,641,980
Dividends	3,040,129			3,040,129
Real estate net income	4,463,410			4,463,410
Net appreciation (depreciation) in fair value of investments	(5,158,110)			(5,158,110)
Total investment income	4,907,576	319	79,514	4,987,409
Less investment expense	1,295,502			1,295,502
Net investment income (loss)	3,612,074	319	79,514	3,691,907
Total additions	21,939,133	319	13,352,741	35,292,193
DEDUCTIONS				
Benefits	23,221,782	20,649	6,078,258	29,320,689
Refunds of contributions	2,528,765			2,528,765
Administrative expense	157,329		291,969	449,298
Total deductions	25,907,876	20,649	6,370,227	32,298,752
Change in net position	(3,968,743)	(20,330)	6,982,514	2,993,441
Beginning of year - January 1	331,754,250	238,042	53,552,648	385,544,940
End of year - December 31	\$ 327,785,507	\$ 217,712	\$ 60,535,162	\$ 388,538,381

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2015

	JANUARY 1, 2015	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2015
RECORDER'S COURT				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 54,071	\$ 4,018,200	\$ 4,009,201	\$ 63,070
Total assets	<u>\$ 54,071</u>	<u>\$ 4,018,200</u>	<u>\$ 4,009,201</u>	<u>\$ 63,070</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 54,071	\$ 4,018,200	\$ 4,009,201	\$ 63,070
Total liabilities	<u>\$ 54,071</u>	<u>\$ 4,018,200</u>	<u>\$ 4,009,201</u>	<u>\$ 63,070</u>
FLEXIBLE BENEFITS PLAN				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 171,053	\$ 582,699	\$ 574,359	\$ 179,393
Accounts receivable	415		415	
Total assets	<u>\$ 171,468</u>	<u>\$ 582,699</u>	<u>\$ 574,774</u>	<u>\$ 179,393</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 6	\$ 8,802	\$ 6	\$ 8,802
Benefits payable	73,046	573,483	571,515	75,014
Benefit plan surplus	98,416	15,979	18,818	95,577
Total liabilities	<u>\$ 171,468</u>	<u>\$ 598,264</u>	<u>\$ 590,339</u>	<u>\$ 179,393</u>
TOTAL				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 225,124	\$ 4,600,899	\$ 4,583,560	\$ 242,463
Accounts receivable	415		415	
Total assets	<u>\$ 225,539</u>	<u>\$ 4,600,899</u>	<u>\$ 4,583,975</u>	<u>\$ 242,463</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 54,077	\$ 4,027,002	\$ 4,009,207	\$ 71,872
Benefits payable	73,046	573,483	571,515	75,014
Benefit plan surplus	98,416	15,979	18,818	95,577
Total liabilities	<u>\$ 225,539</u>	<u>\$ 4,616,464</u>	<u>\$ 4,599,540</u>	<u>\$ 242,463</u>

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 & Lehard Paving	384,240		295,920	295,920		295,920	
SP0213	Hamilton Court	275,405		81,235	81,235		81,235	
SP0300	Alta, Halsey, Industry & Ware Paving	596,002		514,940	514,940		514,940	
SP0301	Gordonston Area Paving	1,144,800		971,542	971,542		971,542	
SP0302	Adirondak, Bacon Park & Bruce Paving	336,908		257,815	257,815		257,815	
SP0304	Felt Drive Paving	33,034		21,034	21,034		21,034	
SP0305	Ohio Avenue Paving	396,255		190,268	190,268		190,268	
SP0306	Charlton, DeRenne, Pierpont & 34th Paving	663,279		472,922	472,922		472,922	
SP0307	Robin & Rendant Paving	767,889		527,433	527,433		527,433	
SP0309	Laurel Grove Paving	247,813		203,720	203,720		203,720	
SP0310	Ripley, Sheffield, Scott & Whitman	445,575		336,768	336,768		336,768	
SP0311	Avondale Area Paving	560,805		510,416	510,416		510,416	
SP0313	Semken Plant, Battey, Nunez & Waters Paving	555,238		468,158	468,158		468,158	
SP0400	Columbia, Heard, Lloyd & Fayette Paving	293,279		98,023	98,023		98,023	
SP0401	36th, Kinzie, Galway, Gunter, 50th, Gunnie, Corinth & Baudry Park Paving	43,676		14,100	14,100		14,100	
SP0402	Central Avenue Paving	41,788		30,986	30,986		30,986	
SP0501	Honeybee Area Paving	388,572		16,000	16,000		16,000	
SP0502	Liberty City Paving	466,954		155,479	155,479		155,479	
SP0504	Fulton Road Extension Paving	118,222		33,255	33,255		33,255	
SP0602	1994 Street Paving-Phase II	343,090		12,422	12,422		12,422	
SP0702	44th, 48th, Clifford, Barrington, Desoto, Etc.	457,472		166,702	166,702		166,702	
SP0703	Archer, Bates, Blossum, Cliwald & Elmdale	1,100,303		8,000	8,000		8,000	
SP0704	49th, 56th, Latimer, Costa Rica, Cedar, Etc.	1,511,511		67,000	67,000		67,000	
SP0705	Felt & Waubun Paving	1,293,611		936,508	936,508		936,508	
SP0903	Deiter, Riverwalk & MLK Paving	462,567		27,000	27,000		27,000	
SP0905	Stuart, Barry & 57th Paving	206,285		82,000	82,000		82,000	
SW0312	Hoover Creek Sewer & Paving	865,895		400,000	400,000		400,000	
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, 2015

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 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		69,150	69,150		430,850
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	\$ 69,150	\$ 6,558,917	\$ 430,850	

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

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, 2015

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 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	
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	Cramman 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		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		8,470	8,470	355,237
WT0510	Extension to Unserved Areas	115,854		58,437	58,437		58,437	
	Other Capital Outlay Projects		16,292,341					
OP0120	RR Roundhouse Battlefield 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	54,076,595		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	Boan Tract Open Space	22,812		22,000	22,000		22,000	
RE0604	Band Shell	610,840	787,500	577,950	530,767	35,757	566,524	11,426
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	61,072	200,000	
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	407,143		407,143	82,470
RE0612	Habersham Woods Park	183,543		183,543	183,543		183,543	
RE0613	Stark-Clinch Greenspace	122,107		122,107	122,107		122,107	
RE0615	Southside Park-Mohawk	595,734		595,734	595,734		595,734	
RE0807	Largo-Windsor Area Lake	1,161,430		402,233	402,233		402,233	
TOTALS SPLOST 98-2003 FUND		\$ 271,932,468	\$ 98,169,265	\$ 100,586,403	\$ 99,252,414	\$ 105,299	\$ 99,357,713	\$ 1,230,690

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, 2015

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:								
DR0115	Savannah Roads, Sidewalks and Drainage	\$ 75,829	\$ 64,770,000	\$ 19,329	\$ 19,329	\$ -	\$ 19,329	
DR0122	Montgomery Xrds Bridge	14,230,285		1,500,575	1,500,575		1,500,575	
DR0127	Westside Pump Station & Line	2,810,852		1,143,379	1,143,379		1,143,379	
DR0204	Casey South Drainage	24,607,402		3,091,390	3,091,390		3,091,390	
DR0215	Bilbo-North Casey Drainage	1,530,000		425,000	425,000		425,000	
DR0305	Bilbo Drainage Improvements	15,766,216		15,508,941	15,508,941		15,508,941	
DR0503	Wilshire North Branch	9,480,032		7,733,341	7,733,341		7,733,341	
DR0505	Brick Line Replacement	350,188		192,941	32,125		160,816	
DR0802	Placencia 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		1,977,224	
DR0804	Brick Line Replacement	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		769,242	
DR0905	Springfield Drainage Improvements	1,000,000		1,000,000	230,462		769,538	
DR0906	Sylvan Terrace Sub-basin	17,553		17,553			17,553	
DR0911	Casey South Drainage-Phase II	14,204,531		13,837,113	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	
PD0304	Entrepreneurial Center Parking	100,000		100,000	14,969		85,031	
PD0315	Fernwood-Parkwood Curb-Gutter	1,744,215		1,744,215			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	Riverstreet Ramps Reconstruction	532,838		315,000	315,000		315,000	
SP0415	Street Paving	575,119		3,634	3,634		3,634	
SP0416	Street Reconstruction	12,008		12,008	12,008		12,008	
SP0717	President Street-General McIntosh Sidewalk	43,097		43,097	43,097		43,097	
SP0718	Bay Street Reconstruction Crosswalk	550,918		550,918	550,918		550,918	
SP0804	1% Sidewalk Construction-Phase 2	769,584		674,584	674,584		674,584	
SP0904	Street Reconstruction	1,929,584		1,714,074	1,714,074		1,714,074	
SP0910	1% Sidewalk Construction	1,068,137		259,828	259,828		259,828	
TE0101	East Anderson Curve Reconstruction	706,227		267,000	267,000		267,000	
TE0205	Gwinnett Street Improvements	917,551		917,551			917,551	
TE0305	LaRoche-Delesses Widening	1,977,243		1,944,501	32,742	32,742	1,911,759	
TE0310	President Street-General McIntosh Improvements	32,387,246		1,924,864			1,924,864	
TE0512	Jimmy DeLoach Parkway Signal	126,590		29,069	29,069		29,069	
TE0513	Tatemville Sound Barrier	1,214,904		1,214,904			1,214,904	
TE0708	LaRoche-Delesses Design	889,829		640,629	65,836	302,465	338,130	
TE0709	Gwinnett St. Widening Design	1,186,435		1,070,449	544,175	14,845	559,020	
TE0813	Traffic Signal-Chatham Parkway	155,498		135,931	135,931		135,931	
TE0906	Jimmy DeLoach/Crossroad Interchange	801,000		218,000		57,162	160,838	
SQ0411	MLK Median Landscaping	833,130		11,452	11,452		11,452	
SQ0804	MLK Streetscape	4,023,924		3,364,548	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	
PB0828	Westside Land Assemblage	3,704,446		2,759,500	2,759,500		2,759,500	
PB0831	Battlefield Park Roundhouse Roof	186,256		21,335	21,335		21,335	
OP0832	Battlefield-RR Roundhouse SPLOST	7,763,665		7,763,665			7,763,665	
PT0803	Baker-Fell Street Park	289,000		175,000	175,000		175,000	
PT0905	Ellis Square Restoration	3,284,045		3,254,668	3,254,668		3,254,668	
RE0220	Bacon Park Athletic Field Rehab	787,802		576,896	576,896		576,896	
	Other Capital Outlay		9,339,424					
OP0152	WW Law Collection Archival	507,000		507,000		31,316	475,684	
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	
PB0621	Ellis Square Parking Garage	54,076,595		7,114,296	4,254,873	2,859,423	7,114,296	
PB0634	Moses Jackson Center Roof	943,543		14,644	14,644		14,644	
PB0730	Bacon Park Tennis Courts Reconst.	731,868		376,104	376,104		376,104	
PB0824	Moses Jackson-Phase 2	2,051,473		1,049,424	1,049,424		1,049,424	
PB0827	Bacon Park Clubhouse Renovations	868,702		380,000	380,000		380,000	
PD0101	MURP II	1,198,820		463,842	434,934	22,816	457,750	
PD0102	Midtown Street Improvements	190,000		190,000	9,863		180,337	
PD0107	Woodville Park Improvement	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	Feller 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		
PD0203	Sylvan Terrace Irrigation System	98,465		98,465		98,465		
PD0205	Metro Sidewalk West 41st Street	49,430		49,430	49,430		49,430	
PD0301	Ogeechee Road Streetscape	356,500		6,500			6,500	
PD0309	Waters Avenue Corridor	3,229,492		367,831	367,831		367,831	
PD0310	Youth Advancement Center	639,173		398,418	298,418	11,924	410,340	
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	1,085,851		1,004,989	648,207	119,481	767,688	
PD0808	WS-Tree Lawn & Buffering	10,012		10,012			10,012	
PD0902	Montgomery-Meding-56th	152,870		152,870	152,870		152,870	
PD0903	Eastside Sidewalk Access	100,158		100,158	100,158		100,158	
PD0904	West 56th Street Rebricking	378,314		378,314	378,314		378,314	
PD0906	Midtown Acquisition	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		1,300,000	
TOTALS SPLOST 2003-2008 FUND		\$ 274,944,243	\$ 97,640,895	\$ 106,176,142	\$ 81,454,832	\$ 3,182,803	\$ 84,637,635	
							\$ 21,538,506	

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 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, 2015

PROJECT NUMBER		Total	Original	Current	Sales Tax Funded Expenditures			Remaining Balance
		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	
SPLOST 2009-2014 FUND:								
	City of Savannah Projects		\$ 160,000,000					
CC0206	Civic Center Arena	\$ 124,462,178		\$ 19,462,178	\$ 77,995	\$ 225,125.00	\$ 303,120	\$ 19,159,058
DR0215	Bilbo-North Casey Drainage	1,530,000		900,000	860,913	-	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	3,577,338	(47,859)	3,529,479	370,521
OP0136	Public Safety Video Surveillance	1,250,005		1,250,005	1,177,025	38,572	1,215,597	34,408
OP0208	Children's Museum - Battlefield Park	6,535,504		6,500,000	6,500,000		6,500,000	
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	
PB0149	SCMPD Central Precinct	7,712,114		5,712,114	8,599	1,231,589	1,240,188	4,471,926
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	2,990,957	6,481	2,997,438	2,562
PB0423	New Fire Stations	3,217,102		3,217,102	3,217,102		3,217,102	
PB0426	Waters Ave Property Purchase	1,949,014		1,949,014	1,949,014		1,949,014	
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	1,545,628		1,282,899	97,665	79,558	177,223	1,105,676
PB0821	Cultural Arts Center	20,400,000		17,400,000	1,030,683	561,340	1,592,023	15,807,977
PB0828	Westside Land Assemblage	3,704,446		923,304	823,304	3,358	826,662	96,642
PB0836	Savannah Public Safety Metroplex	10,382,055		9,630,000	8,214,383	1,170,416	9,384,799	245,201
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	3,229,492		2,248,648	619,860	414,031	1,033,891	1,214,757
PD0400	Savannah Gardens Phase I	13,120,754		11,055,577	10,476,044	309,431	10,785,475	270,102
PD0401	Wheaton Streetscape Design	1,101,352		1,101,352				1,101,352
PD0601	MLK Corridor-Savannah Pharmacy	2,002,400		2,000,000	296,660	26,130	322,790	1,677,210
RE0309	Coffee Bluff Fishing Pier	5,452,330		4,490,000	4,480,787	9,213	4,490,000	
RE0805	Daffin Park Master Plan	4,939,797		1,000,000	319,776	511,907	831,683	168,317
TE0607	Street Lighting Upgrade	1,000,000		1,000,000		61,781	61,781	938,219
TE0610	37th St Corridor Signal	340,000		340,000				340,000
TE0611	Eisenhower Drive Signal Interconnection	360,000		360,000		10,262	10,262	349,738
TE0612	Downtown Traffic Signal	339,220		300,000	143,457	156,543	300,000	
TOTALS SPLOST 2009-2014 FUND		\$ 242,496,076	\$ 160,000,000	\$ 118,632,565	\$ 53,599,245	\$ 4,767,878	\$ 58,367,123	\$ 60,265,442

- 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, 2015

PROJECT NUMBER		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Intergovernmental Agreement	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
					PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance
SPLOST 2014-2020 FUND:								
	City of Savannah Projects		\$ 190,000,000					
AL0100	SPLOST 6-District 1	\$ 1,317,038		\$ 1,317,038	\$ -	\$ -	\$ -	\$ 1,317,038
AL0200	SPLOST 6-District 2	786,987		786,987			-	786,987
AL0300	SPLOST 6-District 3	1,400,000		1,400,000			-	1,400,000
AL0400	SPLOST 6-District 4	1,350,000		1,350,000			-	1,350,000
AL0500	SPLOST 6-District 5	1,450,000		1,450,000			-	1,450,000
AL0600	SPLOST 6-District 6	943,000		943,000			-	943,000
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	14,600,000		4,600,000	555,835	7,000	562,835	4,037,165
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	855,013		550,000		30,089	30,089	519,911
OP0932	Radio Network Infrastructure	4,500,000		4,500,000	96,892	1,062,344	1,159,236	3,340,764
PB0148	Grant Center	2,000,000		2,000,000		680	680	1,999,320
PB0150	Hutchinson Is Public Safe Faci	4,110,255		4,110,255		93,610	93,610	4,016,645
PB0153	LaVida Property Acquisition	472,000		472,000		6,800	6,800	465,200
PB0533	Fire Station Sweetwater	3,121,745		2,889,745		28,444	28,444	2,861,301
PB0842	Tomkins Ctr Renov & Expansion	1,854,073		1,000,000		72,887	72,887	927,113
PB0929	Family Resource Center Penn Av	7,250,000		7,250,000	830	690	1,520	7,248,480
PD0117	Hitch Village Redevelopment	6,754,000		6,754,000		4,413	4,413	6,749,587
PD0309	Waters Ave Corridor Improvements	3,229,492		613,013			-	613,013
PD0806	Augusta Ave Revitalization	1,085,851		80,862			-	80,862
RE0124	Southside Park Development	1,500,000		1,500,000		52,909	52,909	1,447,091
RE0125	Athletic Field Turf	1,600,000		1,600,000			-	1,600,000
RE0128	Bee Road Park	100,000		100,000		11,132	11,132	88,868
RE0129	Edgemere/Sackville Recreation	100,000		100,000			-	100,000
RE0130	Kensington Park Playground	100,000		100,000		2,650	2,650	97,350
RE0131	Hudson Hill Ballpark Lighting	15,000		15,000		6,900	6,900	8,100
RE0132	Nina Court/Paradise Park	50,000		50,000			-	50,000
RE0133	Sylvan Terrace Park	50,000		50,000		1,360	1,360	48,640
RE0134	Ogeecheetown Park Improvements	87,100		87,100		2,100	2,100	85,000
RE0309	Coffee Bluff Fishing Pier	5,452,330		85,000		85,000	85,000	
SQ0101	Riverwalk Extension at Marriot	1,536,000		1,536,000		100,386	100,386	1,435,614
SQ0102	Victory Drive Corridor Impr	1,000,000		1,000,000			-	1,000,000
SQ0103	Factors Walk Wall Restoration	600,000		600,000		265	265	599,735
TE0309	Derenne Ave Traffic Anl	17,587,951		11,800,000			-	11,800,000
TE0310	President St Imprvmnts	32,387,246		5,000,000			-	5,000,000
TOTALS SPLOST 2009-2014 FUND		\$ 263,017,259	\$ 190,000,000	\$ 190,000,000	\$ 653,557	\$ 1,569,659	\$ 2,223,216	\$ 187,776,784

- 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 HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

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	\$ 18,432,949	
Expenditures made to:		
Convention and Visitors Bureau	\$ 6,143,702	33.33%
Georgia International & Maritime Trade Center	\$ 2,509,411	13.61%
Savannah Civic Center	\$ 563,362	3.06%

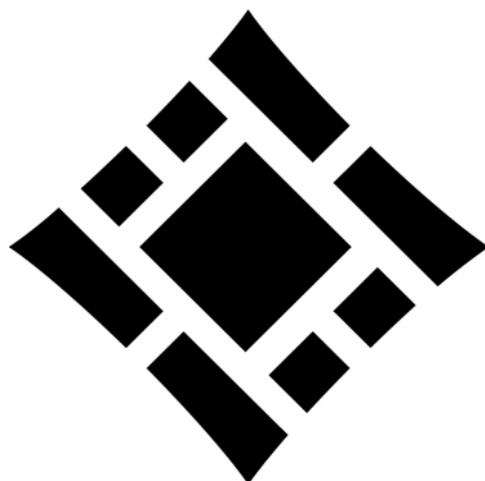
CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX
FOR THE YEAR ENDED DECEMBER 31, 2015

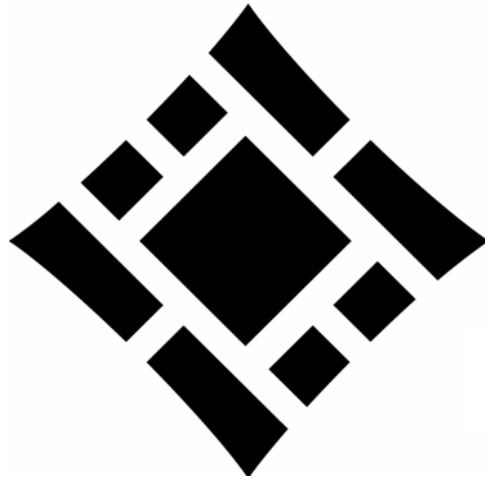
During 2015, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Rental motor vehicle tax	\$ 1,689,684	
Transfers made to:		
General Fund	\$ 422,421	25.00%
Civic Center Fund	\$ 1,267,263	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	131-135
<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	136-139
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	140-144
<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	145-146
<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	147-154
<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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 373,002	\$ 439,045	\$ 483,504	\$ 518,489	\$ 534,164	\$ 557,007	\$ 564,537	\$ 564,426	\$ 577,032	\$ 582,292
Restricted	65,605	78,722	55,819	51,637	37,174	86,329	105,611	124,687	147,790	170,564
Unrestricted	87,831	83,379	92,040	73,444	83,795	44,063	47,384	50,174	51,512	(11,427)
Total governmental activities net position	<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>	<u>\$ 741,429</u>
Business-type activities										
Net investment in capital assets	\$ 217,173	\$ 219,644	\$ 246,580	\$ 260,204	\$ 255,749	\$ 267,671	\$ 276,219	\$ 282,641	\$ 294,940	\$ 316,149
Restricted	283	349	384	2,328	2,336	2,395	2,344	2,345	2,367	2,370
Unrestricted	90,300	106,703	91,201	82,735	91,229	99,157	106,927	118,497	131,454	110,391
Total business-type activities net position	<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>	<u>\$ 428,910</u>
Primary government										
Net investment in capital assets	\$ 590,175	\$ 658,689	\$ 730,084	\$ 778,693	\$ 789,913	\$ 824,678	\$ 840,756	\$ 847,067	\$ 871,972	\$ 898,441
Restricted	65,888	79,071	56,203	53,965	39,510	88,724	107,955	127,032	150,157	172,934
Unrestricted	178,131	190,082	183,241	156,179	175,024	143,220	154,311	168,671	182,966	98,964
Total primary government net position	<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>	<u>\$1,170,339</u>

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

Expenses	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General administration	\$ 2,410	\$ 2,701	\$ 3,214	\$ 3,573	\$ 4,898	\$ 29,825	\$ 4,412	\$ 4,497	\$ 4,624	\$ 14,722
Management and financial services	4,580	5,917	6,529	6,957	5,977	2,156	4,042	4,368	4,196	4,065
Facilities maintenance	33,227	35,181	43,897	33,777	32,327	33,226	36,409	39,905	41,996	42,305
Police	55,392	63,125	69,067	67,048	65,473	55,339	67,822	65,396	65,091	67,028
Recorder's court	1,818	2,113	2,228	2,229	2,225	1,856	2,284	2,159	2,234	2,082
Fire	19,020	22,472	24,999	25,236	25,479	21,009	26,319	25,579	26,316	30,331
Leisure services	13,106	15,895	17,266	21,530	22,508	17,459	21,688	21,692	22,197	22,202
Tourism enhancement	7,625	8,448	8,889	8,364	8,923	8,365	9,109	8,665	10,487	11,314
Social and cultural	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954	1,457	1,704
Public development	10,012	14,096	12,369	12,544	12,229	8,317	9,165	6,281	6,256	6,200
Grant program and administration	3,585	5,492	6,718	5,531	8,533	5,925	5,646	5,426	4,201	5,764
Community development program and administration	11,977	15,450	12,278	12,933	10,064	11,566	10,644	9,464	8,906	8,572
Interest on long-term debt	1,126	1,090	1,020	1,128	1,185	1,083	998	959	763	1,036
Interest on capital leases	484	466	355	69	54	39	23	6		
Total governmental activities expenses	166,396	194,312	210,833	202,630	201,669	197,808	200,279	196,351	198,724	217,325
Business-type activities:										
Water and sewer	45,234	48,893	51,395	52,322	52,818	48,673	53,239	53,493	54,257	56,949
Sanitation	36,956	29,420	26,334	25,960	23,095	20,842	23,257	23,584	22,837	22,895
Parking facilities	5,155	5,455	7,555	10,125	10,569	9,487	10,264	10,209	10,702	11,218
Civic center	2,924	3,073	3,147	2,943	3,215	2,906	3,100	3,723	3,820	3,577
Golf course	126	95	64	62	58	42	39	33	68	165
Resource recovery	18,414	8,261	2,510							
Total business-type activities expenses	108,809	95,197	91,005	91,412	89,755	81,950	89,899	91,042	91,684	94,804
Total primary government expenses	\$ 275,205	\$ 289,509	\$ 301,838	\$ 294,042	\$ 291,424	\$ 279,758	\$ 290,178	\$ 287,393	\$ 290,408	\$ 312,129
Program Revenues										
Governmental activities:										
Charges for services:										
Management and financial services	\$ 2,612	\$ 2,564	\$ 2,620	\$ 2,765	\$ 2,871	\$ 2,894	\$ 2,950	\$ 2,791	\$ 2,760	\$ 2,821
Facilities maintenance	3,065	2,956	3,793	3,389	4,826	666	563	853	655	1,034
Police	20,675	22,387	23,881	23,672	23,891	23,833	24,819	25,007	25,185	26,212
Recorder's court	3,424	3,156	2,569	2,690	2,845	2,783	2,805	2,690	3,201	1,901
Fire	191	207	438	313	305	243	364	386	677	409
Leisure services	733	816	785	755	824	807	859	874	783	1,170
Tourism enhancement		30	1,065	1,046	1,149	1,167	1,170	1,243	1,281	1,367
Public development	3,327	3,417	2,744	1,629	2,032	1,859	2,663	2,896	3,110	3,735
Grant program and administration	596	301		5						
Community development program and administration	4,721	11,437	3,948	5,599	3,645	2,922	3,894	1,776	3,491	2,836
Operating grants and contributions	10,104	10,679	12,642	12,784	15,244	15,879	11,867	9,439	8,223	8,935
Capital grants and contributions	31,708	66,108	34,285	16,980	12,844	40,144	35,836	37,677	36,053	41,270
Total governmental activities program revenues	81,156	124,058	88,770	71,627	70,476	93,197	87,790	85,632	85,419	91,690
Business-type activities:										
Charges for services:										
Water and sewer	51,179	55,034	56,038	57,062	58,397	59,683	61,648	64,146	67,754	66,508
Sanitation	27,658	26,873	22,182	20,564	19,844	21,574	24,982	25,424	26,901	26,674
Parking facilities	7,126	7,481	8,219	10,073	11,032	11,179	12,125	12,331	11,964	12,965
Civic center	1,374	1,212	1,417	1,303	1,404	1,654	1,483	1,651	1,509	1,946
Golf course	146	169	85	85	62					
Resource recovery	18,414	8,261	2,510							
Operating grants and contributions	48	45	41	49	54	70	71	63	54	73
Capital grants and contributions			14,489	5,476	1,064	950	530	942	4,685	3,474
Total business-type activities program revenues	105,945	99,075	104,981	94,612	91,857	95,110	100,839	104,190	113,234	111,640
Total primary government program revenues	\$ 187,101	\$ 223,133	\$ 193,751	\$ 166,239	\$ 162,333	\$ 188,307	\$ 188,629	\$ 189,822	\$ 198,653	\$ 203,330
Net (expense)/revenue										
Governmental activities	\$ (85,240)	\$ (70,254)	\$ (122,063)	\$ (131,003)	\$ (131,193)	\$ (104,611)	\$ (112,489)	\$ (110,719)	\$ (113,305)	\$ (125,635)
Business-type activities	(2,864)	3,878	13,976	3,200	2,102	13,160	10,940	13,148	21,550	16,836
Total primary government net expense	\$ (88,104)	\$ (66,376)	\$ (108,087)	\$ (127,803)	\$ (129,091)	\$ (91,451)	\$ (101,549)	\$ (97,571)	\$ (91,755)	\$ (108,799)

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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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 50,918	\$ 53,742	\$ 57,794	\$ 61,664	\$ 62,386	\$ 55,607	\$ 55,627	\$ 59,874	\$ 62,590	\$ 64,604
Intangible, transfer and franchise taxes	16,236	17,128	19,055	17,163	17,713	18,852	18,735	19,014	19,369	20,069
General sales taxes	43,752	43,196	43,680	36,287	38,860	39,962	42,623	36,115	37,198	37,841
Selective sales taxes	15,373	16,440	16,418	15,209	16,493	17,445	19,171	19,975	22,752	25,055
Business taxes	7,691	7,974	8,109	7,977	7,853	7,018	7,441	7,669	8,047	8,601
Penalties and interest on delinquent taxes	746	474	428	632	860	1,422	1,064	1,216	920	785
Grants and contributions not restricted to specific programs	2,108	1,988	534	2,995	1,093	1,076	1,131	1,393	1,075	1,675
Investment earnings, unrestricted	4,549	5,645	3,044	993	396	195	180	47	69	73
Gain on sale of capital assets			5,042	1,494	484	670	810	320	659	1,376
Miscellaneous	1,548	747	765	716	395	592	389	504	598	1,148
Contributions to cemetery perpetual care	220	234	207	202	154	180	212	240	288	
Extraordinary items								(9,530)		
Transfers	(2,783)	(2,607)	(2,796)	(2,122)	(3,930)	(6,143)	(4,761)	(4,363)	(3,213)	(1,417)
Total governmental activities	<u>140,358</u>	<u>144,961</u>	<u>152,280</u>	<u>143,210</u>	<u>142,757</u>	<u>136,876</u>	<u>142,622</u>	<u>132,474</u>	<u>150,352</u>	<u>159,810</u>
Business-type activities:										
Grants and contributions not restricted to specific programs	6,553	6,089								
Investment earnings, unrestricted	6,204	6,170	3,329	1,145	433	223	150	51	102	148
Gain on sale of capital assets				89	6	19	3	(1)		(2)
Miscellaneous	179	195	395	545	416	365	412	433	413	416
Special items			(9,026)		(2,841)					
Transfers	2,783	2,607	2,796	2,122	3,930	6,143	4,761	4,363	3,213	1,417
Total business-type activities	<u>15,719</u>	<u>15,061</u>	<u>(2,506)</u>	<u>3,901</u>	<u>1,944</u>	<u>6,750</u>	<u>5,326</u>	<u>4,846</u>	<u>3,728</u>	<u>1,979</u>
Total primary government	<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>	<u>\$ 161,789</u>
Change in Net Position										
Governmental activities	\$ 55,118	\$ 22,898	\$ 30,216	\$ 12,017	\$ 38,146	\$ 24,387	\$ 31,903	\$ 21,755	\$ 37,047	\$ 34,175
Business-type activities	12,855	29,037	11,470	6,003	15,104	17,690	18,619	17,994	25,278	18,815
Total primary government	<u>\$ 67,973</u>	<u>\$ 51,935</u>	<u>\$ 41,686</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>	<u>\$ 52,990</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									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,160	\$ 1,331	\$ 1,248	\$ 1,546	\$ 1,551	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,751	20,380	20,724	21,382	21,837					
Committed						2,063	2,217	2,119	2,275	2,904
Unassigned						31,116	31,285	31,766	32,510	32,566
Total general fund	<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>	<u>\$ 35,470</u>
All other governmental funds										
Reserved	\$ 57,306	\$ 66,340	\$ 59,558	\$ 73,312	\$ 66,016	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,489	8,482	14,936	21,618	27,783					
Debt service funds	813	857	883	893	896					
Capital projects funds	39,114	41,178	38,419	21,756	18,773					
Nonspendable, reported in										
Special revenue funds						5,122	5,344	5,571	5,829	6,073
Restricted, reported in										
Special revenue funds						3,575	3,578	3,874	4,303	3,423
Capital projects funds						55,199	72,633	90,960	112,837	136,102
Committed, reported in										
Capital projects funds						29,938	30,519	35,533	36,981	43,032
Total all other governmental funds	<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>	<u>\$ 188,630</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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes	\$ 132,517	\$ 140,939	\$ 143,934	\$ 139,814	\$ 142,136	\$ 143,588	\$ 146,313	\$ 144,964	\$ 151,103	\$ 158,682
Licenses and permits	4,383	4,609	3,918	2,900	1,693	3,185	3,914	4,239	4,598	5,245
Intergovernmental	40,399	39,312	34,061	19,088	23,036	51,218	47,812	47,172	43,333	49,105
Charges for services	25,698	32,201	30,326	30,623	28,109	29,585	30,396	30,890	31,938	30,849
Fines	3,854	3,453	2,890	2,977	3,090	3,136	2,984	2,752	2,753	2,496
Investment earnings	5,106	6,659	3,930	1,292	473	218	214	288	668	684
Special assessments	10	6	8	5	4	2	1	1		0
Miscellaneous	7,429	6,004	7,293	8,064	12,121	6,938	6,210	5,703	5,991	7,821
Total revenues	<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>	<u>254,882</u>
Expenditures										
General administration	2,394	2,820	2,998	3,018	3,017	29,052	4,230	4,398	4,162	14,399
Management and financial services	7,979	8,386	9,405	9,168	8,779	7,712	7,526	7,695	7,847	8,011
Facilities maintenance	20,916	22,125	30,940	21,274	19,065	22,026	23,657	27,580	29,127	29,083
Police	57,206	58,474	65,097	63,923	62,155	63,880	66,909	66,633	66,883	69,395
Recorder's court	1,934	2,031	2,117	2,143	2,126	2,149	2,272	2,231	2,311	2,188
Fire	19,657	21,152	23,163	23,754	23,919	23,924	25,506	25,890	26,701	30,801
Leisure services	12,827	13,668	14,725	19,130	20,034	19,163	20,085	20,576	20,907	21,462
Tourism enhancement			8,784	8,334	8,903	8,421	9,109	8,670	10,494	11,333
Social and cultural	2,034	1,866	2,004	1,711	1,794	1,643	1,718	1,954	1,457	1,704
Public development	5,287	8,434	12,763	13,046	12,974	10,209	10,113	7,564	7,474	7,683
Other governmental services	19,083	16,112								
Grant program and administration	4,462	5,356	6,616	5,700	8,706	6,140	5,388	5,835	4,244	5,827
Community development program and administration	10,674	15,040	10,849	11,438	8,576	10,522	9,331	8,113	7,678	7,229
Capital outlay	30,303	35,590	40,450	34,238	27,807	34,719	27,036	17,664	20,209	34,087
Debt service										
Principal	167	1,487	1,540	18,610	2,377	2,462	2,625	2,680	13,180	2,740
Interest	1,129	1,119	1,050	1,083	1,040	1,120	1,025	991	933	849
Bond issuance costs									174	402
Total expenditures	<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>	<u>247,193</u>
Excess of revenues over (under) expenditures	<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>	<u>7,689</u>
Other financing sources (uses)										
Transfers in	26,316	32,992	21,259	22,818	25,947	17,972	22,841	18,871	23,757	32,642
Transfers out	(29,098)	(33,581)	(23,837)	(24,083)	(29,473)	(23,137)	(25,592)	(22,159)	(26,157)	(31,368)
Debt issuance proceeds				37,000	485	595			9,970	19,950
Premium on bond debt				505					738	452
Proceeds from the sale of capital assets			5,920	706						
Total other financing sources (uses)	<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>	<u>21,676</u>
Net change in fund balances	<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>	<u>\$ 29,365</u>
Debt service as a percentage of noncapital expenditures	0.8%	1.5%	1.3%	10.6%	1.9%	1.7%	1.9%	1.4%	6.9%	1.7%

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	
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
2015	4,191,749	10,479,373	802,164	2,005,410	104,102	260,255	5,098,015	12,745,038	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 Overlapping¹ Property Tax Rates,
Last Ten Fiscal Years

Fiscal Year	City of Savannah	City of Savannah Special District²	Schools	County	Chatham Area Transit Authority	State	Total Direct & Overlapping Rates
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
2015	12.480	0.200	16.631	11.543	1.000	0.050	41.904

Source: Chatham County Tax Assessors Office.

¹ 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).

² 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	2015			2006		
		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	\$ 56,710,184	1	1.11%			
Home Depot	Distribution Center	38,666,487	2	0.76%	33,685,717	3	0.82%
Oglethorpe Mall, LLC	Regional Shopping Mall	31,691,398	3	0.62%	27,903,600	5	0.68%
Columbia Properties Savannah	Regional Shopping Mall	30,000,000	4	0.59%			
International Paper Company	Paper Manufacturer	29,053,478	5	0.57%	30,774,200	4	0.75%
CWT Savannah Hotel LLC	Westin Hotel	27,600,000	6	0.54%	22,976,000	7	0.56%
HH Savannah LLC	Hyatt Hotel	26,400,000	7	0.52%	19,304,600	9	0.47%
Dollar Tree Stores Inc.	Distribution Center	18,591,564	8	0.36%			
Chatham Parkway Apartments	Apartment Complex	16,426,760	9	0.32%			
Chatham Savannah SHS LLC	Springhill Suites Hotel	15,316,458	10	0.30%			
Gulfstream Aerospace Corporation	Airplane manufacturer				44,168,833	1	1.08%
Savannah Electric & Power	Electric utility				38,976,829	2	0.95%
Bell South	Telephone utility				24,803,502	6	0.60%
CS Hotels, LP	Marriott Hotel				22,553,400	8	0.55%
Walmart Stores	Distribution Center				18,137,734	10	0.44%
Totals		<u>\$ 290,456,329</u>		<u>5.70%</u>	<u>\$ 283,284,415</u>		<u>6.90%</u>

Source: Chatham County Tax Assessors Office

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2006	\$ 50,636,416	\$ 45,646,009	90.1%	\$ 4,932,740	\$ 50,578,749	99.9%
2007	57,029,874	51,966,832	91.1%	4,885,625	56,852,457	99.7%
2008	61,196,938	53,992,912	88.2%	6,852,659	60,845,571	99.4%
2009	63,355,201	53,862,308	85.0%	9,175,029	63,037,337	99.5%
2010	62,969,871	54,681,460	86.8%	7,946,297	62,627,757	99.5%
2011	58,361,303	51,491,991	88.2%	6,499,453	57,991,444	99.4%
2012	57,603,609	52,436,392	91.0%	4,733,832	57,170,224	99.2%
2013	57,482,277	52,608,040	91.5%	4,420,558	57,028,598	99.2%
2014	58,474,645	53,648,991	91.7%	4,127,617	57,776,608	98.8%
2015	64,033,750	60,100,835	93.9%		60,100,835	93.9%

Source: City of Savannah.

¹ 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			
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	3.4%	\$ 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	3.3%	1,263
2008		18,490,000	1,350,000	9,932	1,819,834	31,450,000	32,481,556		29,340,000	36,105,000	3,045,000	154,091,322	3.0%	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	3.7%	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	3.3%	1,243
2011		33,500,000	980,000		774,397	30,610,000	31,608,364		22,445,000	33,310,000	1,830,000	155,057,761	2.8%	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	2.6%	1,035
2013		28,475,000	700,000			22,955,000	26,723,111		17,195,000	31,305,000	950,000	128,303,111	2.3%	941
2014		25,365,000	600,000			19,855,000	24,161,046		14,500,000	30,090,000	485,000	115,056,046	2.1%	844
2015		42,675,000	500,000			16,725,000	21,720,515		11,900,000	29,185,000		122,705,515	2.2%	900

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

Fiscal Year	General Obligation Bonds	Assessed Value (Thousands of Dollars)	Percentage of Actual Taxable Value of Property	Population	Per Capita
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
2015	-	5,098,015	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, 2015

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt*
City of Savannah			
General Obligation Bonded Debt	\$ -	100.0%	\$ -
Contractual Obligations:			
Downtown Savannah Authority, Series 2009	14,310,000	100.0%	14,310,000
Downtown Savannah Authority, Series 2014	8,415,000	100.0%	8,415,000
Downtown Savannah Authority, Series 2015	<u>19,950,000</u>	100.0%	<u>19,950,000</u>
Total Direct General Obligation Supported Bonded Debt	<u>42,675,000</u>		<u>42,675,000</u>
Chatham County			
Capital Leases	4,301,351	44.7%	1,922,704
Contractual Obligations:			
Downtown Savannah Authority (Chatham County Projects), Series 2005A	3,357,988	44.7%	1,501,021
Downtown Savannah Authority (Union Mission), Series 2009	1,970,000	44.7%	880,590
Downtown Savannah Authority (Union Mission), Series 2011	2,680,000	44.7%	1,197,960
Downtown Savannah Authority (Chatham County Projects), Series 2014	9,840,000	44.7%	4,398,480
Mosquito Control Facility	<u>3,587,423</u>	44.7%	<u>1,603,578</u>
Savannah/Chatham County School Board			
General Obligation Bonded Debt	40,240,000	44.7%	17,987,280
Capital Leases	8,574,798	44.7%	3,832,935
Contractual Obligations:			
Downtown Savannah Authority (Energy Management)	<u>4,467,430</u>	44.7%	<u>1,996,941</u>
Total Indirect General Obligation Supported Bonded Debt	<u>79,018,990</u>		<u>35,321,489</u>
Total Direct and Indirect General Obligation Supported Bonded Debt	<u><u>\$121,693,990</u></u>		<u><u>\$ 77,996,489</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 2015

Assessed value 2015 Tax Roll	<u>\$ 5,098,014,544</u>
General Bonded Debt Limit, 10% of Assessed Value	\$ 509,801,454
Debt applicable to limit:	
Total bonded debt	\$ 29,502,915
Less: revenue bonds	<u>(29,502,915)</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 509,801,454</u>

	Fiscal Year									
	<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>	<u>2015</u>
Debt Limit	\$ 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	\$ 509,801,454
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 509,801,454</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 ¹	Less: Total Expenses & Transfers Out ²	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections ³	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
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	671	6.15	196	-	-	-
2015	66,229	42,965	23,264	5,571	923	3.58	357	-	-	-

¹ Includes transfers in and excludes interest earned on construction funds.

² Excludes depreciation expense.

³ Includes special assessment principal and interest collected.

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

Year	Population (per 2010 census)	Personal Income (000)	Per Capita Personal Income	Chatham County Taxable Retail Sales (000,000)	Unemployment Rate (Savannah MSA)	School Enrollment
2006	132,985	\$ 4,813,791	\$ 36,198	\$ 6,464	3.6%	33,962
2007	132,985	5,033,482	37,850	6,409	4.3%	34,250
2008	132,985	5,120,587	38,505	6,128	7.0%	34,145
2009	132,985	4,949,170	37,216	5,846	8.9%	33,996
2010	136,285	5,200,227	38,157	5,780	10.0%	33,850
2011	136,285	5,527,856	40,561	6,058	9.6%	35,146
2012	136,285	5,411,196	39,705	6,328	8.6%	35,808
2013	136,285	5,466,391	40,110	6,367	7.2%	36,452
2014	136,285	5,570,241	40,872	6,526	6.1%	37,235
2015	136,285	5,625,943 *	41,281 *	6,639	4.9%	38,032

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 schools.

* Estimated. Data for 2015 not available at time of publishing.

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Gulfstream Aerospace	10,126	1	5.78%	5,000	2	3.80%
Memorial Health University Medical Center	5,000	2	2.85%	5,351	1	4.07%
Savannah-Chatham Board of Education	4,808	3	2.74%	4,781	3	3.64%
St. Joseph's/Cander Health System	3,304	4	1.89%	3,300	4	2.51%
City of Savannah	2,795	5	1.60%	2,500	6	1.90%
Savannah College of Art and Design	1,590	6	0.91%	1,457	8	1.11%
Chatham County	1,573	7	0.90%	1,356	10	1.03%
Armstrong Atlantic State University	602	8	0.34%			
South Coast Medical Group	601	9	0.34%			
US Army Corp of Engineers	600	10	0.34%			
Ft. Stewart/Hunter Army Airfield				3,200	5	2.43%
Wal-Mart				2,182	7	1.66%
Momentum Resources II, Inc.				1,438	9	1.09%
Total	30,999		17.7%	30,565		23.2%

Information provided by Chatham County.

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of December 31</u>									
	<u>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>	<u>2015</u>
General government										
General administration	41.00	43.00	43.00	43.00	35.00	51.00	39.00	46.00	48.00	50.00
Management and financial services	107.85	108.85	110.85	110.85	105.60	71.23	87.60	81.60	67.60	69.60
Information technology	35.00	37.00	37.00	37.00	34.00	37.25	36.00	36.00	36.00	35.00
Real property services	6.00	6.00	6.00	6.00	5.00	5.00	6.00	6.00	6.00	6.00
Recorder's court	27.50	27.50	27.50	28.50	27.50	27.00	28.00	28.00	28.00	29.00
Public works										
Park and Tree	66.00	66.00	66.00	66.00	66.00	58.00	56.00	56.00	56.00	59.00
Cemeteries	27.63	27.63	31.63	31.63	26.63	23.63	23.63	23.63	23.63	23.63
Streets and Drainage	158.00	160.00	160.00	161.00	143.00	141.00	142.00	194.00	201.00	199.00
Vehicle maintenance	44.00	44.00	44.00	44.00	41.00	41.00	41.00	41.00	41.00	41.00
Public safety										
Police	724.28	745.28	756.28	756.28	748.64	791.00	738.00	737.00	730.00	729.00
Communications center	87.00	84.00	91.00	91.00	90.00	106.00	106.00	105.00	105.00	104.00
Fire and emergency services	304.00	328.00	328.00	328.00	324.00	362.00	329.00	329.00	329.00	343.00
Leisure services	204.44	214.50	215.51	215.01	203.61	180.44	180.70	179.70	179.70	178.80
Public development	130.50	137.00	142.00	142.50	139.00	142.00	119.25	73.25	76.25	73.25
Sanitation	196.50	198.50	222.50	223.50	221.50	228.00	226.50	227.00	218.00	218.00
Civic center	20.00	21.00	25.00	25.00	24.00	23.50	22.00	22.00	22.00	22.00
Water and sewer	290.00	301.00	301.00	302.00	299.00	326.00	304.00	304.00	302.00	303.00
Parking services	66.40	77.15	77.65	78.65	78.75	77.15	70.20	69.20	74.20	74.20
Total	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	2,557.48

Source: City Budget Office

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

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2015</u>
Police										
Violent crimes	1,182	1,319	1,292	1,128	845	889	878	851	926	1,167
Property crimes	9,924	9,852	11,250	10,654	9,202	9,579	8,325	8,458	8,507	9,236
Fire										
Fire calls	1,390	1,270	1,105	935	996	1,050	1,041	1,074	1,937	831
Dwelling fires	410	391	429	384	432	361	387	389	372	331
Rescues	100	149	165	207	202	227	120	163	163	142
Refuse Disposal										
Total system City tons	192,214	201,637	157,237	163,221	109,341	124,987	118,484	111,126	104,011	126,651
Other public works										
Traffic sign repairs	5,100	7,573	5,200	8,910	7,778	6,992	7,266	7,578	6,729	7,226
Pothole repairs	1,616	2,530	1,400	720	732	701	616	579	578	853
Storm drain inlets cleaned	4,444	4,734	6,512	5,287	4,416	4,914	4,323	3,358	5,711	4,563
Leisure services										
Youth baseball participants	1,207	1,160	1,350	1,165	1,171	1,185	1,190	1,070	1,200	1,354
Youth football participants	1,509	1,576	1,623	2,040	1,976	1,594	1,596	1,386	1,234	481
Neighborhood center participants	6,664	7,433	7,775	5,865	7,021	6,113	5,451	4,700	3,820	3,864
Water										
Average daily ground water production (MGD)	24.04	25.59	25.03	23.39	23.36	22.86	21.88	21.59	21.71	20.42
Average daily surface water production (MGD)	30.10	29.92	28.43	27.51	32.53	30.00	29.11	28.70	29.89	30.71
Sewer										
Average flow (MGD)	26.33	25.26	24.27	26.31	25.99	23.08	24.59	24.79	26.49	27.53
Public Development										
Valuation of new commercial building permits issued (millions)	na	61	\$103	\$41	\$66	\$105	\$122	\$142	\$112	\$223
Valuation of new residential building permits issued (millions)	na	88	\$71	\$69	\$44	\$31	\$46	\$55	\$74	\$71

Sources: Crime data from Bureau of Justice Statistics

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

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2015</u>
Police										
Stations	6	6	5	5	5	5	5	5	5	5
Fire										
Stations	15	15	15	15	15	15	15	15	15	15
Refuse Collection										
Available landfill capacity (cubic yards)	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	1,237,861
Other public works										
Streets (miles)	593	638	676	682	682	687	687	687	690	690
Signalized intersections	208	241	243	244	248	248	250	251	258	260
Cemeteries	5	5	5	5	5	5	5	5	5	5
Leisure services										
Parks (acreage)	460	661	661	661	663	663	663	663	663	667
Playgrounds	55	55	55	55	57	57	60	60	68	68
Water										
Wells	42	43	47	47	49	49	49	49	49	49
Sewer										
Treatment capacity (MGD)	35.45	35.45	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95
Parking facilities										
Parking garages	4	4	5	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.

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

Year	Ground Water Production		Surface Water Production		Number of Water Accounts¹	Number of Sewer Accounts¹
	Daily Average (MGD)	Peak Day (MGD)	Daily Average (MGD)	Peak Day (MGD)		
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
2015	20.42	28.79	30.71	42.36	94,545	91,955

¹ 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, 2015**

Sewage Treatment Facility	Capacity (MGD)	Average Flow (MGD)	Maximum Dry Weather Daily Flow (MGD)	Maximum Wet Weather Daily Flow (MGD)	Year of Last Upgrade	Treatment Process
President Street Plant	27.00	20.97	22.87	26.20	1997	Primary treatment, activated sludge, clarifier, chlorinator, gravity thickener, belt press, clarifiers, chlorination, sludge incineration: 2MGD reclaim water by filtration.
Wilshire Plant	4.50	2.59	2.64	4.38	1999	Activated sludge, clarifier, gravity thickener, chlorinator, belt press, sludge disposed at landfill.
Georgetown Plant	2.45	1.75	1.88	1.82	2005	Activated sludge, clarifiers, effluent filtration, ultra-violet disinfection, belt press, sludge disposed at landfill.
Crossroads Plant	3.00	2.22	2.43	2.69	2008	Screening, grit removal, flow equalization, activated sludge clarifiers, filtration, ultra-violet disinfection, post aeration, belt press, sludge disposed at landfill.
Total	36.95	27.53	29.82	35.09		

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

Year	Bi-Monthly Water Rates for Residential and Commercial Customers						Bi-Monthly Sewage Rates for Residential and Commercial Customers						Industrial Water Rate (\$ per MG)
	Inside City			Outside City			Inside City			Outside City			
	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	
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
2015	11.06	0.94	1.12	16.59	1.41	1.68	8.80	3.04	3.42	13.20	4.56	5.13	735.15

**CITY OF SAVANNAH, GEORGIA
WATER AND SEWER CONNECTION FEES
EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2015**

Meter Size¹	Meter Installation Fee (per meter)	
	Installed by Plumber	Installed by City
5/8 to 3/4 inch	\$300	\$350
1 inch	350	400
1 1/2 inch	500	550

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

	Tap-in Fee per ERU²	
	Inside City	Outside City
Water Tap-in	\$600	\$900
Sewer Tap-in	400	500

²Equivalent 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, 2015**

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

Customer	Product/Business	2015 Customer Revenue	Percent of 2015 Water and Sewer Fund Gross Revenue
Gulfstream Aerospace	Aircraft manufacturer		
Colonial Oil Industries	Oil refinery	\$ 771,561	1.17%
Memorial Medical Center	General hospital	577,074	0.87%
Kerry Inc.	Food ingredient manufacturer	487,887	0.74%
Coastal Correctional Institute	State prison	453,872	0.69%
Housing Authority of Savannah	Housing authority	450,462	0.68%
Candler/St. Josephs Hospital	General hospital	342,242	0.52%
Chatham County Detention Center	County jail	270,682	0.41%
Armstrong State University	State university	252,262	0.38%
Georgia Ports Authority	Deep water shipping terminal	243,119	0.37%
Solenis LLC	Chemical manufacturer	202,363	0.31%
		<u>\$ 4,051,524</u>	<u>6.12%</u>

Major industrial customers of the water system:

Customer	Product/Business	2015 Customer Revenue	Percent of 2015 Water and Sewer Fund Gross Revenue	2015 Consumption (MG)
Weyerhaeuser	Bleached pulp	\$ 3,605,336	5.44%	4,904
International Paper	Unbleached kraft products	1,872,911	2.83%	2,548
Savannah Foods	Sugar refinery	479,151	0.72%	652
		<u>\$ 5,957,398</u>	<u>9.00%</u>	<u>8,104</u>