

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2018

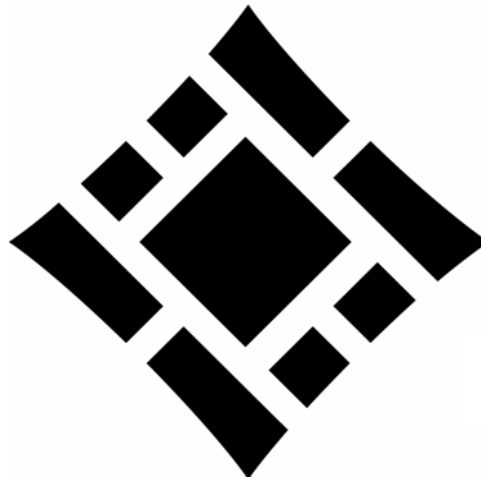
City of Savannah, Georgia



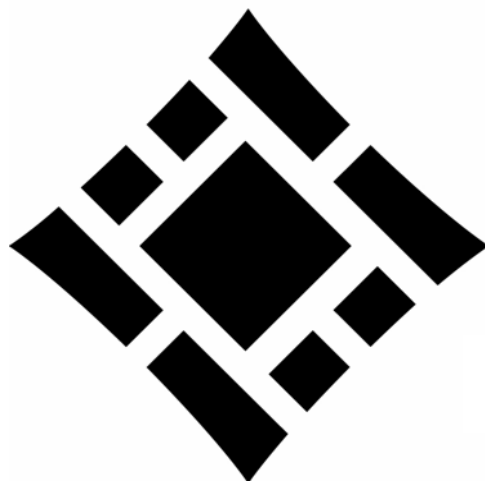
SAVANNAH
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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF SAVANNAH, GEORGIA
YEAR ENDED DECEMBER 31, 2018**



**PREPARED BY:
FINANCE DEPARTMENT**



**CITY OF SAVANNAH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018**

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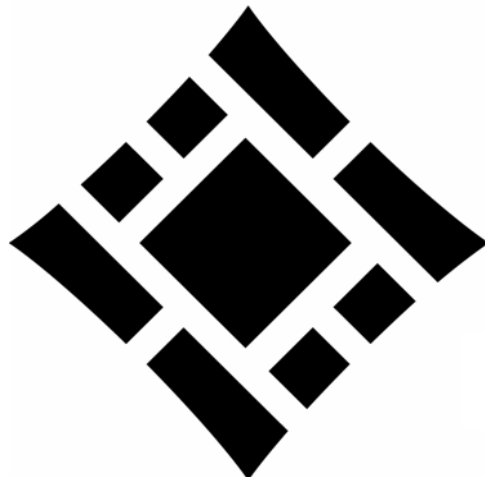
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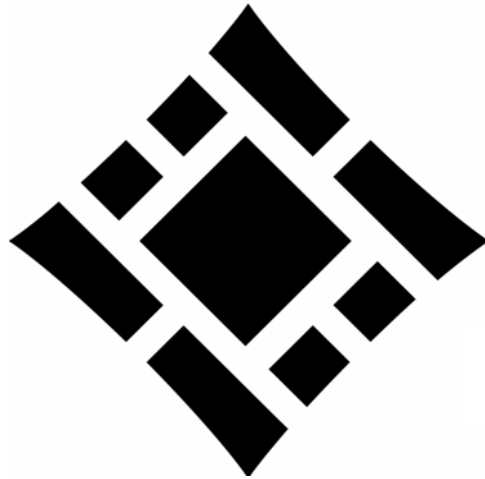
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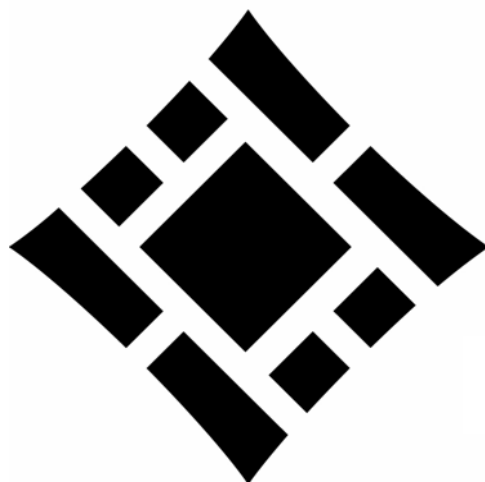
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INTRODUCTORY SECTION

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 24, 2019

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, 2018. 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.

Mauldin and Jenkins LLC, have issued an unmodified (“clean”) opinion on the City of Savannah’s financial statements for the year ended December 31, 2018. 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. For 2018, unemployment in the Savannah metropolitan area was 3.6% compared to 3.9% nationally and 3.9% for the State of Georgia as a whole.

Overall, six industry groups account for approximately three-quarters of the jobs in the Savannah area: educational and health services (14.6%), state and local government (12.2%), leisure and hospitality (15.2%), retail trade (11.7%), professional and business services (11.7%), and manufacturing (10.3%). The federal government is also a significant economic presence thanks to Fort Stewart and Hunter Army Airfield, which together provide employment to over 27,000 military and civilian personnel and have an annual financial impact of about \$4.9 billion. Ft. Stewart is the largest military installation east of the Mississippi River and accounts for nearly three-fourths of the military employment in the area.

Tourism related numbers, as evidenced by hotel/motel related tax receipts, continued a strong rebound that began in 2010. After decreasing by 8% in 2009, hotel/motel tax collections have increased on average 8.3% per year over the past five years. Savannah continues to be a destination of choice among travelers and has received many accolades from travel industry publications. Savannah was ranked #2 on the Southern Living magazine March 2017 list of the South's Best Cities. In addition, Savannah was ranked among the Most Romantic North American Destinations by USA Today in January 2018. As it did in 2017, 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. Savannah's landmark historic district continues to be the number one tourist destination in Georgia with an estimated 14.1 million visitors annually.

Another consistent bright spot within the local economy is logistics, which is led by the Georgia Ports Authority (GPA). The GPA operates the Port of Savannah, which is the single largest and fastest growing container terminal in the nation. This growth continued in calendar year 2018 as the Georgia Ports Authority handled more than 4.35 million twenty-foot equivalent container units through the Port of Savannah an increase of 7.6% over calendar year 2017. 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. Work on this deepening project got underway in September 2015 and since that time, steady progress has been made deepening the outer harbor to 49 feet at low tide. Deepening the inner harbor to 47 feet will begin later with the entire project expected to be completed by 2020. 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. Construction on this project was completed during 2018 and the City began utilizing this facility to provide a safe, raw water supply to the City's surface water treatment plant.

Long-term Financial Planning

The City of Savannah was selected to participate in a federal government initiative called "Strong Cities, Strong Communities" to gain access to experts, technical advice and information to help the City develop a long-term, sustainable funding plan. As part of this effort, the City will be working throughout 2019 with the National Resource Network (NRN) and key community partners to evaluate Savannah's unique capacities and constraints while charting a financial path forward.

As of December 31, 2018, unassigned fund balance in the general fund (18.8% 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 2019 budget and current expenditures and transfers out are balanced with current revenues and transfers in. 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 2018, the sales tax stabilization reserves totaled \$5,501,000. No draw on the sales tax stabilization reserves was necessary in 2018 or planned in the 2019 budget.

The adopted 2019 budget conservatively assumed 3.9% growth in the total taxable value of property in the City and tentatively set a 2019 property tax of 13.20 mills compared to the final millage rate for 2018 of 13.40 mills. The 2019 budget also includes an additional 20% increase to the City's freeport exemption on personal property bringing the total exemption to 80%. This increase in the freeport exemption provides additional tax relief for manufacturers and should make the City more attractive for new manufacturing investment.

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 2019 through 2023 identifies projects and funding that total \$185.4 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 \$37.7 million or 20.3% of the funding for the five year plan. The Water and Sewer Fund accounts for \$139.7 million or 75.4% of the funding for the five year plan. Year one of the five year plan, which was adopted by the mayor and council in December 2018, totals \$59.4 million in project funding. Several signature projects included in the plan are the expansion of the Savannah Shines program of community enhancement (total funding of \$2.5 million), storm water sewer system improvements (total funding of \$3.75 million), construction of a new public works facility on the City's west side (total funding of \$10.0 million) and the construction of a new Travis Field sewer treatment plant (total funding of \$15.0 million).

Major Initiatives

During 2017, the City of Savannah completed the development of a strategic plan, SAVANNAH FORWARD, which establishes new priorities, defines what success will look like over the next seven years, and creates concrete strategies on how to get there. In concert with this strategic plan, the City initiated an organizational restructuring designed to hasten and ease the attainment of short and long-term goals necessary to achieve the outcomes desired within the SAVANNAH FORWARD plan.

The City continues to support new development and has seen a wave of new investment in the downtown area. In order to support this new development, the City has commenced several projects aimed at improving the infrastructure in the downtown area. 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, and overall aesthetics and will result in an increased potential for commercial development along these high volume areas.

In addition to pedestrian improvements, downtown parking continues to be a major initiative of the City. During 2017, the City adopted the Parking Matters study, which lays out long and short-term strategies for improving parking. To help ease parking congestion in the downtown area, the City has contracted to build two new parking garages on opposite ends of River Street. Both garages are currently under construction and, when completed, will provide approximately 1,200 parking spaces to support several new hotel developments in the area that are also currently under construction.

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. The arena is just one part of the overall concept for the proposed Canal District. In addition to the new arena, the district is envisioned as an extension of the City's downtown entertainment district that will include shopping, dining, hotels, walking trails, and outdoor recreational fields.

In addition to the efforts to support new development within the City, attention is being focused on the development of the City organization. Retaining and recruiting top talent is becoming a greater challenge as the City competes with other employers in the region. During 2018, the City funded and began a pay and compensation study that will review all job classifications and job descriptions and compare compensation with other, comparable organizations. Once the study is completed in 2019, these benchmarks will help the City set salary levels that are competitive with other employers and allow it to retain and attract a qualified and dedicated workforce. In addition to the pay and comp study, a 3.5% general wage increase is included in the City's 2019 adopted budget. The 2019 budget also includes an additional \$1.0 million appropriation for a wage adjustment reserve to provide funding for implementing the recommendations of the pay and comp study in 2020.

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, 2017. 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.

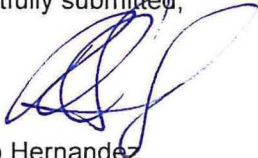
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2018 Service Program and Budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories including policy documentation, financial 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 Financial Services Department, the Office of Organizational Performance and Accountability, and the Office of Budget and Management, 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,

A handwritten signature in blue ink, appearing to read 'Roberto Hernandez', written over a faint circular stamp.

Roberto Hernandez
City Manager

A handwritten signature in blue ink, appearing to read 'David Maxwell', written in a cursive style.

David Maxwell
Chief Financial Officer

**CITY OF SAVANNAH, GEORGIA
PRINCIPAL OFFICIALS
2018**

ELECTED OFFICIALS

MAYOR

Eddie W. DeLoach

ALDERMEN

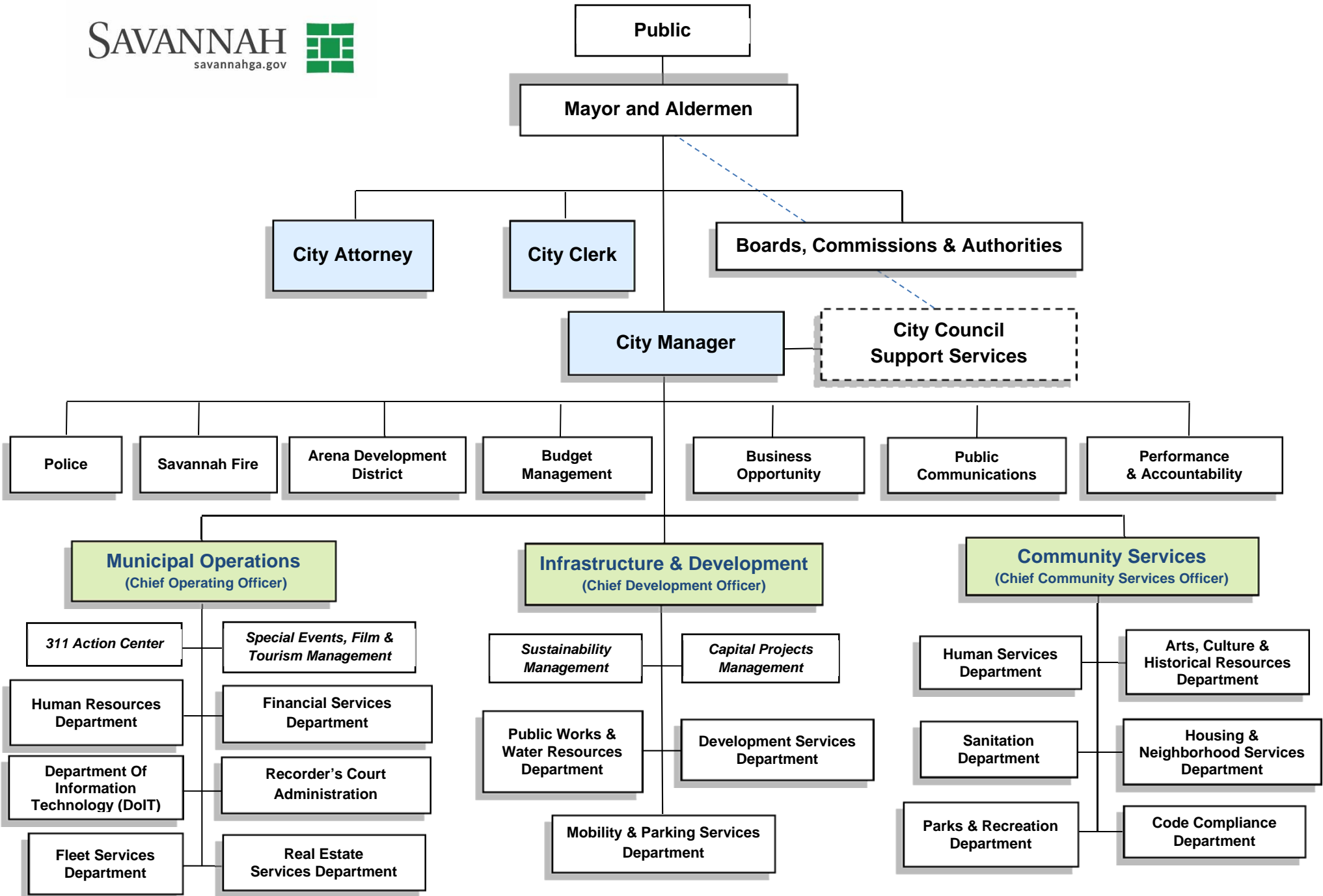
Carol Bell
Van R. Johnson II
John Hall
Dr. Estella Edwards Shabazz

Brian Foster
Bill Durrence
Julian Miller
Tony Thomas

OTHER OFFICIALS

Roberto Hernandez..... City Manager
Marty Johnston Chief Operating Officer
David F. Maxwell, CPA Chief Financial Officer
Melissa Carter Chief Budget Officer

CITY OF SAVANNAH ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

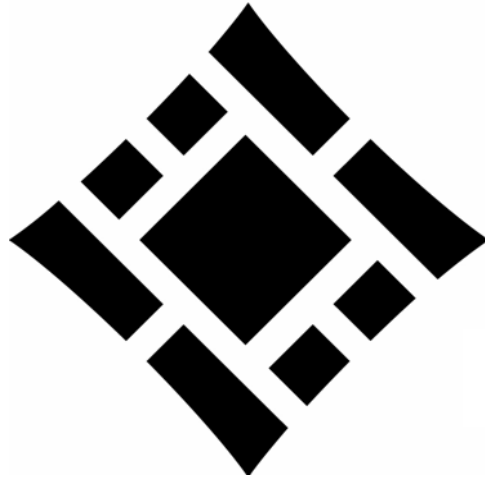
**City of Savannah
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

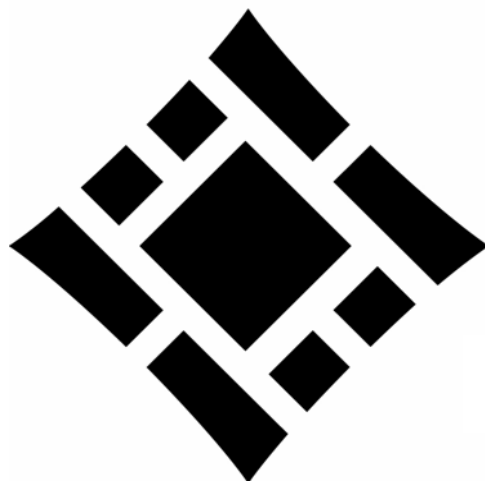
Christopher P. Morrell

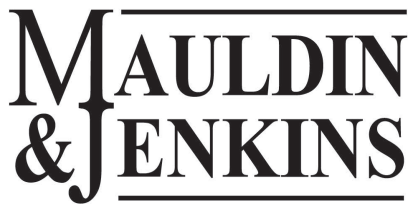
Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
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, 2018 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 of Savannah, Georgia, as of December 31, 2018, 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 discussed in Notes 8 and 18, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of January 1, 2018. This standard significantly changed the accounting for the City's net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are 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 budgetary schedules for the general fund and community development fund, pension schedules for the employees retirement plan, cost sharing pension plans, plans with special funding situations and plans without special funding situations, and OPEB schedules for the City's Other Post-Employment Benefit Plan on pages 93 through 107 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 introductory section, combining and individual nonmajor fund financial statements and schedules, schedules of hotel/motel tax and schedule of revenues and expenditures – rental motor vehicle tax, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedules of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedules of hotel/motel tax and schedule of revenues and expenditures – rental motor vehicle tax, and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 24, 2019 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 the effectiveness of the City's 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.

Mauldin & Jenkins, LLC

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, 2018. 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 2018 by \$1,432,049,162 (net position). Of this amount, \$164,979,523 is unrestricted net position.
- The government's total net position increased by \$147,848,597 during 2018. Approximately 41.0% of this increase is attributable to governmental activities operating and capital grants/contributions. The remaining 59.0% is attributable to business-type activities, primarily the water and sewer utility.
- As of the close of 2018, the City's governmental funds reported combined ending fund balances of \$291,446,088, an increase of \$30,840,974 for the year ended December 31, 2018. The increase is mostly attributable to the collection of intergovernmental revenues within the SPLOST 2014-2020 Fund and the receipt of debt issuance proceeds within the Capital Improvement Fund.
- The unassigned fund balance for the general fund at the end of 2018 was \$37,945,263 or 18.8% of total general fund expenditures and transfers-out for that year. For the year ended December 31, 2018, the total fund balance in the general fund increased \$2,287,298.
- The City's total long term liabilities experienced a net increase of \$65,172,648 during the 2018 fiscal year. Of this amount, \$20,630,292 was recognized as an increase in the governmental activities and \$44,542,356 was recognized as an increase in the business-type activities. Changes in long term liability amounts resulted from new long-term capital financing bonds issued by the City during 2018 to fund capital projects within the governmental activities for street improvements. In addition, the business-type activities recognized new long-term liabilities resulting from the issue of low interest loans in 2018 to finance construction of water and sewer utility improvements and the issuance of bonds to finance the construction of a new parking garage.
- In 2018, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Other Post Employment Benefits (OPEB) Other Than Pensions*. As such, the City recorded a net OPEB liability of \$13,979,898 for the City as a whole and allocated \$10,624,722 to the governmental activities and \$3,335,176 to the business-type activities.

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 governance and strategic services, municipal operations, infrastructure and development, police, recorders court, fire, parks and recreation, tourism enhancement, social and cultural activities, community services, grant program and administration and community 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-three 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, capital improvement fund and SPLOST 2014-2020 fund, which are considered to be major funds. Data from the other nineteen 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 - 92 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 93 - 107 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 108 - 137 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 \$1,432,049,162 at the close of the most recent fiscal year.

The following table provides a comparative summary of the City's net position for 2018 and 2017:

City of Savannah -- Net Position (\$000)*						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$405,169	\$361,677	\$264,841	\$216,111	\$670,010	\$577,788
Capital assets	669,818	637,937	491,528	413,444	1,161,346	1,051,381
Total assets	1,074,987	999,614	756,369	629,555	1,831,356	1,629,169
Deferred outflows of resources	13,125	3,137	4,031	1,315	17,156	4,452
Total assets and deferred outflows of resources	<u>\$1,088,112</u>	<u>\$1,002,751</u>	<u>\$760,400</u>	<u>\$630,870</u>	<u>\$1,848,512</u>	<u>\$1,633,621</u>
Other liabilities	26,186	23,870	11,973	13,909	38,159	37,779
Long-term liabilities outstanding	165,639	145,008	185,159	140,617	350,798	285,625
Total liabilities	<u>191,825</u>	<u>168,878</u>	<u>197,132</u>	<u>154,526</u>	<u>388,957</u>	<u>323,404</u>
Deferred inflows of resources	21,975	17,989	5,531	4,295	27,506	22,284
Net position:						
Net investment in capital assets	637,819	615,738	391,907	329,224	1,029,726	944,962
Restricted	234,077	214,481	3,267	3,212	237,344	217,693
Unrestricted	2,416	(14,335)	162,563	139,613	164,979	125,278
Total net position	<u>874,312</u>	<u>815,884</u>	<u>557,737</u>	<u>472,049</u>	<u>1,432,049</u>	<u>1,287,933</u>
Total liabilities, deferred inflows of resources and net position	<u>\$1,088,112</u>	<u>\$966,573</u>	<u>\$760,400</u>	<u>\$600,413</u>	<u>\$1,848,512</u>	<u>\$1,633,621</u>

The largest portion of the City's net position (71.9% or \$1,029,726,780) 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 (16.6% or \$237,342,859) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (11.5% or \$164,979,523) 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 2018 fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

During the current fiscal year, the government's net position increased by \$147,848,597. About 41.0% of this increase is attributable to governmental activities mainly due to capital grants/contributions received in 2018. The remaining increase (59.0%) 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, 2018 and 2017:

City of Savannah - Changes in Net Position (\$000)						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 30,702	\$ 37,528	\$ 119,397	\$ 116,271	\$ 150,099	\$ 153,799
Operating grants and contributions	18,471	31,907	67	64	18,538	31,971
Capital grants and contributions	46,550	42,034	52,540	3,106	99,090	45,140
General revenues:						
Property taxes	78,573	70,367			78,573	70,367
General sales taxes	43,801	40,547			43,801	40,547
Other taxes	60,950	58,005			60,950	58,005
Grants and contributions not restricted as to use	2,018	1,736			2,018	1,736
Other	3,723	3,915	3,557	1,741	7,280	5,656
Total revenues	<u>284,788</u>	<u>286,039</u>	<u>175,561</u>	<u>121,182</u>	<u>460,349</u>	<u>407,221</u>
Expenses (net of indirect costs):						
Governance, strategic services and operations	14,835	8,168			14,835	8,168
Infrastructure and development	50,553	42,861			50,553	42,861
Public safety	100,374	106,337			100,374	106,337
Parks and recreation, tourism, social and cultural	23,787	38,393			23,787	38,393
Community services	7,520	5,538			7,520	5,538
Community development and workforce training	19,004	27,369			19,004	27,369
Interest on long-term debt and capital leases	1,906	1,415			1,906	1,415
Water and sewer			59,401	58,462	59,401	58,462
Sanitation and solid waste disposal			16,599	26,029	16,599	26,029
Parking services			14,534	12,992	14,534	12,992
Civic center and golf course			3,988	3,758	3,988	3,758
Total expenses	<u>217,979</u>	<u>230,081</u>	<u>94,522</u>	<u>101,241</u>	<u>312,501</u>	<u>331,322</u>
Increase in net position before contributions and transfers	<u>66,809</u>	<u>55,958</u>	<u>81,039</u>	<u>19,941</u>	<u>147,848</u>	<u>75,899</u>
Transfers	<u>(6,173)</u>	<u>(9,540)</u>	<u>6,173</u>	<u>9,540</u>		
Change in net position	<u>60,636</u>	<u>46,418</u>	<u>87,212</u>	<u>29,481</u>	<u>147,848</u>	<u>75,899</u>
Net position - January 1, as restated	<u>813,676</u>	<u>769,466</u>	<u>470,525</u>	<u>442,568</u>	<u>1,284,201</u>	<u>1,212,034</u>
Net position - December 31	<u>\$ 874,312</u>	<u>\$ 815,884</u>	<u>\$ 557,737</u>	<u>\$ 472,049</u>	<u>\$ 1,432,049</u>	<u>\$ 1,287,933</u>

Governmental activities. Governmental activities increased the City's net position by \$60,636,086. Key elements of this increase are as follows:

- Capital grants and contributions were recognized in 2018 in the amount of \$46,549,461. Most of this revenue, \$39,362,341 was special purpose local option sales taxes received from Chatham County. An additional amount totaling \$2,717,602 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 \$8,205,207 (11.7%) during the year as compared to 2017. This increase was mainly due to current year real property taxes, which increased by \$6,138,235 (12.2%) as compared with 2017 collections. This increase can be attributed to the 4.4% growth in the real property tax digest from 2017 to 2018 and an increased millage rate in 2018 compared to 2017. Vehicle title fees collected in 2018 were 16.7% higher than 2017, with total collections of \$5,484,008 in 2018 compared to 2017 collections of \$4,698,168.
- General sales tax revenue collections totaled \$43,800,603 in 2018 and grew by 8.0% compared to 2017. This increase is reflective of increased taxable sales within the county. The City's percentage share of county-wide general sales tax revenues remained unchanged in 2018 with the City receiving 57.0% of sales tax collected within the county.
- Selective sales tax revenues increased in 2018 by \$1,401,864 (5.0%) compared to 2017. This increase is mostly attributable to increased tourist traffic for the City in 2018 compared to 2017, which increased hotel/motel revenues by \$801,703 (3.9%). Another tourism related tax, auto rental tax, was \$307,269 (16.9%) higher in 2018 compared to 2017.

For 2018, overall governmental activity expenses decreased by \$12,103,028 (5.3%) as compared to 2017. In 2018, the public safety activity, which includes police, recorders court and fire protection, experienced a net decrease in expenses of \$5,963,787 (5.6%). Within the public safety activity, expenses for police decreased by \$8,559,691 (11.6%), recorders court increased by \$124,258 (5.9%) and fire increased by \$2,471,646 (8.2%) for 2018 as compared to 2017. Specific expense decreases in the police department were related to the demerger of the metropolitan police department, which served the City of Savannah and unincorporated Chatham County. This demerger, which was effective in February of 2018, gave rise to separate agencies for both jurisdictions and the newly created Savannah Police Department expenditures were significantly lower in 2018 when compared to the combined department for 2017. The fire activity increased expenses for operations in 2018 compared to 2017 by \$1,751,256 (7.9%) and fire administration expenses were higher in 2018 compared to 2017 by \$1,914,103 (27.1%).

The parks and recreation, tourism enhancement and social and cultural activity expenses were lower in 2018 by \$14,606,213 (38.0%) compared to the previous year. Parks and recreation expenses were lower in 2018 by \$13,517,745 (55.6%) as a restructuring of the City organization transferred several functions previously performed within this activity to the municipal operations activity and the infrastructure and development activity. Tourism enhancement expenses were lower by \$996,252 (7.9%) in 2018. Tourism enhancement expense levels are driven mainly by the legislative requirement to disburse certain tourism related revenues such as hotel/motel taxes and auto rental taxes. Expense levels for social and cultural activities in 2018 were lower by \$92,216 (6.7%) in 2018 than in 2017. The social and cultural activities provide contributions to local not-for-profits for both public welfare programs and for cultural events such as festivals, fairs and museum days.

The infrastructure and development activity, which includes the City's public works and building inspection functions, recorded increased expenses of \$7,692,221 (17.9%) in 2018 mainly as a result of additional functions being reported within this activity under the City's 2018 organizational restructuring. Functions new to this activity for 2018 included development services with 2018 expenses of \$3,892,566 and greenscapes with 2018 expenses of \$11,225,931. Greenscapes was created in 2018 to house all of the City's mowing, tree-trimming and pruning functions, which had previously been assigned to various functions across the City organization.

Expenses related to grant program and administration decreased in 2018 by \$7,813,760 (44.6%) compared to 2017. 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 \$1,495,852 (25.4%) in 2018 than in 2017. Grant expenditures related to federal public safety grants in 2018 were lower by \$2,310,496 (62.2%) compared to 2017 as certain grants expired and were not available for renewal during 2018. Grant related expenses for hurricane recovery efforts were reduced in 2018 by \$4,311,161 (51.9%) compared to 2017. These expenses were necessary to manage storm debris and repair facilities in the wake of Hurricane Matthew and Hurricane Irma, which hit the City in 2016 and 2017, respectively.

Business-type activities. Business-type activities increased the City's net position by \$87,212,511. Key elements of this increase are as follows:

- Charges for services for business-type activities overall increased by \$3,126,197 or 2.7%. The water and sewer activity increased charges for services by \$1,021,902 or 1.4% in 2018 as compared to 2017. This increase is attributable to higher metered water and sewer revenues for both in-side the city and out-side the city utility customers. The sanitation activity decreased charges for services by \$1,065,430 or 3.6%. This decrease resulted from reduced interfund services to the City's general fund for code enforcement and litter control. Planned fee increases on services provided to residential and commercial customers for waste disposal fees were implemented in 2018 and resulted in higher revenues for those categories. Parking facility charges for services increased in 2018 by the amount of \$3,643,256 or 26.2% compared to 2017. This increase resulted mainly from increased rates and enforcement hours as a result of the City implementing the "Parking Matters" study recommendations. This implementation standardized on-street meter rates and set the enforcement period for Monday through Saturday from 8:00am until 8:00pm.
- Capital grants and contributions, associated with the water and sewer activity, in the amount of \$52,539,341 were recognized in 2018. Within the water and sewer activity, this amount represents the value of infrastructure contributed by developers and other governmental entities to the city during the year. During 2018, the water and sewer activity recognized contributions from the Army Corp of Engineers for a new raw water reservoir that totaled \$49,051,441. In 2018, the total amount of capital grants and contributions recognized in the business-type activities was higher than the amount recognized in 2017 by \$49,432,884.

Overall, expenses for business-type activities decreased in 2018 by \$6,720,907, or 6.6%. The water and sewer activity increased expenses by \$1,271,860 (2.2%) in 2018, compared to 2017. The sanitation activity decreased expenses by \$9,430,179 (36.2%) in 2018, compared to 2017. The parking activity increased expenses by \$1,208,009 (9.3%) in 2018, compared to 2017. Within the water and sewer activity for 2018, expense increases were related to commodities in the amount of \$453,942 (9.1%) and depreciation expense of \$1,432,727 (10.2%). Within the sanitation activity for 2018, expense decreases are attributable to reduced operating expenses for code enforcement, which was accounted for as a governmental activity in 2018. In addition, the 2018 landfill closure post closure care cost for 2018 was \$7,688,040 lower than the \$1,318,737 expense reported for 2017. Within the parking facilities activity for 2018, expense increases were related to commodities in the amount of \$1,023,663 (352.0%) and internal services in the amount of \$801,704 (75.2%). Overall expenses in the civic center activity were higher in 2018 compared to 2017 by \$217,681 (6.1%) due to increases in contractual services (\$325,806 or 33.0%) and commodities (\$38,909 or 20.0%).

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 2018 fiscal year, the City's governmental funds reported combined ending fund balances of \$291,446,088, an increase of \$30,840,974 for the year ended December 31, 2018. Approximately 10.9% of the fund balance (\$31,683,175) is classified as unassigned. These funds are available for spending in future years without restrictions. The largest portion of fund balance, \$200,885,963 or 68.9% 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, \$166,264,255 is for SPLOST projects, \$5,555,381 is for tax allocation district projects, \$26,905,967 is for other capital projects, \$502,831 is for public safety purposes, \$957,118 is for debt service and \$700,411 is for economic development purposes. The City's committed fund balance at year end was \$51,994,057. Committed fund balances represent amounts that have been constrained by the mayor and council for specific purposes. As of December 31, 2018, committed fund balance consisted of \$48,235,883 for other capital projects, \$1,902,118 for property redevelopment and \$1,856,056 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 \$6,882,893.

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 \$37,945,263. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 18.8% of total general fund expenditures plus transfers-out.

The fund balance of the City's general fund increased in 2018 by \$2,287,298. Key factors in this increase are as follows:

- Property tax revenues increased by \$9,208,305 (13.3%) compared to the prior year. This increase in property tax revenues resulted mainly from increases in the City's taxable digest, which grew by 4.37% in 2018 and an increased millage rate of 13.4 in 2018 compared to the 2017 millage rate of 12.48.
- Revenues from general sales taxes increased by \$3,254,004 (8.0%) compared to the prior year. The additional revenue was derived from increased economic activity during 2018, which resulted in increased taxable sales compared to 2017.
- Charges for services were lower in 2018 by \$10,288,700 (54.8%) compared to 2017. This decrease can be mainly attributed to a decrease in policing fees charged to Chatham County, which were lower by \$8,767,782 (60.9%) in 2018 compared to 2017.

Overall total expenditures (and transfers out) of the general fund were \$201,680,698 in 2018, which is an increase of \$9,546,811 (5.0%) compared to 2017. Significant increases in expenditures for 2018 were experienced in municipal operations (\$7,671,159 or 103.3%), infrastructure and development (\$8,199,765 or 28.0%), fire (\$3,888,149 or 13.3%) and community services (\$2,297,752 or 34.2%). Significant decreases in expenditures for 2018 were experienced in police (\$4,806,570 or 7.1%), parks and recreation (\$13,254,376 or 58.3%) and tourism enhancement (\$2,682,459 or 90.1%). Many of these significant increases and decreases resulted from a reorganization of the city's operations that redefined many of the city's functions when compared to the previous year.

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 2018, this fund expended \$7,779,373 on the City's community development program and its administration. Of this total, in 2018 the community development fund expended \$106,270 for debt service payments related to Section 108 loans owed by the City.

The City maintains the capital improvement fund, which is used to account for revenues and expenditures related to major construction projects that benefit the governmental functions of the City. In 2018, the capital improvement fund received proceeds of debt issuance and premiums on debt in the amount of \$16,811,338. Other revenues within this fund included \$1,660,528 from intergovernmental sources, investment income of \$257,663 and revenue from miscellaneous sources in the amount of \$275,862. The capital improvement fund expended \$14,304,183 for the construction of capital projects and \$349,112 for debt issuance costs during 2018. As of the end of 2018, the capital improvement fund had a fund balance of \$75,141,850, all of which is required for approved capital projects.

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 2018, the SPLOST 2014-2020 fund received

\$39,285,833 in special purpose local option sales taxes and expended \$10,664,919 for the construction of capital projects. As of the end of 2018, the SPLOST 2014-2020 fund had a fund balance of \$120,948,080, all of which is required for projects specified within the authorizing referendum.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$140,569,845, which is an increase from the prior year of \$9,550,001. 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 \$6,814,333, an increase of \$10,309,077 compared to 2017. Unrestricted parking services net position increased by \$4,036,895 for 2018 and ended the year with a balance of \$14,350,672. Unrestricted net position for the non-major enterprise funds at the end of 2018 was \$828,657 which is \$945,707 lower than the prior year end. This decrease can be attributed to both the civic center fund and the golf course fund, which decreased unrestricted net position in 2018 by \$907,735 and \$37,972 respectively compared to 2017.

General Fund Budgetary Highlights

The difference between the original budget appropriations, including transfers out, and the final amended budget appropriation for expenditures and transfers out reflects an increase of \$32,210,985 which is 17.5%. Significant budget changes occurred at mid-year during 2018 as the City repealed its new for 2018 proposed fire service fee. The elimination of this fee required the general fund to fully finance the City's fire department and increased the general fund budget by \$32,912,224. Transfers out to the capital improvement fund were increased by \$13,500,000 at year end to fund planned future projects. This additional capital contribution was made possible mostly by favorable variances within the City's 2018 expenditure budget, which was curtailed at mid-year through a hiring freeze and other cost cutting measures. Significant budget amendments reflect increases in appropriations for police in the amount of \$3,784,806 and municipal operations in the amount of \$443,427. Significant budget amendments reflect decreases in appropriations for infrastructure and development of \$1,160,338 and parks and recreation of \$685,285.

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, 2018, amounted to \$1,161,346,409 (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 \$109,964,794 (a \$31,880,613 net increase for governmental activities and a \$78,084,181 net increase for business-type activities).

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

- Various governmental capital asset projects, including land purchases, with a total value of \$32,679,882 were completed or acquired during the year. The total value of governmental capital assets of all types still under construction at year end was \$165,752,384. A variety of street and drainage construction projects with a total value of \$5,378,177 were completed or acquired during the year. Machinery and other rolling stock valued at \$13,331,484 was placed into service during the year. Buildings and other improvements valued at \$13,226,721 were completed during the year.
- Various business-type plant capital asset projects, including land purchases, with a total value of \$91,489,985 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 \$91,697,548.

The following table summarizes the City's governmental activity and business-type activity capital assets by major category as of the end of 2018 and 2017:

City of Savannah - Capital Assets (\$000)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 77,765	\$ 77,571	\$ 9,009	\$ 7,897	\$ 86,774	\$ 85,468
Plants and Buildings	70,440	66,039	727,536	639,186	797,976	705,225
Improvements other than buildings	96,889	90,288	37,977	37,400	134,866	127,688
Machinery, equipment and fixtures	135,665	130,677	38,474	37,973	174,139	168,650
Streets and drainage	525,718	520,340			525,718	520,340
Construction in progress	165,752	135,394	91,698	84,340	257,450	219,734
Less accumulated depreciation	(402,411)	(382,371)	(413,166)	(393,352)	(815,577)	(775,723)
Total	<u>\$669,818</u>	<u>\$637,938</u>	<u>\$491,528</u>	<u>\$413,444</u>	<u>\$1,161,346</u>	<u>\$1,051,382</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 2018, the City had total bonded debt (excluding special assessment debt) outstanding of \$47,590,882 (net of unamortized premiums and discounts). In addition to bonded debt, the City also had outstanding notes of \$17,067,540, and contractual obligations that secured bonds issued by certain public authorities (which are not part of the City entity) totaling \$151,723,462. All three types of debt obligations totaled \$216,381,884. Of this amount, \$68,158,984 comprises debt backed by the full faith and credit of the City and \$148,222,900 represents debt secured by specified revenue sources.

The following table summarizes outstanding debt of the City as of the end of 2018 and 2017:

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 6,000	\$ 4,000	\$ -	\$ -	\$ 6,000	\$ 4,000
Revenue bonds	-	-	27,379	29,994	27,379	29,994
Contractual obligations	61,959	51,017	103,977	66,700	165,936	117,717
Notes	200	300	16,867	3,359	17,067	3,659
Total	<u>\$ 68,159</u>	<u>\$ 55,317</u>	<u>\$ 148,223</u>	<u>\$ 100,053</u>	<u>\$ 216,382</u>	<u>\$ 155,370</u>

* Excluding special assessment debt.

As of the end of 2018, the City's total debt had increased by \$61,011,206 (39.3%) when compared to the amount outstanding at the end of 2017. During 2018, the City issued \$2,000,000 in new general obligation bonds and \$14,095,000 in new debt through the Downtown Savannah Authority, Tax Exempt Series 2018 bond issue with the proceeds of both issues being used for public improvements in the core of downtown. In addition, the City utilized a low interest loan from

the Georgia Environmental Finance Authority to construct improvements to the City's main wastewater reclamation plant. As of the end of 2018, the City had drawn \$16,867,540 against the total loan commitment of \$28,470,000. The City issued \$11,085,000 through the Resource Recovery Development Authority to partially fund a landfill expansion at its Dean Forest Landfill facility. The City issued \$30,205,000 through the Downtown Savannah Authority's Taxable Series 2018 bond issue to finance the construction of a new public parking garage on the eastern end of downtown. In addition, certain debt amounts outstanding were reduced by the City meeting regularly scheduled debt service payments during 2018. The City's general obligation credit rating is "AA+" by Standard & Poor's, and "Aa1" 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 \$564,092,880. As of December 31, 2018 the City had outstanding general obligation bonded debt totaling \$6,000,000.

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 - 74 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Savannah MSA as of the end of 2018 was 3.6% compared to 4.4% as of the end of 2017. The unemployment rate for the Savannah MSA as of December 2018 was lower than that of the State of Georgia as a whole (3.9%). The national average as of December 2018 was 3.9%.
- The City's property tax digest value increased by 4.37% in 2018 compared to a 5.53% increase in 2017.
- Hotel motel tax collections were the highest on record at the City and were 3.9% higher in 2018 compared to 2017.

All of these factors were considered in preparing the City of Savannah's budget for the 2019 fiscal year. The 2019 adopted budget is balanced and includes a tentative property tax millage rate of 13.2 mills, which is lower than the final millage for 2018 of 13.4. In addition, no draw on the City's general fund reserves was necessary in order to balance the 2019 adopted budget.

Rates for water and sewer service for 2019 are increased from 2018. The base charges will remain the same; however, consumption charges will increase for the median inside City customer by \$1.95 per month, or 4.4%. 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 2019. The monthly cost of residential curbside pickup is increased by 1.0% from \$34.51 per month for 2018 to \$34.86 per month for 2019. The commercial disposal fee is increased from \$4.58/cy to \$4.63/cy, or 1.0%.

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, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and investments	\$ 119,286,357	\$ 177,579,479	\$ 296,865,836
Receivables (net)	44,853,078	28,097,660	72,950,738
Internal balances	(94,134)	94,134	
Inventories	870,598	5,933	876,531
Restricted assets:			
Cash and investments	211,342,514	58,956,363	270,298,877
Accounts receivable	347,525	107,874	455,399
Notes receivable, due within one year	2,098,474		2,098,474
Notes receivable, long term	25,863,317		25,863,317
Property held for resale	600,554		600,554
Capital assets:			
Land and construction in progress	243,517,500	100,707,041	344,224,541
Other capital assets, net of depreciation	426,300,760	390,821,108	817,121,868
Total assets	1,074,986,543	756,369,592	1,831,356,135
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amounts from refunding of debt		489,683	489,683
Pension related deferred outflows	10,079,125	2,596,635	12,675,760
OPEB related deferred outflows	3,046,026	944,378	3,990,404
Total deferred outflows of resources	13,125,151	4,030,696	17,155,847
Total assets and deferred outflows of resources	\$ 1,088,111,694	\$ 760,400,288	\$ 1,848,511,982
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 17,837,393	\$ 6,151,047	\$ 23,988,440
Interest payable	1,138,281	1,357,266	2,495,547
Payable from restricted assets:			
Deposits	4,224,724	4,093,191	8,317,915
Interest payable	1,875	53,837	55,712
Unexpended grant proceeds	2,983,079		2,983,079
Current portion of debt payable		316,667	316,667
Long-term liabilities:			
Due within one year	13,545,097	8,167,548	21,712,645
Due in more than one year	80,939,147	156,581,239	237,520,386
Net Pension Liability	60,530,380	17,055,826	77,586,206
Net OPEB Liability	10,624,722	3,355,176	13,979,898
Total liabilities	191,824,698	197,131,797	388,956,495
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred revenue from program income	2,804,526		2,804,526
Deferred amounts from refunding of debt	14,238		14,238
Pension related deferred inflows	15,242,974	4,295,059	19,538,033
OPEB related deferred inflows	3,913,641	1,235,887	5,149,528
Total deferred inflows of resources	21,975,379	5,530,946	27,506,325
<u>NET POSITION</u>			
Net investment in capital assets	637,819,384	391,907,396	1,029,726,780
Restricted for:			
Sales Tax Capital projects	166,264,255		166,264,255
Other Capital Projects	34,278,799		34,278,799
Community Development projects	25,076,022		25,076,022
HUD Section 108 projects	400,856		400,856
Nonexpendable perpetual care	6,998,644		6,998,644
Debt service		3,266,642	3,266,642
Convention and tourism	305,154		305,154
Court technology fee	374,703		374,703
Other grants	377,784		377,784
Unrestricted	2,416,016	162,563,507	164,979,523
Total net position	874,311,617	557,737,545	1,432,049,162
Total liabilities, deferred inflows of resources and net position	\$ 1,088,111,694	\$ 760,400,288	\$ 1,848,511,982

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

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

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:								
Governance and strategic services	\$ 5,606,363	\$ -	\$ -	\$ -	\$ -	\$ (5,606,363)		\$ (5,606,363)
Municipal operations	15,289,708	(6,061,167)	3,797,971			(5,430,570)		(5,430,570)
Infrastructure and development	50,553,121		816,504	3,771,230	46,549,461	584,074		584,074
Police	65,472,622		13,445,413	1,303,540		(50,723,669)		(50,723,669)
Recorder's court	2,215,854		3,406,588			1,190,734		1,190,734
Fire	32,664,577	20,738	426,411	366,393		(31,892,511)		(31,892,511)
Parks and recreation	10,815,834		1,283,101	405,013		(9,127,720)		(9,127,720)
Tourism enhancement	11,693,580		1,788,782			(9,904,798)		(9,904,798)
Social and cultural	1,277,296					(1,277,296)		(1,277,296)
Community services	7,520,100		4,369,331			(3,150,769)		(3,150,769)
Grant program and administration	9,631,430	91,034		8,297,699		(1,424,765)		(1,424,765)
Community development program and administration	8,836,603	444,484	1,368,103	4,326,785		(3,586,199)		(3,586,199)
Interest on long-term debt	1,905,924					(1,905,924)		(1,905,924)
Total governmental activities	223,483,012	(5,504,911)	30,702,204	18,470,660	46,549,461	(122,255,776)		(122,255,776)
Business-type activities:								
Water and sewer	56,927,203	2,806,860	72,186,551	67,129	52,539,341		\$ 65,058,958	65,058,958
Sanitation	15,689,279	909,759	28,272,240				11,673,202	11,673,202
Parking facilities	12,646,335	1,553,724	17,567,415				3,367,356	3,367,356
Civic Center	3,529,179	234,568	1,370,615				(2,393,132)	(2,393,132)
Golf Course	223,865						(223,865)	(223,865)
Resource Recovery								
Total business-type activities	89,015,861	5,504,911	119,396,821	67,129	52,539,341		77,482,519	77,482,519
Total	<u>\$ 312,498,873</u>	<u>\$ -</u>	<u>\$ 150,099,025</u>	<u>\$ 18,537,789</u>	<u>\$ 99,088,802</u>	<u>(122,255,776)</u>	<u>77,482,519</u>	<u>(44,773,257)</u>
General Revenues:								
Taxes:								
Property taxes						78,572,705		78,572,705
Intangible, transfer and franchise taxes						20,892,876		20,892,876
General sales taxes						43,800,603		43,800,603
Selective sales taxes						29,451,078		29,451,078
Business taxes						10,605,904		10,605,904
Penalties and interest on delinquent taxes						733,765		733,765
Grants and contributions not restricted to specific programs						2,018,111		2,018,111
Investment earnings, unrestricted						1,973,572	2,801,065	4,774,637
Gain on sale of capital assets						515,474		515,474
Miscellaneous revenue						500,805	755,896	1,256,701
Transfers						(6,173,031)	6,173,031	
Total general revenues, contributions, and transfers						182,891,862	9,729,992	192,621,854
Change in net position						60,636,086	87,212,511	147,848,597
Net position, beginning, as restated						813,675,531	470,525,034	1,284,200,565
Net position, ending						<u>\$ 874,311,617</u>	<u>\$ 557,737,545</u>	<u>\$ 1,432,049,162</u>

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

**CITY OF SAVANNAH, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	GENERAL	COMMUNITY DEVELOPMENT	CAPITAL IMPROVEMENT	SPLOST 2014-2020	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Cash and investments	\$ 66,618,209	\$ 1,869,233	\$ 4,204,280	\$ -	\$ 937,585	\$ 73,629,307
Receivables, net	16,467,955				2,506,798	18,974,753
Due from other funds	13,361,218		44,521,625			57,882,843
Due from other governments	7,532,435	975,912		3,253,374	13,259,066	25,020,787
Restricted assets:						
Cash and investments		127,191	26,905,967	119,896,089	64,413,267	211,342,514
Receivables, net					225,946	225,946
Special assessment receivable, net					121,679	121,679
Notes receivable, long-term		27,956,192			5,599	27,961,791
Property held for resale	600,554					600,554
Total assets	<u>\$ 104,580,371</u>	<u>\$ 30,928,528</u>	<u>\$ 75,631,872</u>	<u>\$ 123,149,463</u>	<u>\$ 81,469,940</u>	<u>\$ 415,760,174</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 4,855,550	\$ 117,619	\$ 490,022	\$ 2,201,383	\$ 5,976,299	\$ 13,640,873
Accrued liabilities	2,617,941					2,617,941
Due to other funds	44,521,625				13,455,352	57,976,977
Payable from restricted assets:						
Unexpended grant proceeds		2,728,099			254,980	2,983,079
Escrow deposits	4,097,533	127,191				4,224,724
Total liabilities	<u>56,092,649</u>	<u>2,972,909</u>	<u>490,022</u>	<u>2,201,383</u>	<u>19,686,631</u>	<u>81,443,594</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable property taxes	6,298,335					6,298,335
Unavailable program income	485,950	27,955,619			243,029	28,684,598
Unavailable grant proceeds					7,887,559	7,887,559
Total deferred inflows of resources	<u>6,784,285</u>	<u>27,955,619</u>			<u>8,130,588</u>	<u>42,870,492</u>
<u>FUND BALANCES</u>						
Nonspendable					6,882,893	6,882,893
Restricted			26,905,967	120,948,080	53,031,916	200,885,963
Committed	3,758,174		48,235,883			51,994,057
Unassigned	37,945,263				(6,262,088)	31,683,175
Total fund balance	<u>41,703,437</u>		<u>75,141,850</u>	<u>120,948,080</u>	<u>53,652,721</u>	<u>291,446,088</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 104,580,371</u>	<u>\$ 30,928,528</u>	<u>\$ 75,631,872</u>	<u>\$ 123,149,463</u>	<u>\$ 81,469,940</u>	<u>\$ 415,760,174</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, 2018**

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)	\$ 291,446,088
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	635,452,078
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental fund financial statements.	(6,031,464)
Unavailable revenues are not available to pay for current-period expenditures and are not recognized as revenues at the fund level	40,065,967
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.	72,337,532
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(158,958,584)</u>
Net position of governmental activities (page 14)	<u><u>\$ 874,311,617</u></u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	GENERAL	COMMUNITY DEVELOPMENT	CAPITAL IMPROVEMENT	SPLOST 2014-2020	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes	\$ 78,599,952	\$ -	\$ -	\$ -	\$ 161,871	\$ 78,761,823
Intangible, transfer and franchise taxes	20,892,876					20,892,876
General sales tax	43,800,603					43,800,603
Selective sales taxes	5,748,085				23,702,993	29,451,078
Business taxes	10,605,904					10,605,904
Penalties and interest on delinquent taxes	733,765					733,765
Licenses and permits	2,531,545					2,531,545
Inspection fees	3,868,600					3,868,600
Intergovernmental revenue	2,475,473	4,326,785	1,660,528	39,285,833	14,739,784	62,488,403
Charges for services	8,490,225	716,813			5,026,012	14,233,050
Indirect cost allocations	6,666,983					6,666,983
Special assessments					1,411	1,411
Fines and forfeitures	3,860,306					3,860,306
Investment income	1,172,788	740,372	257,663	1,596,731	1,035,390	4,802,944
Miscellaneous revenue	<u>1,480,289</u>	<u>84,516</u>	<u>275,862</u>		<u>43,562</u>	<u>1,884,229</u>
Total revenues	<u>190,927,394</u>	<u>5,868,486</u>	<u>2,194,053</u>	<u>40,882,564</u>	<u>44,711,023</u>	<u>284,583,520</u>
EXPENDITURES:						
Current:						
Governance and strategic services	5,534,666					5,534,666
Municipal operations	15,100,458					15,100,458
Infrastructure and development	37,447,814					37,447,814
Police	62,518,369				7,581,267	70,099,636
Recorder's court	2,376,724				8,271	2,384,995
Fire	33,105,160				420,313	33,525,473
Parks and recreation	9,477,938					9,477,938
Tourism enhancement	293,373				11,421,179	11,714,552
Social and cultural	1,277,296					1,277,296
Community services	9,006,582					9,006,582
Grant program and administration					9,866,685	9,866,685
Community development program and administration	135,332	7,673,103				7,808,435
Debt Service:						
Principal		100,000			3,770,000	3,870,000
Interest and fiscal charges		6,270			1,565,204	1,571,474
Bond issuance costs			349,112			349,112
Capital outlay			14,304,183		5,390,398	19,694,581
Capital outlay - SPLOST funded				10,664,919	17,754,267	28,419,186
Total expenditures	<u>176,273,712</u>	<u>7,779,373</u>	<u>14,653,295</u>	<u>10,664,919</u>	<u>57,777,584</u>	<u>267,148,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,653,682</u>	<u>(1,910,887)</u>	<u>(12,459,242)</u>	<u>30,217,645</u>	<u>(13,066,561)</u>	<u>17,434,637</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	12,775,490	1,910,887	15,392,870		5,626,800	35,706,047
Transfers out	(25,406,986)				(16,676,458)	(42,083,444)
Debt issuance			16,095,000			16,095,000
Premium on bond debt			716,338			716,338
Sale of capital assets	<u>265,112</u>		<u>2,707,284</u>			<u>2,972,396</u>
Total other financing sources (uses)	<u>(12,366,384)</u>	<u>1,910,887</u>	<u>34,911,492</u>		<u>(11,049,658)</u>	<u>13,406,337</u>
Net change in fund balances	2,287,298		22,452,250	30,217,645	(24,116,219)	30,840,974
Fund balances, beginning of year	<u>39,416,139</u>		<u>52,689,600</u>	<u>90,730,435</u>	<u>77,768,940</u>	<u>260,605,114</u>
Fund balances, end of year	<u>\$ 41,703,437</u>	<u>\$ -</u>	<u>\$ 75,141,850</u>	<u>\$ 120,948,080</u>	<u>\$ 53,652,721</u>	<u>\$ 291,446,088</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, 2018**

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)	\$ 30,840,974
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.	28,406,899
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	8,233
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,204,869
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.	(12,839,920)
Some revenues/expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	1,553,797
Internal service funds are used by management to charge costs of fleet management, information services, and risk management to individual funds.	10,669,708
The net revenue of certain activities of internal service funds is reported with governmental activities.	791,526
Change in net position of governmental activities (page 15)	<u>\$ 60,636,086</u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

		ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
		WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
ASSETS							
ASSETS							
Current assets:							
Cash and investments		\$ 136,046,550	\$ 20,303,076	\$ 18,859,331	\$ 2,370,522	\$ 177,579,479	\$ 45,657,050
Receivables, net		18,955,597	9,137,335	4,728		28,097,660	857,438
Due from other funds					94,134	94,134	
Inventories					5,933	5,933	870,598
Total current assets		155,002,147	29,440,411	18,864,059	2,470,589	205,777,206	47,385,086
Noncurrent assets:							
Restricted assets:							
Cash and investments		6,495,205	11,787,622	39,374,291	1,299,245	58,956,363	
Accounts receivable					107,874	107,874	
Capital assets:							
Land		3,089,210	1,910,772	1,810,415	2,199,096	9,009,493	
Plant, buildings, stations, reservoirs, etc		620,562,262	1,455,453	84,032,153	21,486,052	727,535,920	2,479,758
Improvements, other than buildings			30,234,195	414,670	7,328,558	37,977,423	610,615
Machinery and equipment		8,268,990	22,327,868	4,380,073	2,083,156	37,060,087	95,531,359
Other capital assets					1,413,940	1,413,940	
Less accumulated depreciation		(309,243,926)	(45,991,448)	(34,295,067)	(23,635,821)	(413,166,262)	(65,331,731)
Construction in progress		56,222,793	1,929,095	31,618,254	1,927,406	91,697,548	1,076,181
Total noncurrent assets		385,394,534	23,653,557	127,334,789	14,209,506	550,592,386	34,366,182
Total assets		540,396,681	53,093,968	146,198,848	16,680,095	756,369,592	81,751,268
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amounts from refunding of debt		305,381	7,622	176,680		489,683	
Pension related deferred outflows		1,462,216	767,805	226,732	139,882	2,596,635	
OPEB related deferred outflows		505,471	301,838	101,819	35,250	944,378	
Total deferred outflows of resources		2,273,068	1,077,265	505,231	175,132	4,030,696	
Total assets and deferred outflows of resources		\$ 542,669,749	\$ 54,171,233	\$ 146,704,079	\$ 16,855,227	\$ 760,400,288	\$ 81,751,268
LIABILITIES							
Current liabilities:							
Accounts payable		\$ 3,622,229	\$ 416,704	\$ 1,618,317	\$ 493,797	\$ 6,151,047	\$ 1,578,580
Interest payable			174,241	1,183,025		1,357,266	
Current portion of contractual obligations				1,515,000		1,515,000	
Current portion of notes and bonds payable		2,323,333	3,075,000			5,398,333	
Current portion of compensated absences		678,066	378,854	139,525	57,770	1,254,215	220,689
Current portion of claims and judgments payable							3,947,489
Total current liabilities		6,623,628	4,044,799	4,455,867	551,567	15,675,861	5,746,758
Noncurrent liabilities:							
Payable from restricted assets:							
Customer deposits		2,686,072			1,407,119	4,093,191	
Interest payable		53,837				53,837	
Current portion of revenue bonds payable		316,667				316,667	
Contractual obligations				88,249,478		88,249,478	
Notes payable		16,867,540				16,867,540	
Revenue bonds payable, net of discount		24,739,141	11,136,741			35,875,882	
Compensated absences		771,771	703,654	58,311		1,533,736	179,596
Accrued landfill closure costs			14,054,603			14,054,603	
Claims and judgments							3,487,382
Net Pension Liability		8,915,012	5,414,376	1,830,763	895,675	17,055,826	
Net OPEB Liability		1,811,795	1,040,104	369,070	134,207	3,355,176	
Total noncurrent liabilities		56,161,835	32,349,478	90,507,622	2,437,001	181,455,936	3,666,978
Total liabilities		62,785,463	36,394,277	94,963,489	2,988,568	197,131,797	9,413,736
DEFERRED INFLOWS OF RESOURCES							
Pension related deferred inflows		2,219,857	1,400,060	488,962	186,180	4,295,059	
OPEB related deferred inflows		667,379	383,125	135,948	49,435	1,235,887	
Total deferred inflows of resources		2,887,236	1,783,185	624,910	235,615	5,530,946	
NET POSITION							
Net investment in capital assets		333,160,563	9,179,438	36,765,008	12,802,387	391,907,396	34,366,182
Restricted for:							
Debt service		3,266,642				3,266,642	
Unrestricted		140,569,845	6,814,333	14,350,672	828,657	162,563,507	37,971,350
Total net position		476,997,050	15,993,771	51,115,680	13,631,044	557,737,545	72,337,532
Total liabilities, deferred inflows of resources and net position		\$ 542,669,749	\$ 54,171,233	\$ 146,704,079	\$ 16,855,227	\$ 760,400,288	\$ 81,751,268

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, 2018

	ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
OPERATING REVENUES:						
Metered sales	\$ 59,999,535	\$ -	\$ -	\$ -	\$ 59,999,535	\$ -
Charges for services	11,977,217	28,272,240			40,249,457	28,714,561
Rental fees	276,928		17,567,415	1,361,495	19,205,838	
Recreation fees				9,120	9,120	
Risk management fees						36,674,690
Miscellaneous	53,089	209,215	493,592		755,896	
Total operating revenues	<u>72,306,769</u>	<u>28,481,455</u>	<u>18,061,007</u>	<u>1,370,615</u>	<u>120,219,846</u>	<u>65,389,251</u>
OPERATING EXPENSES:						
Personal services	17,911,557	10,283,916	3,500,145	1,205,550	32,901,168	
Contractual services	14,986,221	6,432,102	4,139,824	1,613,185	27,171,332	
Commodities	5,423,980	1,432,046	1,314,511	233,538	8,404,075	
Internal service	5,251,371	3,183,545	1,867,491	404,791	10,707,198	
Landfill closure and post closure care		(6,369,303)			(6,369,303)	
Depreciation	15,484,174	1,501,746	2,218,153	829,897	20,033,970	7,595,503
Central garage						6,502,171
Information services						8,130,331
Risk management						32,491,538
Total operating expenses	<u>59,057,303</u>	<u>16,464,052</u>	<u>13,040,124</u>	<u>4,286,961</u>	<u>92,848,440</u>	<u>54,719,543</u>
Operating Income (Loss)	<u>13,249,466</u>	<u>12,017,403</u>	<u>5,020,883</u>	<u>(2,916,346)</u>	<u>27,371,406</u>	<u>10,669,708</u>
NONOPERATING REVENUES (EXPENSES):						
Interest earned	2,115,653	295,759	384,751	4,902	2,801,065	539,375
Interest expense	(678,672)	(127,308)	(835,843)		(1,641,823)	
Gain (loss) on disposal of assets						252,446
Debt issuance costs		(80,540)	(390,778)		(471,318)	
Amortization	1,912	72,862	66,686		141,460	
Total nonoperating revenues (expenses)	<u>1,438,893</u>	<u>160,773</u>	<u>(775,184)</u>	<u>4,902</u>	<u>829,384</u>	<u>791,821</u>
Income (loss) before contributions and transfers	14,688,359	12,178,176	4,245,699	(2,911,444)	28,200,790	11,461,529
CAPITAL CONTRIBUTIONS	52,539,341		31,999	62,689	52,634,029	
TRANSFERS IN	327,823	645,258	1,978,033	3,616,960	6,568,074	
TRANSFERS OUT	<u>(75,700)</u>	<u>(15,911)</u>		<u>(98,771)</u>	<u>(190,382)</u>	<u>(295)</u>
Change in net position	67,479,823	12,807,523	6,255,731	669,434	87,212,511	11,461,234
Total net position - beginning, as restated	<u>409,517,227</u>	<u>3,186,248</u>	<u>44,859,949</u>	<u>12,961,610</u>	<u>470,525,034</u>	<u>60,876,298</u>
Total net position - ending	<u>\$ 476,997,050</u>	<u>\$ 15,993,771</u>	<u>\$ 51,115,680</u>	<u>\$ 13,631,044</u>	<u>\$ 557,737,545</u>	<u>\$ 72,337,532</u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	NONMAJOR ENTERPRISE FUNDS	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 72,377,374	\$ 28,481,455	\$ 18,061,007	\$ 1,370,615	\$ 120,290,451	\$ -
Cash received from other funds for services						28,714,561
Cash received for services and fees						36,674,690
Cash paid to suppliers	(31,968,381)	(12,276,223)	(6,189,720)	(1,327,253)	(51,761,577)	(17,340,563)
Cash paid to employees	(18,186,518)	(10,270,495)	(3,438,531)	(1,327,917)	(33,223,461)	
Cash paid for supplies and insurance						(30,921,165)
Net cash provided (used) by operating activities	22,222,475	5,934,737	8,432,756	(1,284,555)	35,305,413	17,127,523
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:						
Transfers in	327,823	645,258	1,978,033	3,616,960	6,568,074	
Transfer out	(75,700)	(15,911)		(98,771)	(190,382)	(295)
Net cash provided (used) by non capital financing activities	252,123	629,347	1,978,033	3,518,189	6,377,692	(295)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Bond and Note proceeds	13,508,830	11,085,000	30,205,000		54,798,830	
Issuance costs, premiums and discounts on issuance of bonds		(80,540)	(6,999)		(87,539)	
Principal paid on long-term debt	(2,585,000)	(3,005,000)	(1,215,000)		(6,805,000)	
Interest paid	(683,193)	(16,546)	(512,703)		(1,212,442)	
Proceeds from sale of equipment	729,691				729,691	832,873
Acquisition and construction of capital assets	(29,869,522)	(897,483)	(13,139,454)	(2,307,356)	(46,213,815)	(11,641,411)
Net cash provided (used) by capital and related financing activities	(18,899,194)	7,085,431	15,330,844	(2,307,356)	1,209,725	(10,808,538)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	2,115,653	295,759	384,751	4,902	2,801,065	539,375
Net cash provided by investing activities	2,115,653	295,759	384,751	4,902	2,801,065	539,375
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,691,057	13,945,274	26,126,384	(68,820)	45,693,895	6,858,065
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$27,383,004 IN 2017)	136,850,698	18,145,424	32,107,238	3,738,587	190,841,947	38,798,985
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$58,956,363 IN 2018)	<u>\$ 142,541,755</u>	<u>\$ 32,090,698</u>	<u>\$ 58,233,622</u>	<u>\$ 3,669,767</u>	<u>\$ 236,535,842</u>	<u>\$ 45,657,050</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 13,249,466	\$ 12,017,403	\$ 5,020,883	\$ (2,916,346)	\$ 27,371,406	\$ 10,669,708
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	15,484,174	1,501,746	2,218,153	829,897	20,033,970	7,595,503
Change in assets and liabilities:						
(Increase) decrease in receivables	(1,643,264)	(1,473,820)	(1,680)	707	(3,118,057)	240,994
(Increase) decrease in prepaid items and inventories	36,307			44,845	81,152	5,315
Increase (decrease) in accounts and other payables	(4,740,116)	(6,186,075)	1,054,405	757,710	(9,114,076)	(1,383,997)
Increase (decrease) in net pension liability and OPEB liability	(164,092)	75,483	140,995	(1,368)	51,018	
Net cash provided (used) by operating activities	<u>\$ 22,222,475</u>	<u>\$ 5,934,737</u>	<u>\$ 8,432,756</u>	<u>\$ (1,284,555)</u>	<u>\$ 35,305,413</u>	<u>\$ 17,127,523</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contributions of capital assets from developers/other entities	\$ 52,539,341	\$ -	\$ 31,999	\$ 62,689	\$ 52,634,029	\$ -

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, 2018**

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,104,108	\$ 383,717
Accrued income	718,886	
Accounts receivable:		
From employer	13,789	
From participants	59,513	
Investments, at fair value:		
U.S. government obligations	99,743,364	
Foreign corporate bonds	1,749,040	
Corporate bonds	36,015,166	
Domestic stocks	143,800,839	
Domestic stock fund	67,569,710	
International stock fund	41,076,447	
Real estate fund	47,604,127	
Total investments	<u>437,558,693</u>	
Total assets	<u>441,454,989</u>	<u>\$ 383,717</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Payable from restricted assets:		
Accounts payable	\$ 225,767	\$ 176,217
Employee benefits payable		104,760
Benefit plan surplus		102,740
Total liabilities	<u>225,767</u>	<u>\$ 383,717</u>
Net position:		
Held in trust for:		
Pension benefits	363,024,579	
OPEB benefits	78,204,643	
Total net position	<u>\$ 441,229,222</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, 2018**

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS
ADDITIONS	
Contributions	
Employer	\$ 14,590,929
Plan members	10,063,270
Total contributions	<u>24,654,199</u>
Investment income	
Interest	3,106,635
Dividends	3,202,397
Real estate net income	1,936,029
Net appreciation (depreciation) in fair value of investments	<u>(21,929,914)</u>
Total investment income	(13,684,853)
Less investment expense	<u>1,432,084</u>
Net investment income (loss)	<u>(15,116,937)</u>
Total additions	<u>9,537,262</u>
DEDUCTIONS	
Benefits	34,202,055
Refunds of contributions	3,097,077
Administrative expense	<u>430,460</u>
Total deductions	<u>37,729,592</u>
Change in net position	(28,192,330)
Net position:	
Beginning of year - January 1	<u>469,421,552</u>
End of year - December 31	<u><u>\$ 441,229,222</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, 2018

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, 2018. 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*, as amended by statements No. 39, 61 and 80. 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.

(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 applicable to the period covered by these statements.

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, Capital Improvement Fund 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) 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 and bond proceeds.

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 acquisition 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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 non-spendable, restricted, committed, assigned or unassigned. The non-spendable fund balance category includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. 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.

(O) Postemployment Benefits Other Than Pensions (OPEB).

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Savannah Employee Benefit Plan and additions to/deductions from the Plan’s fiduciary net position have been determined based on the flow of economic resources. As such, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at cost.

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:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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

- (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 \$635,452,078 were added to the government-wide statements.
- (2) Deferred outflows (inflows) of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds. These are:

Related to pensions:

- Net differences between expected and actual experience	\$ (1,637,341)
- Changes of assumptions	(2,407,852)
- Net difference between projected and actual earnings on investments	(8,175,253)
- Net change in proportionate share	(331,182)
- Contributions subsequent to the measurement date	7,387,779

Related to OPEB:

- Net difference between projected and actual earnings on investments	(3,913,641)
- Contributions subsequent to the measurement date	3,046,026
	<u>\$ (6,031,464)</u>

- (3) Certain amounts shown as deferred inflows of resources in the fund financial statements are reclassified on the entity-wide statements. Amounts shown as deferred inflows of resources on the fund financial statements included \$6,298,331 related to taxes, \$7,887,559 related to grant reimbursement receivables, \$121,679 related to special assessment receivables, \$192,922 related to cemetery receivables, and \$25,565,476 related to loan receivables that will be used in grant programs in future periods.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

- (4) Governmental long term liabilities were added to governmental activities on the entity-wide statements as follows:

<u>Type of Long-term Liability</u>	<u>Amount</u>
Contractual obligations payable	\$ 61,958,984
Deferred refunding gain	14,238
General obligation bonds payable	6,000,000
Compensated absences payable	18,490,104
Net pension liability	60,530,380
Net OPEB liability	10,624,722
Section 108 notes payable	200,000
Accrued interest payable	<u>1,140,156</u>
	<u>\$158,958,584</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 \$48,678,995.
- (2) Depreciation expense during the year recorded on the government-wide statements but not on the fund financial statements was \$20,272,096.
- (3) The net effect of various miscellaneous transactions involving capital assets during the year was \$8,233; this amount represents the value of assets donated to the City of \$2,717,602 netted with the book value of assets disposed of during the year of \$2,709,369.
- (4) Certain revenues recognized in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are:

Property taxes	\$ (189,119)
Federal grants	1,363,526
Other items	<u>30,462</u>
	<u>\$ 1,204,869</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

- (5) 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	\$ 3,770,000
HUD Section 108 Note	100,000
Amortization of premiums	101,418
Debt issuance:	
Debt issuance proceeds	(16,811,338)
	<u>(\$ 12,839,920)</u>

- (6) Some revenues/expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$1,553,797 are as follows:

Net OPEB expense	(\$ 241,491)
Net pension expense	2,119,909
Compensated absences	111,247
Accrued interest	<u>(435,868)</u>
	<u>\$ 1,553,797</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 (CONTINUED)

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, 2018, all of the City's deposits were either covered by federal depository insurance or collateralized by pledged collateral.

Fair Value Measurement. GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The primary government invests in the Georgia Fund I. The Georgia Fund I is an investment pool which does not meet the criteria of GASB Statement no. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund I within the fair value hierarchy.

Both the City of Savannah Employees' Retirement Plan and the OPEB Trust Fund have investments held through comingled vehicles for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following table presents the financial assets carried at fair value by both the Primary Government and the fiduciary funds by level within the valuation hierarchy as of December 31, 2018:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Type of Investment	Measured at Net Asset Value	Level 1	Level 2	Level 3
<i>Pension Trust Fund:</i>				
US Government/Agency Securities			91,123,584	
Corporate Bonds			15,233,715	
Private Placement Bonds			5,173,870	
Domestic Stock Funds	175,556,055			
International Stock Funds	33,560,571			
Real Estate Investment Trust	39,687,744			
<i>OPEB Trust Fund:</i>				
US Government/Agency Securities Funds	8,619,780			
Domestic Corporate Bond Funds	17,356,621			
Domestic Stock Funds	35,814,494			
International Stock Funds	7,515,876			
Real Estate Investment Trust	7,916,383			
Total Investments	<u>\$326,027,524</u>	<u>\$ -</u>	<u>\$ 111,531,169</u>	<u>\$ -</u>

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

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, 2018, the investments of the Primary Government and the City of Savannah Employees' Retirement Plan were as follows:

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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	\$509,701,034	\$509,701,034	\$ -	\$ -	\$ -
Pension Trust Fund:						
US Government/Agency Securities	Aaa	91,123,584		39,543,606	8,398,585	43,181,393
Corporate Bonds						
Various	A	5,033,622	4,637,176			396,446
Various	Aa	2,032,979	596,390	150,744		1,285,845
Various	Aaa	3,709,429				3,709,429
Various	Baa	4,457,685	3,675,830			781,855
Private Placement Bonds	NR	5,173,870	574,298	333,323	532,456	3,733,793
Domestic Stock Funds	NR	175,556,055				
International Stock Funds	NR	33,560,571				
Real Estate Investment Trust	NR	39,687,744				
OPEB Trust Fund:						
US Government/Agency Securities Funds	NR	8,619,780				
Domestic Corporate Bond Funds	NR	17,356,621				
Domestic Stock Funds	NR	35,814,494				
International Stock Funds	NR	7,515,876				
Real Estate Investment Trust	NR	7,916,383				
Total Investments		\$947,259,727	\$519,184,728	\$40,027,673	\$8,931,041	\$53,088,761

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.

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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, 2018, the City had investments of \$509,701,034 in Georgia Fund 1, which reported a weighted average maturity on its entire portfolio of 21 days as of the end of the year.

Policies of the City of Savannah Employees' Retirement Plan limit its 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, 2018, the City of Savannah Employees' Retirement Plan had 0.52% of its portfolio in cash and short-term investments.

Polices of the City's OPEB Plan limit its cash and short term investments to a maximum of 5.0% of the total portfolio, with a target amount of less than one percent. As of December 31, 2018 the City's OPEB Trust Fund had 1.30% 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 Trust Fund had investments in international stock and foreign corporate bonds of \$33,560,571 and \$1,749,040 respectively, as of yearend. 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.

The OPEB Trust Fund had investments in international stock funds of \$7,515,876 as of yearend. These investments are subject to foreign currency risk consisting of various currencies. Policies of the City's OPEB limit investment in international equities to 15% of the market value of the fund.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

The City' OPEB 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 75%
Non U.S. Equities	10%	5% to 15%
Fixed Income Debt Obligations	30%	15% to 45%
Real Estate	10%	5% to 15%

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Basic financial statements:

Cash and investments	\$ 296,865,836
Restricted cash	270,298,877
Trust and agency funds	<u>441,046,518</u>
Total	<u>\$ 1,008,211,231</u>

Notes to financial statements:

Cash on Hand	\$ 20,823
Deposits	60,930,681
Investments	<u>947,259,727</u>
Total	<u>\$ 1,008,211,231</u>

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). Certain City employees also participate in the Peace Officers' Annuity and Benefit Fund of Georgia (POAB) and the Georgia Firefighters' Pension Plan (GFFP). Separate plan disclosures are provided herein for each plan. Aggregate amounts for all plans for the City's proportionate share of the net pension liability and other items are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Proportionate Share of Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City of Savannah Employees' Retirement Plan	\$ 425,207,501	\$ 347,621,295	\$ 77,586,206	\$ 12,675,760	\$ 19,538,033	\$ 9,387,479
Peace Officers' Annuity and Benefit Fund of Georgia (POAB)						366,393
Georgia Firefighters' Pension Fund (GFFP)						941,401
	<u>\$ 425,207,501</u>	<u>\$ 347,621,295</u>	<u>\$ 77,586,206</u>	<u>\$ 12,675,760</u>	<u>\$ 19,538,033</u>	<u>\$ 10,695,273</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

(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 and the Metropolitan Planning Commission are also eligible to participate in the Plan.

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

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

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

As of January 1, 2017, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,387
Terminated employees entitled to benefits but not yet receiving them	<u>136</u>
	<u>1,523</u>
Active plan participants:	
Vested	1,499
Nonvested	<u>1,143</u>
Total	<u>2,642</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.

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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

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 8.69%. In 2018, contributions to the COSERP by the City of Savannah were \$9,226,064. The contributions paid by City employees totaled \$6,701,909 in 2018. The total payroll for City employees covered under the COSERP for the year ended December 31, 2018 was \$100,780,586. The projected unit credit method is used to determine contributions.

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, 2018:

<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, 2018, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was a negative 3.09 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, 2017, were as follows:

Total pension liability	\$ 473,241,515
Plan fiduciary net position	386,890,701
Employers' net pension liability	<u>\$ 86,350,814</u>

Plan fiduciary net position as a percentage of the total pension liability 81.75%

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	\$ 455,557,118	\$ 345,837,143	\$ 109,719,975
Changes for the Year:			
Service cost	12,277,259	-	12,277,259
Interest expense	34,059,918	-	34,059,918
Differences between expected and actual experience	(1,248,522)		(1,248,522)
Contributions--employer	-	10,361,785	(10,361,785)
Contributions--employee	-	7,794,899	(7,794,899)
Net investment income	-	50,376,309	(50,376,309)
Benefits paid, including refunds of member contributions	(27,404,258)	(27,404,258)	-
Plan administrative expenses	-	(75,177)	75,177
Net Changes	<u>17,684,397</u>	<u>41,053,558</u>	<u>(23,369,161)</u>
Balances - end of year	<u>\$ 473,241,515</u>	<u>\$ 386,890,701</u>	<u>\$ 86,350,814</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of the last actuarial experience study dated October 28, 2015. The net pension liability is based on an actuarial valuation dated January 1, 2017, upon which update procedures were used to roll forward the total pension liability to the year end of December 31, 2017. The actuarial cost method used to calculate the total pension liability was entry age normal.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 3.00%
- Salary increases Varies by age
- Investment rate of return 7.50%
- Cost-of-living adjustments 5.00% at participant's adjustment date, 1.00% annually thereafter

For pre-retirement members of the Plan, mortality rates were based on the RP-2014 Employee Mortality Table projected generationally using a modified version of the MP-2014 improvement scale. For healthy annuitants of the Plan, mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table set forward six years for males and three years for females projected generationally using a modified version of the MP-2014 improvement scale. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Retiree Mortality Table set back three years for males and females projected generationally using a modified version of the MP-2014 improvement scale.

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 best estimate ranges of expected future real rates of return (expected returns, net 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 target asset allocation percentage and best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocations as of December 31, 2017 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.71%
International equity	7.71%
Fixed Income	2.11%
Equity Real Estate	5.21%

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 7.50% as of January 1, 2017. 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, 2018.

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, 2018, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 143,657,096	\$ 86,350,814	\$ 38,257,518

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

At December 31, 2018, the City of Savannah reported a liability of \$77,586,206 for its proportionate share of the net pension liability of the COSERP. The net pension liability was measured as of December 31, 2017 and determined based on the total pension liability from the actuarial valuation as of January 1, 2017. The City's proportion of the net pension liability was based on the fiscal 2017 employer contributions into the Plan. In 2017 the City of Savannah was allocated a proportional share of 89.85% of the net pension liability compared to a share of 89.29% for 2016.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the City of Savannah's proportional share of the net pension liability of the COSERP as of December 31, 2018, calculated using the discount rate of 7.50%, as well as the proportional share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
City of Savannah's proportional share of net pension liability	\$ 129,075,901	\$ 77,586,206	\$ 34,374,379

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

For the year ended December 31, 2018, the City recognized pension expense of \$9,387,479. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred inflows of resources						
Demographic	2016	6 years	\$ (5,701,920)	\$ -	\$ (1,425,480)	\$ (4,276,440)
Assumption changes	2017	7 years	(3,703,584)		(617,264)	(3,086,320)
Change in proportion	2017	7 years	(913,950)		(152,325)	(761,625)
Demographic	2018	6 years		(1,121,798)	(186,968)	(934,830)
Difference between projected and actual investment earnings	2016	5 years	11,846,724		3,948,908	7,897,816
	2017	5 years	(745,240)		(186,310)	(558,930)
	2018	5 years		(22,272,132)	(4,454,428)	(17,817,704)
Net difference between projected and actual investment earnings			<u>11,101,484</u>	<u>(22,272,132)</u>	<u>(691,830)</u>	<u>(10,478,818)</u>
Total deferred inflows of resources			<u>\$ 782,030</u>	<u>\$ (23,393,930)</u>	<u>\$ (3,073,867)</u>	<u>\$ (19,538,033)</u>
Deferred outflows of resources						
Contributions subsequent to the measurement date	2018	1 year	\$ 9,164,055	\$ 9,226,064	\$ 9,164,055	\$ 9,226,064
Demographic	2017	7 years	3,735,084	-	622,514	3,112,570
Change in proportion	2018	6 years		404,555	67,429	337,126
Total deferred outflows of resources			<u>\$ 12,899,139</u>	<u>\$ 9,630,619</u>	<u>\$ 9,853,998</u>	<u>12,675,760</u>
Net of deferred inflows of resources and deferred outflows of resources						<u><u>\$ (6,862,273)</u></u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

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, 2019	\$6,842,137
December 31, 2020	(2,383,924)
December 31, 2021	(6,332,832)
December 31, 2022	(4,721,042)
December 31, 2023 and Thereafter	(266,612)
Net balance of deferred outflows/(inflows) of resources	(\$6,862,273)

(B) 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 \$461,193 and the Georgia Firefighters' plan totals \$4,278,583. The State revenue and pension expense of the plans total \$366,393 for the POAB and \$941,401 for the Georgia Firefighters' plan and these amounts were recognized by the City during the period as revenues and expenditures/expenses. 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.gfpf.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, 2017, 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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	N/A
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Mortality Table with blue collar adjustment projected with Conduent modified MP-2016 projection scale. Mortality rates for disabled lives were based on the RP-2014 Disabled Retiree Mortality Table projected with the Conduent modified MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study covering the period June 30, 2008 through June 30, 2015.

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 6.50% 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 6.50%. 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, 2017 is \$895 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, 1993.

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, 2016, using the following key actuarial assumptions:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	6.0%, net of pension plan investment expense, including inflation

Mortality rates for pre-retirement were based on the RP-2000 Employee Mortality Table projected to 2025 with Projection Scale BB. Mortality rates for post-retirement and for dependent beneficiaries were based on the RP-2000 Blue Collar Mortality Table projected to 2025 with Projection Scale BB set forward 1 year for males and 4 years for females. For current disability retirees, mortality rates are based on the RP-2000 Disabled Mortality Table

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

projected to 2025 with Projection Scale BB set forward 5 years for males and 3 years for females, however there are no longer any disability benefits included in the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the last actuarial experience study dated November 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These assumptions are converted into nominal assumptions by adding inflation, and then combined by weighting them by the target asset allocation percentages.

The target asset allocation and best estimates of arithmetic 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
Investment grad corporate credit	12.00 %	2.44 %
Mortgage backed securities	12.00	0.95
Core bonds	10.50	1.38
Large cap equities	15.50	5.92
Small/mid cap equities	15.50	6.71
International unhedged equities	13.00	6.71
Emerging international equities	6.50	9.70
Private equity	5.00	8.73
Real estate (core)	5.00	4.62
Real assets (liquid)	5.00	4.65
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that nonemployer contributions will remain at the level contributed the previous fiscal year. 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)

(C) 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 2018. 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 2018.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PENSION PLANS (CONTINUED)

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

CITY OF SAVANNAH
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2018

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,893,805	\$ 193,370	\$ 2,087,175
Accrued income	718,886		718,886
Accounts receivable:			
From employers	13,789		13,789
From participants	59,513		59,513
Investments, at fair value:			
U.S. government obligations	91,123,584		91,123,584
Foreign corporate bonds	1,749,040		1,749,040
Domestic corporate bonds	18,658,545		18,658,545
Domestic stocks	143,800,839		143,800,839
Domestic stock fund	31,755,216		31,755,216
International stock fund	33,560,571		33,560,571
Real estate fund	39,687,744		39,687,744
Total investments	360,335,539		360,335,539
Total assets	363,021,532	193,370	363,214,902
<u>LIABILITIES</u>			
Payable from restricted assets:			
Accounts payable	\$ 190,323	\$ -	\$ 190,323
Total liabilities	190,323		190,323
<u>NET POSITION</u>			
Held in trust for:			
Pension benefits	\$ 362,831,209	\$ 193,370	\$ 363,024,579

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - PENSION PLANS (CONTINUED)

(E) 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, 2018

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<u>ADDITIONS</u>			
Contributions			
Employer	\$ 10,331,820	\$ -	\$ 10,331,820
Plan members	7,459,327		7,459,327
Total contributions	17,791,147		17,791,147
Investment income			
Interest	3,081,389	2,933	3,084,322
Real estate net income	2,787,735		2,787,735
Net appreciation (depreciation) in fair value of investments	(16,154,905)		(16,154,905)
Total investment income	(10,285,781)	2,933	(10,282,848)
Less investment expense	1,046,246		1,046,246
Net investment income (loss)	(11,332,027)	2,933	(11,329,094)
Total additions	6,459,120	2,933	6,462,053
<u>DEDUCTIONS</u>			
Benefits	27,299,414	4,793	27,304,207
Refunds of contributions	3,097,077		3,097,077
Administrative expense	122,121		122,121
Total deductions	30,518,612	4,793	30,523,405
Change in net position	(24,059,492)	(1,860)	(24,061,352)
Net position:			
Beginning of year - January 1	386,890,701	195,230	387,085,931
End of year - December 31	<u>\$ 362,831,209</u>	<u>\$ 193,370</u>	<u>\$ 363,024,579</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 77,571,116	\$ 743,500	\$ 549,500	\$ 77,765,116
Construction in progress	135,394,256	48,795,298	18,437,170	165,752,384
Total capital assets, not being depreciated	<u>212,965,372</u>	<u>49,538,798</u>	<u>18,986,670</u>	<u>243,517,500</u>
Capital assets, being depreciated				
Plants and buildings	66,039,132	6,622,273	2,221,708	70,439,697
Improvements other than buildings	90,287,622	6,604,448	3,000	96,889,070
Machinery, equipment and vehicles	130,676,477	13,331,484	8,342,965	135,664,996
Streets and drainage	520,339,721	5,378,177		525,717,898
Total capital assets, being depreciated	<u>807,342,952</u>	<u>31,936,382</u>	<u>10,567,673</u>	<u>828,711,661</u>
Less: Accumulated Depreciation				
Plants and buildings	26,553,881	2,015,440	408,660	28,160,661
Improvements other than buildings	32,680,476	2,502,903	3,000	35,180,379
Machinery, equipment and vehicles	89,817,617	9,596,268	7,415,715	91,998,170
Streets and drainage	233,318,703	13,752,988		247,071,691
Total accumulated depreciation	<u>382,370,677</u>	<u>27,867,599</u>	<u>7,827,375</u>	<u>402,410,901</u>
Total capital assets, being depreciated, net	<u>424,972,275</u>	<u>4,068,783</u>	<u>2,740,298</u>	<u>426,300,760</u>
Governmental activities capital assets, net	<u>\$ 637,937,647</u>	<u>\$ 53,607,581</u>	<u>\$ 21,726,968</u>	<u>\$ 669,818,260</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>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 7,896,743	\$ 1,112,750	\$ -	\$ 9,009,493
Construction in progress	84,339,689	43,954,397	36,596,538	91,697,548
Total capital assets, not being depreciated	<u>92,236,432</u>	<u>45,067,147</u>	<u>36,596,538</u>	<u>100,707,041</u>
Capital assets, being depreciated				
Plants, buildings, stations and reservoirs	639,185,635	89,275,912	925,627	727,535,920
Improvements other than buildings	37,400,450	576,973		37,977,423
Machinery and equipment	37,973,553	524,350	23,876	38,474,027
Total capital assets, being depreciated	<u>714,559,638</u>	<u>90,377,235</u>	<u>949,503</u>	<u>803,987,370</u>
Less: Accumulated Depreciation				
Plants, buildings, stations and reservoirs	333,829,227	17,574,380	198,066	351,205,541
Improvements other than buildings	27,865,268	1,163,353		29,028,621
Machinery and equipment	31,657,607	1,296,237	21,744	32,932,100
Total accumulated depreciation	<u>393,352,102</u>	<u>20,033,970</u>	<u>219,810</u>	<u>413,166,262</u>
Total capital assets, being depreciated, net	<u>321,207,536</u>	<u>70,343,265</u>	<u>729,693</u>	<u>390,821,108</u>
Business-type activities capital assets, net	<u>\$ 413,443,968</u>	<u>\$ 115,410,412</u>	<u>\$ 37,326,231</u>	<u>\$ 491,528,149</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, 2018 is \$19,917,760.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS (CONTINUED)

During 2018, depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General administration	\$ 171,475
Management and financial services	1,051,992
Facilities maintenance	14,106,011
Police	792,158
Recorders Court	3,290
Fire	828,987
Leisure services	2,775,673
Public development	531,827
Grant program and administration	<u>10,683</u>
Total depreciation expense – governmental activities	20,272,096
Depreciation expense on Internal Service Fund Capital Assets	<u>7,595,503</u>
Total depreciation expense allocated to governmental activities	<u>\$27,867,599</u>

Business-type activities:

Water and sewer	\$ 15,484,174
Sanitation	1,501,746
Parking facilities	2,218,153
Civic Center	606,982
Golf course	<u>222,915</u>
Total depreciation expense allocated to business-type activities	<u>\$ 20,033,970</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – CAPITAL ASSETS (CONTINUED)

During 2018, the City incurred total interest expense of \$3,424,826 in its business-type activities and of this amount; \$1,783,003 was capitalized during the year.

As of December 31, 2018, 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	\$65,804,510	\$25,365,742	\$40,438,768	NONE
Public Buildings	265,717,058	89,025,412	176,691,646	NONE
Recreation	8,914,345	4,811,118	4,103,227	NONE
Sanitation	29,439,931	1,929,095	27,510,836	NONE
Sewerage	129,138,678	34,449,349	94,689,329	NONE
Squares	6,335,318	2,819,390	3,515,928	NONE
Street Paving	35,672,049	13,443,619	22,228,430	NONE
Traffic Engineering	68,811,246	40,494,581	28,316,665	NONE
Water	65,548,352	16,247,016	49,301,336	NONE
Other	77,208,583	28,864,610	48,343,973	NONE
Total	<u>\$752,590,070</u>	<u>\$257,449,932</u>	<u>\$495,140,138</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, 2018 and the annual maturities of long-term liabilities:

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/18	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2038
<u>GOVERNMENTAL ACTIVITIES PRINCIPAL PORTION</u>											
Contractual Obligations Related to:											
2009 Downtown Savannah Authority Bonds Series "B"	2.3/5.7	\$20,155,000	\$ 8,270,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,290,000	\$ 4,980,000	\$ -
2014 Downtown Savannah Authority Bonds	2.0/4.0	9,970,000	6,105,000	795,000	810,000	835,000	865,000	895,000	1,905,000		
2015 Downtown Savannah Authority Bonds	2.0/4.0	19,950,000	17,385,000	695,000	935,000	920,000	905,000	935,000	5,030,000	5,335,000	2,630,000
2016 Downtown Savannah Authority Bonds	2.03	8,000,000	8,000,000		730,000	745,000	760,000	775,000	4,115,000	875,000	
2017 Downtown Savannah Authority Bonds	2.39	6,585,000	6,585,000			590,000	605,000	620,000	3,325,000	1,445,000	
2018 Downtown Savannah Authority Bonds	3.00/5.00	14,095,000	14,095,000	245,000	485,000	510,000	535,000	560,000	3,265,000	3,925,000	4,570,000
Total Contractual Obligations		<u>78,755,000</u>	<u>60,440,000</u>	<u>1,735,000</u>	<u>2,960,000</u>	<u>3,600,000</u>	<u>3,670,000</u>	<u>3,785,000</u>	<u>20,930,000</u>	<u>16,560,000</u>	<u>7,200,000</u>
General Obligation Bonds:											
2016 General Obligation Bonds	1.97	2,000,000	2,000,000		315,000	325,000	330,000	335,000	695,000		
2017 General Obligation Bonds	1.84	2,000,000	2,000,000			385,000	395,000	400,000	820,000		
2018 General Obligation Bonds	3.28	2,000,000	2,000,000				375,000	385,000	1,240,000		
Total General Obligation Bonds		<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>	<u>315,000</u>	<u>710,000</u>	<u>1,100,000</u>	<u>1,120,000</u>	<u>2,755,000</u>	<u>-</u>	<u>-</u>
Notes:											
2011-A Series HUD Section 108 Note	1.60/2.92	<u>595,000</u>	<u>200,000</u>	<u>100,000</u>	<u>100,000</u>						
Total Governmental Activities Principal Portion		<u>\$85,350,000</u>	<u>\$66,640,000</u>	<u>\$1,835,000</u>	<u>\$3,375,000</u>	<u>\$4,310,000</u>	<u>\$4,770,000</u>	<u>\$4,905,000</u>	<u>\$23,685,000</u>	<u>\$16,560,000</u>	<u>\$7,200,000</u>
<u>GOVERNMENTAL ACTIVITIES INTEREST PORTION</u>											
Contractual Obligations			\$20,187,120	\$2,331,860	\$2,062,468	\$1,984,460	\$1,877,924	\$1,750,487	\$ 6,653,942	\$ 2,930,511	\$ 595,468
General Obligation Bonds			737,852	116,836	141,800	135,595	122,108	96,039	125,474		
Notes			6,950	4,500	2,450						
Total Governmental Activities Interest Portion			<u>20,931,922</u>	<u>2,453,196</u>	<u>2,206,718</u>	<u>2,120,055</u>	<u>2,000,032</u>	<u>1,846,526</u>	<u>6,779,416</u>	<u>2,930,511</u>	<u>595,468</u>
Total Governmental Activities Debt Service Requirements			<u>\$87,571,922</u>	<u>\$4,288,196</u>	<u>\$5,581,718</u>	<u>\$6,430,055</u>	<u>\$6,770,032</u>	<u>\$6,751,526</u>	<u>\$30,464,416</u>	<u>\$19,490,511</u>	<u>\$7,795,468</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 12/31/18	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2038	2039-2043	2044-2048
BUSINESS-TYPE ACTIVITIES PRINCIPAL PORTION													
WATER AND SEWER SYSTEM													
2014 Water and Sewer Revenue Bonds	2.0/3.0	\$ 17,690,000	\$ 10,685,000	\$ 860,000	\$ 875,000	\$ 890,000	\$ 910,000	\$ 940,000	\$ 5,100,000	\$ 1,110,000	\$ -	\$ -	\$ -
2016 Water and Sewer Revenue Bonds	2.15/2.15	21,255,000	16,360,000	1,780,000	1,830,000	1,860,000	1,320,000	1,350,000	7,200,000	1,020,000			
Total Water and Sewer Bonds		<u>38,945,000</u>	<u>27,045,000</u>	<u>2,640,000</u>	<u>2,705,000</u>	<u>2,750,000</u>	<u>2,230,000</u>	<u>2,290,000</u>	<u>12,300,000</u>	<u>2,130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
SANITATION													
2013 Resource Recovery Bonds	2.0/3.0	12,950,000	3,075,000	3,075,000									
2018 Resource Recovery Bonds	2.96	11,085,000	11,085,000		970,000	995,000	1,025,000	1,055,000	5,780,000	1,260,000			
Total Sanitation Bonds		<u>24,035,000</u>	<u>14,160,000</u>	<u>3,075,000</u>	<u>970,000</u>	<u>995,000</u>	<u>1,025,000</u>	<u>1,055,000</u>	<u>5,780,000</u>	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
PARKING SERVICES													
Contractual Obligations Related to:													
2013 Downtown Savannah Authority Bonds	2.0/2.0	6,485,000	575,000	575,000									
2015 Downtown Savannah Authority Bonds	2.0/4.0	25,055,000	25,055,000	940,000	1,405,000	1,465,000	1,530,000	1,595,000	9,140,000	8,980,000			
2016 Downtown Savannah Authority Bonds	2.6/4.05	33,060,000	33,060,000				870,000	890,000	4,840,000	5,665,000	6,780,000	8,235,000	5,780,000
2018 Downtown Savannah Authority Bonds	3.6/4.00	30,205,000	30,205,000				1,190,000	1,235,000	6,955,000	8,410,000	10,140,000	2,275,000	
Total Parking Services Contractual Obligations		<u>94,805,000</u>	<u>88,895,000</u>	<u>1,515,000</u>	<u>1,405,000</u>	<u>1,465,000</u>	<u>3,590,000</u>	<u>3,720,000</u>	<u>20,935,000</u>	<u>23,055,000</u>	<u>16,920,000</u>	<u>10,510,000</u>	<u>5,780,000</u>
Total Business-type Activities Principal Portion		<u>\$ 157,785,000</u>	<u>\$ 130,100,000</u>	<u>\$ 7,230,000</u>	<u>\$ 5,080,000</u>	<u>\$ 5,210,000</u>	<u>\$ 6,845,000</u>	<u>\$ 7,065,000</u>	<u>\$ 39,015,000</u>	<u>\$ 26,445,000</u>	<u>\$ 16,920,000</u>	<u>\$ 10,510,000</u>	<u>\$ 5,780,000</u>
BUSINESS-TYPE ACTIVITIES INTEREST PORTION													
Water and Sewer Bonds		\$ 3,768,921	\$ 627,460	\$ 571,569	\$ 514,483	\$ 462,928	\$ 407,113	\$ 1,143,773	\$ 41,595	\$ -	\$ -	\$ -	\$ -
Sanitation Resource Recovery Bonds		2,303,643	419,455	328,116	299,404	269,952	239,612	709,808	37,296				
Parking Services Contractual Obligations		<u>45,427,970</u>	<u>3,058,821</u>	<u>3,185,352</u>	<u>3,157,253</u>	<u>3,127,952</u>	<u>2,996,533</u>	<u>12,853,360</u>	<u>8,956,943</u>	<u>5,330,412</u>	<u>2,286,885</u>	<u>474,459</u>	
Total Business-type Activities Interest Portion		<u>51,500,534</u>	<u>4,105,736</u>	<u>4,085,037</u>	<u>3,971,140</u>	<u>3,860,832</u>	<u>3,643,258</u>	<u>14,706,941</u>	<u>9,035,834</u>	<u>5,330,412</u>	<u>2,286,885</u>	<u>474,459</u>	
Total Business-type Activities Debt Service Requirements		<u>\$ 181,600,534</u>	<u>\$ 11,335,736</u>	<u>\$ 9,165,037</u>	<u>\$ 9,181,140</u>	<u>\$ 10,705,832</u>	<u>\$ 10,708,258</u>	<u>\$ 53,721,941</u>	<u>\$ 35,480,834</u>	<u>\$ 22,250,412</u>	<u>\$ 12,796,885</u>	<u>\$ 6,254,459</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, 2018:

	Balance 12/31/17	2018 Issues	2018 Retirements	Balance 12/31/18	Unamortized (Discounts)/ Premiums	Balance 12/31/18	Amounts Due Within One Year	Accrued Interest at 12/31/18
Governmental Activities:								
Bonds and notes payable:								
General Obligation Bond 2016	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ 16,417
General Obligation Bond 2017	2,000,000			2,000,000		2,000,000		15,333
General Obligation Bond 2018		2,000,000		2,000,000		2,000,000		2,369
Series 2011-A HUD Section 108 Note	300,000		100,000	200,000		200,000	100,000	1,875
Contractual Obligations relating to:								
Downtown Savannah Authority Bonds 2009	10,345,000		2,075,000	8,270,000	45,836	8,315,836		194,591
Downtown Savannah Authority Bonds 2014	6,890,000		785,000	6,105,000	430,500	6,535,500	795,000	90,062
Downtown Savannah Authority Bonds 2015	18,295,000		910,000	17,385,000	326,311	17,711,311	695,000	237,849
Downtown Savannah Authority Bonds 2016	8,000,000			8,000,000		8,000,000		67,667
Downtown Savannah Authority Bonds 2017	6,585,000			6,585,000		6,585,000		65,576
Downtown Savannah Authority Bonds 2018		14,095,000		14,095,000	716,337	14,811,337	245,000	448,417
Total bonds and notes payable	54,415,000	16,095,000	3,870,000	66,640,000	1,518,984	68,158,984	1,835,000	1,140,156
Other liabilities:								
Compensated absences	19,092,830	8,603,664	8,806,105	18,890,389		18,890,389	7,762,608	
Net pension liability	62,535,856		2,005,476	60,530,380		60,530,380		
Net OPEB liability	15,509,806	7,583,644	12,468,728	10,624,722		10,624,722		
Claims and judgments	6,392,839	33,533,570	32,491,538	7,434,871		7,434,871	3,947,489	
Total other liabilities	103,531,331	49,720,878	55,771,847	97,480,362	-	97,480,362	11,710,097	-
Governmental Activities long-term liabilities	\$157,946,331	\$65,815,878	\$59,641,847	\$164,120,362	\$ 1,518,984	\$165,639,346	\$ 13,545,097	\$1,140,156

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

	Balance 12/31/17	2018 Issues	2018 Retirements	Balance 12/31/18	(Discounts)/ Premiums	Balance 12/31/18	Within One Year	Interest at 12/31/18
Business-type Activities:								
Bonds and notes payable:								
Water and Sewer Revenue Bonds 2014	\$ 11,530,000	\$ -	\$ 845,000	\$ 10,685,000	\$ 334,141	\$ 11,019,141	\$ 860,000	\$ 24,525
Water and Sewer Revenue Bonds 2016	18,100,000		1,740,000	16,360,000		16,360,000	1,780,000	29,312
Sewer SRF Loans	3,358,710	13,508,830		16,867,540		16,867,540		
Resource Recovery Bonds 2013	6,080,000		3,005,000	3,075,000	51,741	3,126,741	3,075,000	38,438
Resource Recovery Bonds 2018		11,085,000		11,085,000		11,085,000		135,803
Contractual obligations relating to:								
Downtown Savannah Authority Bonds 2013	1,790,000		1,215,000	575,000	6,657	581,657	575,000	4,792
Downtown Savannah Authority Bonds 2015	25,055,000			25,055,000	586,374	25,641,374	940,000	337,570
Downtown Savannah Authority Taxable Bonds 2016	33,060,000			33,060,000	(107,332)	32,952,668		507,398
Downtown Savannah Authority Taxable Bonds 2018		30,205,000		30,205,000	383,779	30,588,779		333,265
Total bonds and notes payable	98,973,710	54,798,830	6,805,000	146,967,540	1,255,360	148,222,900	7,230,000	1,411,103
Other liabilities:								
Compensated absences	3,161,262	932,367	1,305,678	2,787,951		2,787,951	1,254,215	
Net pension liability	17,055,826			17,055,826		17,055,826		
Net OPEB liability	4,897,834	2,394,835	3,937,493	3,355,176		3,355,176		
Closure and Postclosure Liability	20,423,906		6,369,303	14,054,603		14,054,603		
Total other liabilities	45,538,828	3,327,202	11,612,474	37,253,556		37,253,556	1,254,215	-
Business-type Activities long-term liabilities	\$144,512,538	\$ 58,126,032	\$ 18,417,474	\$184,221,096	\$ 1,255,360	\$185,476,456	\$ 8,484,215	\$1,411,103

The beginning balances for the net OPEB liability were modified from those amounts reported in the prior year financial statements as a result of the implementation of GASB Statement No. 75.

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

- 3) Contractual obligations relating to the Downtown Savannah Authority Bonds, Series 2009A, the Downtown Savannah Authority Bonds, Tax Exempt Series 2016, the Downtown Savannah Authority Bonds, Tax Exempt Series 2017 and the Downtown Savannah Authority Bonds, Tax Exempt Series 2018 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.
- 5) General obligation bonds are liquidated by the General Obligation Bonds Debt Service Fund, a non-major fund.

(C) 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 and in the Community Development 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.

During 2016, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 1.97% and mature serially beginning August 1, 2020.

During 2017, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 1.84% and mature serially beginning August 1, 2021.

During 2018, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 3.28% and mature serially beginning August 1, 2022.

(2) Contractual Obligations

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

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

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

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

During 2016, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2016, issued in the principal amount of \$8,000,000. The proceeds of the bond sale are for the purpose of partially funding the design and construction of streetscape improvements to downtown corridors and paying issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.03% and mature serially beginning August 1, 2020.

During 2017, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2017, issued in the principal amount of \$6,585,000. The proceeds of the bond sale are for the purpose of partially funding the design and construction of streetscape improvements to downtown corridors and paying issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.39% and mature serially beginning August 1, 2021.

During 2018, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2018, issued in the principal amount of \$14,095,000. The proceeds of the bond sale are for the purpose of funding the acquisition and construction of public infrastructure improvements in the West River Street area of downtown. The bonds bear interest at a fixed rates ranging from 3.00% to 5.00% and mature serially beginning August 1, 2019.

The Authority's Series 2009A, Series 2009B, Series 2014, Series 2015, Tax Exempt Series 2016, Series 2017 and Tax Exempt Series 2018 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 2011, the City issued a Section 108 Note in the principal amount of \$595,000 guaranteed by the Secretary of Housing and Urban Development, the proceeds of which were used to pay all outstanding amounts on the City's Series 2001A Section 108 Note. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$157,360 and a reduction of \$167,096 in future debt service payments.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

The Section 108 note is secured by the City's future CDBG obligations, and is part of a total loan commitment for the Section 108 guarantee of \$3,000,000. Proceeds of the note 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 balance on the note is 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 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 note is shown on page 63.

(D) Business-type Bonds and Notes Payable

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

(1) Water and Sewer Revenue Bonds

During 2014, the City exercised its optional redemption on certain maturities of the Water and Sewer Improvement Revenue Bonds, 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.

During 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 used by the City to (1) refund and redeem certain outstanding amounts of loans made to the City by the State of Georgia under the State Revolving Fund Program (SRF) and (2) fund all expenses incidental to the issuance of the Bond. The bond bears interest at a fixed rate of 2.15% with principal repayment beginning February 2016 and continuing monthly thereafter. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$318,092. This amount is classified as a deferred

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

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 \$1,037,203 and a reduction of \$1,196,427 in future debt service payments.

The Series 2014 and Series 2016 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, 2018 the debt service reserve requirement is calculated as 10% of the par value of bonds outstanding, which is \$2,963,000. 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 2014 and Series 2016 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, 2018, the sinking fund requirements and actual balances were as follows:

Sinking Fund Requirements:	
Interest requirements (for June 1, 2019)	\$ 53,837
Principal requirements (for December 1, 2019)	316,667
Debt Service Reserve	<u>2,963,000</u>
Total requirements at December 31, 2018	<u>3,333,504</u>
Sinking Fund Resources:	
Cash and investments in sinking fund at December 31, 2018	<u>3,637,146</u>
Surplus	\$ <u>303,642</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, 2018.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2018-</u>	
						Principal Retired	Loan Payable
2014	President Street Biosolids Handling Facility	\$ 28,470,000	1.03%	20	\$16,867,540	\$ -	\$16,867,540
		<u>\$ 28,470,000</u>			<u>\$ 16,867,540</u>	<u>\$ -</u>	<u>\$ 16,867,540</u>

(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 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

In 2016, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2016 issued in the principal amount of \$33,060,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.60% to 4.05% and mature serially beginning August 1, 2022.

In 2018, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2018 issued in the principal amount of \$30,205,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 3.60% to 4.00% and mature serially beginning August 1, 2022.

The Authority's Series 2013, Series 2015, Taxable Series 2016 and Taxable Series 2018 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.

In 2018, the City entered into a contractual obligation related to the Resource Recovery Development Authority Revenue Bond, Series 2018 issued in the principal amount of \$11,085,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip a landfill expansion at the City's Dean Forest Road facility and pay issuance costs related to the bond. The bond bears interest at a fixed rate of 2.96% and matures serially beginning August 1, 2020.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6- LONG-TERM LIABILITIES (CONTINUED)

The Authority's Series 2009, Series 2013 and Series 2018 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 2018, the City recognized a postclosure credit of \$6,369,303, which is based on 83.1% usage (filled) of the landfill. It is estimated that an additional \$2,852,980 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 (\$16,907,583) 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, 2018. Based on landfill capacity, the estimated remaining useful life of the landfill is approximately 6.4 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, 2018, the City had accrued \$14,054,603 in landfill closure and postclosure costs. This amount was determined as follows:

Estimated total cost of closure and postclosure care	\$ 16,907,583
Percent utilized at 12/31/17	<u>83.1</u>
Total postclosure and closure liability at 12/31/18	14,054,603
Less amount recognized in prior years	<u>20,423,906</u>
Current year closure/postclosure expense (credit)	<u>\$ (6,369,303)</u>

The City will fund the closure and postclosure care costs with user fees and subsidies from the General Fund. As of December 31, 2018, no amount of assets had been restricted for the payment of closure and postclosure care costs. The landfill postclosure and closure liability of \$14,054,603 is included in long-term liabilities on the Statement of Net Position.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(1) Plan Description

Plan Administration. The City administers a cost-sharing 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 and the Youth Futures Authority elected to discontinue coverage under the Plan for active employees; however, it continues to cover retirees who elected coverage previously. The Plan's trustee is designated as the City of Savannah with the City's Chief Financial Officer serving as the Trustee contact and its Assistant Chief Financial Officer as an alternate contact.

Plan membership. The Plan covers both general and uniform employees of the participating employers. As of December 31, 2016, the latest valuation date, employee membership data related to the OPEB plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,004
Active plan participants	<u>2,451</u>
Total	<u>3,455</u>

Benefits provided. 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) Contributions and Reserves

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

The funding of the plan is derived from two sources: member contributions and employer contributions. Member contributions are set at a level sufficient to achieve 30 percent of the expected funding target for pre-Medicare retirees and 25 percent for post-Medicare retirees. Employers are required to contribute the remaining amounts needed to achieve 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. Contributions to the Plan by the City of Savannah were \$3,990,404 for the year ended December 31, 2018.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

(3) OPEB Plan Investments

The investment policy of the Plan is issued for the guidance of fiduciaries, including investment managers and the City, in the course of investing the Trust funds of the City and is consistent with the Prudent Investor Rule and any other applicable statute. Policy guidelines will be amended from time to time by the City both upon its own initiative and upon consideration of the advice and recommendations of the investment managers and Plan professionals, including the Plan's investment consultant. The current policy was adopted by the City in January of 2016 and has not been amended since that time. The purpose of the investment policy is to clearly articulate the City's view on the Trust's investment objectives and risk tolerance. This policy establishes a target asset allocation and benchmarks that will be used to monitor performance. The current asset allocations for the Plan are as follows:

Asset Class	Asset Class Benchmark	Minimum Weight	Target Weight	Maximum Weight
Large Cap Equity	S&P 500 Index	30%	40%	60%
Small Cap Equity	Russell 2000 Index	5%	10%	15%
International Equity	MSCI EAFE Index (Net)	5%	10%	15%
Real Estate	MSCI U.S. REIT Index	5%	10%	15%
Inflation Protected Bonds	Barclays US Treasury US TIPs Index	0%	10%	15%
Intermediate Aggregate Bonds	Barclays US Aggregate Bond Index	15%	20%	30%
Money Market	Barclays 91-Day US T-Bill Index	0%	0%	5%
Total			100%	

The annual money-weighted rate of return on OPEB plan investments for 2018 was negative 3.2%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(4) Net OPEB Liability

The components of the Net OPEB Liability are as follows:

Total OPEB Liability	\$99,821,688
Plan Fiduciary Net Position	82,335,621
Net OPEB Liability	\$17,486,067
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	82.48%

The Net OPEB Liability was measured as of December 31, 2017. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and the Total OPEB Liability was determined from an actuarial valuation as of December 31, 2016.

At December 31, 2018, the City reported a liability of \$13,979,898 for its proportionate share of the net OPEB liability. The City's proportionate share was 79.94 percent.

(5) Actuarial Assumptions

The total OPEB liability was rolled forward from an actuarial valuation as of December 31, 2016 that used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	Specific rates by age, varying from 5.00% to 3.00%, including inflation
Discount Rate	7.00% for General Employees and Youth Futures. 3.44% for Savannah Airport Commission and Metropolitan Planning Commission.
Healthcare costs trend rates	
Medical	Pre-65: Initial rate is 6.50%, trending down to 4.50% over 8 years. Post-65: Initial rate is 5.50%, trending down to 4.50% over 4 years.
Prescription drug	Initial rate is 10.50%, trending down to 4.50% over 12 years
Administrative costs	3.00%
Mortality Rates	<u>Pre-Retirement</u> : RP-2014 Employee Mortality Table, projected generationally using a modified version of the MP-2014 improvement scale. <u>Healthy Annuitants</u> : RP-2014 Healthy Annuitant Mortality Table, set forward six years for males and three years for females, projected generationally using a modified version of the MP-2014 improvement scale.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Many of the demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, percent married and relative ages of spouses) are the same as used in the City of Savannah Employees' Retirement Plan's Actuarial Valuation and Review as of January 1, 2017, dated October 5, 2017, completed by Segal Consulting. The remaining demographic assumptions, such as enrollment elections, were based on the experience of the OPEB Plan.

The following presents the Net OPEB obligation as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$7,784,834	\$17,486,067	\$28,657,800

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the City's proportionate share of the net OPEB liability, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$4,667,214	\$13,979,898	\$24,683,078

(6) Development of Discount Rate and Investment Rates of Return

The discount rate used to measure the total OPEB liability for the City of Savannah and Youth Futures was 7.00% as of December 31, 2016 and December 31, 2017, respectively. The other employers do not fund and so are valued at the 20-year, general obligation, municipal bond index rate. The projection of cash flow used to determine the discount rate assumed that the contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through December 31, 2120.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return (expected returns, net of investment expense and 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 subtracting 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 as follows:

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	49.00%	7.17%
International equity	10.00%	8.17%
Fixed income	29.00%	2.57%
Real estate	10.00%	5.67%
Cash and short-term investments	2.00%	1.56%
Total	100.00%	5.67%*

*Weighted average expected rate of return.

Nature of assets: The assets are maintained in an irrevocable Trust dedicated to OPEB.

The following presents the Net OPEB obligation as if it were calculated using a discount rate that was 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Net OPEB Liability	\$29,612,584	\$17,486,067	\$7,350,598

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Net OPEB Liability	\$25,585,346	\$13,979,898	\$4,266,033

(7) **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, 2018 the Plan reported \$78,240,087 in assets.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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.

(8) OPEB Expense

For the fiscal year ended December 31, 2018, the City recognized OPEB expense of \$4,047,685.

(9) Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred inflows of resources						
Difference between projected and actual investment earnings	2018	5 years	\$ (6,436,910)		\$ (1,287,382)	\$ (5,149,528)
Deferred outflows of resources						
Contributions subsequent to the measurement date	2018	1 year	\$ -	\$ 3,990,404	\$ -	\$ 3,990,404
Net of deferred inflows of resources and deferred outflows of resources						<u><u>\$ (1,159,124)</u></u>

\$3,990,404 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	(\$1,287,382)
2020	(\$1,287,382)
2021	(\$1,287,382)
2022	(\$1,287,382)

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(10) 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, 2016, 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 3.00 percent annually.
- The investment rate of return was assumed to be 7.00 percent for prefunded plan, 3.44 percent for pay-as-you-go plans.
- Projected salary increases were specific rates by age, varying from 5.00% to 3.00%, including inflation.
- The medical cost trend rate (pre 65) used was 6.50 percent graded to 4.50 percent over 8 years.
- The drug cost trend rate (pre 65) used was 10.50 percent graded to 4.50 percent over 12 years.
- The medical and drug cost trend rate (post 65) used was 5.50 percent graded to 4.50 percent over 4 years.
- The amortization method used was level percent of pay and the amortization period for the most recent actuarial valuation was 20 years and the period is closed.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

CITY OF SAVANNAH
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST FUND
DECEMBER 31, 2018

ASSETS

Cash and cash equivalents	\$	1,016,933
Investments, at fair value:		
U.S. government obligations		8,619,780
Domestic corporate bonds		17,356,621
Domestic stock fund		35,814,494
International stock fund		7,515,876
Real estate fund		7,916,383
Total investments		<u>77,223,154</u>
Total assets		<u>78,240,087</u>

LIABILITIES

Payable from restricted assets:		
Accounts payable	\$	35,444
Total liabilities		<u>35,444</u>

NET POSITION

Held in trust for:		
OPEB benefits	\$	<u>78,204,643</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

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

(12) 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, 2018**

ADDITIONS

Contributions	
Employer	\$ 4,259,109
Plan members	2,603,943
Total contributions	<u>6,863,052</u>
Investment income	
Interest	22,313
Dividends	3,202,397
Real estate net income	(851,706)
Net appreciation(depreciation) in fair value of investments	<u>(5,775,009)</u>
Total investment income	<u>(3,402,005)</u>
Less investment expense	385,838
Net investment income(loss)	<u>(3,787,843)</u>
Total additions	<u>3,075,209</u>

DEDUCTIONS

Benefits	6,897,848
Administrative expense	<u>308,339</u>
Total deductions	<u>7,206,187</u>
Change in net position	(4,130,978)
Net position:	
Beginning of year - January 1	<u>82,335,621</u>
End of year - December 31	<u><u>\$ 78,204,643</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the risk management program, the Risk Management Internal Service Fund provides coverage for worker's compensation claims, general liability claims, employee health benefit claims, unemployment compensation claims, and property damage claims. The City purchases property and liability insurance for claims in excess of coverage provided by the fund. As in the past three fiscal years, settled property damage claims in 2018 did not exceed commercial coverage.

All funds of the City participate in the program and make payments to the Risk Management Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. During 2018, premiums paid into the fund by both the City and its employees exceeded the liabilities incurred for the various types of claims covered by \$4,362,319. The amount available for catastrophic losses at December 31, 2018 had a total net position balance of \$9,266,402.

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 \$7,434,871 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, 2018, \$3,487,382 of those covered liabilities is considered to be long-term and \$3,947,489 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
2016	\$ 6,706,108	\$ 34,987,321	\$ (33,967,620)	\$ 7,725,809
2017	7,725,809	30,275,242	(31,608,212)	6,392,839
2018	6,392,839	33,533,570	(32,491,538)	7,434,871

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, 2018, are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Hazardous Materials Team Fund	\$ 203,655	Provide resources to fund operating expenditures.
General Fund	Community Development Fund	1,910,887	Provide resources to fund operating expenditures and grant matches.
General Fund	Golf Course Fund	689,349	Provide resources to fund operating expenditures and grant matches.
General Fund	Grant Fund	647,283	Provide resources to fund operating expenditures and grant matches.
General Fund	Tax Allocation District Fund I	2,069,591	Provide resources to fund operating expenditures and grant matches.
General Fund	Debt Service Fund	2,513,809	Provide resources to fund debt service expenditures.
General Fund	Capital Improvement Fund	15,392,870	Provide resources to fund planned capital project expenditures.
General Fund	Hurricane Matthew Recovery Fund	1,785	Provide resources to fund operating expenditures and grant matches.
General Fund	Parking Services Fund	1,977,757	Transfer resources to fund prior year property acquisition.
Hurricane Matthew Fund	Water and Sewer Fund	327,823	Repay operating transfers from grant reimbursements.
Hurricane Matthew Fund	Golf Course Fund	645,856	Repay operating transfers from grant reimbursements.
Hurricane Matthew Fund	Sanitation Fund	645,258	Repay operating transfers from grant reimbursements.
Hurricane Matthew Fund	Parking Services Fund	276	Repay operating transfers from grant reimbursements.
Hurricane Matthew Fund	General Fund	1,455,408	Repay operating transfers from grant reimbursements.
Hotel/motel Tax Fund	Civic Center Fund	687,512	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	General Fund	10,788,669	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	Civic Center Fund	1,594,243	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	General Fund	531,413	Transfer restricted revenues to fund required to expend them.
Water and Sewer Fund	Hurricane Matthew Recovery Fund	75,700	Provide resources to fund operating expenditures and grant matches.
Civic Center Fund	Hurricane Matthew Recovery Fund	16,258	Provide resources to fund operating expenditures and grant matches.
Sanitation Fund	Hurricane Matthew Recovery Fund	15,911	Provide resources to fund operating expenditures and grant matches.
Golf Course Fund	Hurricane Matthew Recovery Fund	82,513	Provide resources to fund operating expenditures and grant matches.
Internal Service Revolving Fund	Hurricane Matthew Recovery Fund	295	Provide resources to fund operating expenditures and grant matches.
	Total	\$ 42,274,121	

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, (3) subsidize funding shortfalls, and (4) 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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, 2018, the General Fund had transferred an aggregate total of \$10,750,173 to the Tax Allocation District I Fund to pay debt service obligations of the fund.

Interfund receivable and payable balances as of December 31, 2018 are as follows:

<u>Payable from</u>	<u>Payable to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Improvements Fund	\$ 44,521,625	Committed funds for capital projects. Cash is transferred only as project costs are paid. This balance may not be paid within one year.
Grant Fund	General Fund	1,198,163	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Hurricane Matthew Fund	General Fund	6,256,764	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Public Safety Communications	General Fund	4,334,077	Cash to be repaid upon receipt of E911 fees from other governments.
Hotel/motel Tax	General Fund	1,540,836	Hotel/motel taxes receivable at year end which are to be transferred to General Fund when received.
Automobile Rental	General Fund	31,378	Auto rental taxes receivable at year end which are to be transferred to General Fund when received.
Automobile Rental	Civic Center	94,134	Auto rental taxes receivable at year end which are to be transferred for use by Civic Center when received.
		<u>\$ 57,976,977</u>	

NOTE 11 – RECEIVABLE AND PAYABLE BALANCES

Receivables at December 31, 2018 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes Receivable	\$14,821,413	
Due from other Governments	25,003,968	
Miscellaneous accounts receivable	11,775,966	\$41,406,201
Less: allowance for uncollectible	<u>6,400,744</u>	<u>13,200,667</u>
Total	<u>\$45,200,603</u>	<u>\$28,205,534</u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – RECEIVABLE AND PAYABLE BALANCES (CONTINUED)

Payables at December 31, 2018 consisted of:

	Governmental Activities	Business-type Activities
Due to vendors	\$ 15,219,452	\$ 6,151,047
Accrued payroll tax liabilities and withholdings	<u>2,617,941</u>	
Total	<u>\$ 17,837,393</u>	<u>\$ 6,151,047</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, 2018 include:

Activity	Restricted by	Amount
Governmental Activities:		
Sales Tax Capital Projects	Law	\$166,246,255
Other Capital Projects	Bond covenants	34,278,799
Community Development projects	Grantor agencies and law	25,076,022
HUD Section 108 projects	Creditor – U. S. Dept. of Housing & Urban Development	400,856
Nonexpendable Perpetual Care	Cemetery perpetual care	6,998,644
Convention and tourism	Law	305,154
Court technology fee	Law	374,703
Other grants	Grantor agencies	377,784
Business-Type Activities:		
Debt service	Bond covenants	3,266,642

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

As of December 31, 2018, Governmental Funds' balance sheet reports fund balances as follows:

	<u>General</u>	<u>Capital Improvements</u>	<u>SPLOST 2014- 2020</u>	<u>Non-major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ -	\$ 6,882,893
Restricted for:				
Public safety				502,831
Tourism enhancement				305,154
Community development program and administration				395,257
Debt service				957,118
Other capital projects		26,905,967	120,948,080	50,871,556
Committed to:				
General administration	27,326			
Management and financial services	20,289			
Facilities maintenance	967,294			
Public safety	306,268			
Leisure services	120,610			
Social and cultural	313,760			
Public development	100,509			
Community development program and administration	1,902,118			
Other capital projects		48,235,883		
Unassigned:	37,945,263			(6,262,088)
Total fund balances	<u>\$ 41,703,437</u>	<u>\$ 75,141,850</u>	<u>\$ 120,948,080</u>	<u>\$ 53,652,721</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 \$669,818,260 less related debt of \$31,998,876, which includes contractor retainage payable of \$8,056,233 and contractual obligations of \$57,973,223 less unspent bonds proceeds of \$34,030,580. 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 \$491,528,149 less related debt of \$99,620,753, which includes contractor retainage payable of \$2,990,641 and debt of \$147,416,550 less unspent bond proceeds of \$50,786,438. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities.

Encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been billed or received. The City had significant outstanding encumbrances at December 31, 2018 as follows:

	<u>General Fund</u>
Contract services	\$ 1,149,194
Commodities	<u>706,862</u>
Total	<u>\$1,856,056</u>

For the year ended December 31, 2018, the Hurricane Matthew Recovery Fund reported a deficit in ending total fund balance of \$6,262,088. The City anticipates that this deficit will be eliminated by reimbursements from federal grants.

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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 - PROPERTY TAXES (CONTINUED)

The property tax calendar is as follows:

2018 (tentative) millage rate adopted by ordinance	December 31, 2017
Beginning of fiscal year for taxes	January 1, 2018
First installment real property tax bills rendered	April 11, 2018
First installment real property tax payment due	May 15, 2018
County Tax Digest approved by the State of Georgia	September 12, 2018
2018 final millage rate adopted by ordinance	July 25, 2018
Second installment real property tax bills rendered	October 4, 2018
Personal property tax bills rendered	October 11, 2018
Second installment real property tax payment due	November 21, 2018
Personal property tax payment due	November 27, 2018

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 Uniform Guidance, the City will have a single audit performed for the year ended December 31, 2018. 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, 2018, 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.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – TAX ABATEMENTS

As of December 31, 2018, the City provides tax abatements through the creation of enterprise zones pursuant to O.C.G.A. 36-88-1 to encourage private enterprise to invest in certain areas of the City by creating jobs and trade, providing services, and other economic activities. Abatements are obtained through application by qualifying businesses or homeowners. Applicants must meet one of the following requirements: 1) job creation incentive – create and maintain five new full-time equivalent jobs for the duration of the ten year graduated tax abatement period, or 2) land improvement incentive – invest in new residential construction or rehabilitation or other rehabilitation of an existing structure such that the value of the improvements exceeds the value of the land by a ratio of five to one. Under the program, municipal ad valorem property taxes may be exempted in accordance with the following schedule:

1. One hundred percent of the property taxes shall be exempted for the first five years;
2. Eighty percent of the property taxes shall be exempted for the next two years;
3. Sixty percent of the property taxes shall be exempted for the next year;
4. Forty percent of the property taxes shall be exempted for the next year;
5. Twenty percent of the property taxes shall be exempted for the next year.

During 2018, as part of the enterprise zone tax abatement program, the City tax revenues were reduced by \$240,016 under agreements entered into by the City of Savannah.

NOTE 16 – SUBSEQUENT EVENTS

On April 22, 2019, the City issued the Downtown Savannah Authority Refunding Revenue Bond (City of Savannah Project), Series 2019 in the principal amount of \$8,440,000. The proceeds of the bond sale were made available to the City to (1) current and advance refund all of the outstanding amounts of the Downtown Savannah Authority Revenue Bonds, Series 2009B, and (2) fund expenses incidental to the bond issue.

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2018, the City implemented an accounting change that recognizes the measurement date of the net pension liability 12 months prior to the reporting date of the financial statements. The change will allow the City to publish its operating results in a timelier manner. This accounting change resulted in a restatement of the beginning net position for the statements dated December 31, 2018. The beginning net position for December 31, 2018 was increased in the Water and Sewer Fund by \$1,061,071; increased in the Sanitation Fund by \$671,836; increased in the Parking Fund by \$254,963; and the non-major enterprise Civic Center Fund was increased by \$85,642. The governmental activities net position was increased by \$7,371,549. These increases reflect the adjustment of the net pension liability, deferred outflows of resources and deferred inflows of resources.

CITY OF SAVANNAH, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 18 – RESTATEMENT OF NET POSITION ON ENTITY-WIDE FINANCIAL STATEMENTS

For the year ended December 31, 2018, the City implemented the provisions of GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, beginning net position of the Sanitation Fund was reduced by \$1,165,571; the Water and Sewer Fund was reduced by \$2,157,381; the Parking Services Fund was reduced by \$114,098; and the non-major enterprise Civic Center Fund was reduced by \$160,637. The governmental activities net position was reduced by \$9,580,348. These reductions reflect the recording of net OPEB liabilities, deferred inflows of resources and deferred outflows of resources as required under the new GASB pronouncement.

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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes	\$ 66,610,191	\$ 78,853,601	\$ 78,599,952	\$ (253,649)
Intangible, transfer and franchise taxes	20,605,700	21,093,213	20,892,876	(200,337)
General sales tax	41,979,600	43,203,039	43,800,603	597,564
Selective sales taxes	5,632,400	6,076,573	5,748,085	(328,488)
Business taxes	10,050,000	10,126,370	10,605,904	479,534
Penalties and interest on delinquent taxes	400,000	661,132	733,765	72,633
Licenses and permits	2,116,600	2,116,600	2,531,545	414,945
Inspection fees	3,022,000	3,263,113	3,868,600	605,487
Intergovernmental revenue	1,620,064	1,801,588	2,475,473	673,885
Charges for services	9,874,790	12,083,750	8,490,225	(3,593,525)
Indirect cost allocations	5,726,983	6,666,983	6,666,983	
Fines and forfeitures	3,293,750	2,950,727	3,860,306	909,579
Investment income	350,000	350,000	1,172,788	822,788
Miscellaneous revenue	1,096,500	1,199,008	1,480,289	281,281
Total revenues	<u>172,378,578</u>	<u>190,445,697</u>	<u>190,927,394</u>	<u>481,697</u>
EXPENDITURES:				
Current:				
Governance and strategic services	6,036,462	5,919,508	5,534,666	384,842
Municipal operations	15,469,032	15,912,459	15,100,458	812,001
Infrastructure and development	41,267,631	40,107,293	37,447,814	2,659,479
Police	58,734,145	62,518,951	62,518,369	582
Recorder's court	2,296,216	2,401,507	2,376,724	24,783
Fire	193,299	33,105,523	33,105,160	363
Parks and recreation	10,650,114	9,964,829	9,477,938	486,891
Tourism enhancement	2,304,014	2,282,433	293,373	1,989,060
Social and cultural	1,513,577	1,513,577	1,277,296	236,281
Community services	12,324,604	12,652,850	9,006,582	3,646,268
Community development program and administration	2,100,000	2,100,000	135,332	1,964,668
Total expenditures	<u>152,889,094</u>	<u>188,478,930</u>	<u>176,273,712</u>	<u>12,205,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,489,484</u>	<u>1,966,767</u>	<u>14,653,682</u>	<u>12,686,915</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,918,000	12,561,866	12,775,490	213,624
Transfers out	(31,457,484)	(28,078,633)	(25,406,986)	2,671,647
Sale of capital assets	50,000	50,000	265,112	215,112
Total other financing sources (uses)	<u>(19,489,484)</u>	<u>(15,466,767)</u>	<u>(12,366,384)</u>	<u>3,100,383</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (13,500,000)</u>	<u>2,287,298</u>	<u>\$ 15,787,298</u>
FUND BALANCE - JANUARY 1			<u>39,416,139</u>	
FUND BALANCE - DECEMBER 31			<u><u>\$ 41,703,437</u></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, 2018**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental Revenue	\$ 6,321,022	\$ 6,006,014	\$ 4,326,785	\$ (1,679,229)
Charges for services			716,813	716,813
Interest earned			740,372	740,372
Miscellaneous revenue			84,516	84,516
Total revenues	<u>6,321,022</u>	<u>6,006,014</u>	<u>5,868,486</u>	<u>(137,528)</u>
EXPENDITURES:				
Community development program and administration	8,160,238	7,525,218	7,673,103	(147,885)
Debt Service:				
Principal	100,000	100,000	100,000	
Interest and fiscal charges	12,000	12,000	6,270	5,730
Total expenditures	<u>8,272,238</u>	<u>7,637,218</u>	<u>7,779,373</u>	<u>(142,155)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,951,216)</u>	<u>(1,631,204)</u>	<u>(1,910,887)</u>	<u>(279,683)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,951,216	1,631,204	1,910,887	279,683
Total other financing sources (uses)	<u>1,951,216</u>	<u>1,631,204</u>	<u>1,910,887</u>	<u>279,683</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 12,277,259	\$ 13,751,371	\$ 12,832,463	\$ 12,803,097
Interest	34,059,918	32,713,986	31,983,189	30,562,389
Differences between expected and actual experience	(1,248,522)	4,870,999	(9,445,475)	
Change of assumptions		(4,829,920)		
Benefit payments, including refunds of employee contributions	(27,404,258)	(26,130,536)	(25,750,547)	(24,314,601)
Net change in total pension liability	<u>17,684,397</u>	<u>20,375,900</u>	<u>9,619,630</u>	<u>19,050,885</u>
Total pension liability - beginning	<u>455,557,118</u>	<u>435,181,218</u>	<u>425,561,588</u>	<u>406,510,703</u>
Total pension liability - ending (a)	<u><u>\$ 473,241,515</u></u>	<u><u>\$ 455,557,118</u></u>	<u><u>\$ 435,181,218</u></u>	<u><u>\$ 425,561,588</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 10,361,785	\$ 10,588,773	\$ 11,378,991	\$ 11,989,213
Contributions - employee	7,794,899	7,522,500	6,948,068	6,656,241
Net investment income	50,376,309	26,131,579	3,612,074	23,393,123
Benefit payments, including refunds of employee contributions	(27,404,258)	(26,130,536)	(25,750,547)	(24,314,601)
Administrative expense	(75,177)	(60,680)	(157,329)	(99,358)
Net change in plan fiduciary net position	<u>41,053,558</u>	<u>18,051,636</u>	<u>(3,968,743)</u>	<u>17,624,618</u>
Plan fiduciary net position - beginning	<u>345,837,143</u>	<u>327,785,507</u>	<u>331,754,250</u>	<u>314,129,632</u>
Plan fiduciary net position - ending (b)	<u>386,890,701</u>	<u>345,837,143</u>	<u>327,785,507</u>	<u>331,754,250</u>
Employers' net pension liability - ending (a) - (b)	<u><u>\$ 86,350,814</u></u>	<u><u>\$ 109,719,975</u></u>	<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	81.75%	75.92%	75.32%	77.96%
Covered payroll	\$ 115,437,152	\$ 108,873,305	\$ 99,962,326	\$ 100,296,655
Employers' net pension liability as a percentage of covered payroll	74.80%	100.78%	107.44%	93.53%

Notes to Schedule:

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

Change of Assumptions: There have been no assumption changes since the prior valuation.

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 EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$10,292,739	\$10,292,739	\$0	\$91,239,379	11.28%
2016	9,454,605	9,454,605	0	90,288,005	10.47%
2017	9,164,055	9,164,055	0	98,340,447	9.32%
2018	9,226,064	9,226,064	0	104,200,270	8.85%

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, 2018**

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 3.00% increases
Remaining amortization period	Closed period, 26 years as of January 1, 2017
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Actuarial assumptions:

Investment rate of return	7.50%
Inflation rate	3.00%
Projected salary increases	Varies by age
Cost of living adjustments	5.00% at participant's adjustment date, 1.00% annually thereafter
Mortality:	
Pre-retirement	RP-2014 Employee Mortality Table, projected generationally using a modified version of the MP-2014 improvement scale.
Healthy	RP-2014 Healthy Annuitant Mortality Table, set forward six years for males and three years for females, projected generationally using a modified version of the MP-2014 improvement scale.
Disabled	RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using a modified version of the MP-2014 improvement scale.

Other information:	Please see the January 1, 2017 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**

Year Ended December 31	Annual Money- weighted Rate of Return
2014	7.8 %
2015	0.6
2016	8.6
2017	15.6
2018	-3.1

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 Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered Payroll	Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
City of Savannah Employees' Retirement Plan					
2016	90.45%	\$97,139,421	\$90,288,005	107.59%	75.32%
2017	89.29%	97,968,965	98,340,447	99.62%	75.92%
2018	89.85%	77,586,206	104,200,270	74.58%	81.75%

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 Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered 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%
2016	0.00%	0	428,086	428,086	N/A	N/A	98.28%
2017	0.00%	0	2,035,480	2,035,480	N/A	N/A	92.18%
2018	0.00%	0	461,193	461,193	N/A	N/A	101.62%
Georgia Firefighters' Pension Fund							
2015	0.00%	\$0	\$2,016,199	\$2,016,199	N/A	N/A	89.72%
2016	0.00%	0	3,610,412	3,610,412	N/A	N/A	83.06%
2017	0.00%	0	5,072,023	5,072,023	N/A	N/A	79.03%
2018	0.00%	0	4,278,583	4,278,583	N/A	N/A	83.74%

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

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
LAST TEN FISCAL YEARS**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 3,900,114
Interest	6,285,651
Change of assumptions	153,173
Benefit payments, including refunds of employee contributions	(3,638,344)
Net change in Total OPEB Liability	<u>6,700,594</u>
Total OPEB Liability - beginning	<u>93,121,094</u>
(a) Total OPEB Liability - ending	<u><u>\$ 99,821,688</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 5,586,200
Net investment income	11,347,263
Benefit payments, including refunds of employee contributions	(3,638,344)
Administrative expense	(266,941)
Net change in plan fiduciary net position	<u>13,028,178</u>
Plan fiduciary net position - beginning	<u>69,307,443</u>
(b) Plan Fiduciary Net Position - ending	<u>82,335,621</u>
(c) Net OPEB Liability - ending (a) - (b)	<u><u>\$ 17,486,067</u></u>
Plan fiduciary net position as a percentage of the Total OPEB Liability	82.48%
Covered employee payroll	\$ 106,198,860
Plan Net OPEB Liability as percentage of covered employee payroll	16.47%

Notes to Schedule:

Benefit changes: Effective 1/1/2016:

- Emergency room copay increased from \$150 to \$200
- Rx OOP maximum increased from \$3,200 to \$3,450 for Basic plan and from \$4,400 to \$4,650 for Plus plan.

Changes of assumptions: Annually the discount rate for the unfunded plans will change, but the underlying basis stays the same. That is, the discount rate for the unfunded plans will be based on the 20-year, general obligation, municipal bond rate.

Based on past experience and future expectations, the following actuarial assumptions were changed as of December 31, 2016:

- Per capita health costs and trend rates have been updated to reflect recent experience.
- The healthcare administrative expense load is now valued for pre-65 claims only.
- The current and former employees of the Youth Futures Authority (YFA) are now being valued as members of the City of Savannah. The discount rate used to value these participants was raised from 3.25% to 7.00% to reflect the migration from the unfunded plan to the funded plan.

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

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Year Ended December 31	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
2009	\$15,601,172	\$3,541,681	\$12,059,491	\$97,836,492	3.62%
2010	16,887,022	3,791,480	13,095,542	101,788,736	3.72%
2011	14,453,693	37,815,516	(23,361,823)	101,231,939	37.36%
2012	10,897,270	11,425,392	(528,122)	97,898,141	11.67%
2013	8,629,426	11,252,249	(2,622,823)	100,925,268	11.15%
2014	7,751,003	11,318,014	(3,567,011)	93,188,755	12.15%
2015	8,154,429	10,768,104	(2,613,675)	92,213,838	11.68%
2016	5,960,277	10,089,939	(4,129,662)	100,272,452	10.06%
2017	4,135,057	5,586,200	(1,451,143)	106,198,860	5.26%
2018	4,259,109	4,259,109	0	106,198,860	4.01%

Notes to Schedule:

**Methods and assumptions used to establish
"actuarially determined contribution" rates:**

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported
Measurement date	December 31, 2016
Actuarial cost method	Projected Unit Credit
Amortization method	30-year closed, level percent of pay
Remaining amortization period	20 years remain as of December 31, 2016
Asset valuation method	The Market Value of Assets
Excise Tax	The ACA Excise Tax is not being reflected until it becomes effective.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS**

Year Ended December 31	Annual Money-weighted Rate of Return
2017	16.2 %
2018	-3.2

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

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN FISCAL YEARS**

	<u>2018</u>
City's proportion of the net OPEB liability	79.94%
City's proportionate share of the net OPEB liability (asset)	\$ 13,979,898
City's covered employee payroll	\$ 104,200,270
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	13.42%
Plan fiduciary net position as a percentage of the total OPEB liability	85.49%

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

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF VALUATION DETAILS
DECEMBER 31, 2018**

Valuation date	December 31, 2016
Measurement date	December 31, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed, 30 years
Remaining amortization period	20 years as of January 1, 2016
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7% for pre-funded plan, 3.25% for pay-as-you-go plans
Inflation rate	3.00%
Projected salary increases	Varies by age
Medical cost trend rate (pre-65)	6.50% graded to 4.50% over 8 years
Drug cost trend rate (pre-65)	10.5% graded to 4.50% over 12 years
Medical and drug trend rate (post-65)	5.50% graded to 4.50% over 4 years
Plan membership:	
Current retirees, beneficiaries, and dependents	1,301
Current active members	2,451
Total	<u><u>3,752</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE A - BUDGET

The City adopted annual budgets for the 2018 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 major functional areas that are called service centers. The service center within each fund 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 2018 is presented below:

Fund	Original Appropriation	Encumbered Appropriations Carried Forward From Prior Years	Budgetary Amendments	Final Appropriations
Major Funds:				
General	\$ 184,346,578	\$ 1,927,712	\$ 30,283,273	\$ 216,557,563
Community Development	8,272,238	11,192	(646,212)	7,637,218
Nonmajor Funds:				
Grant	7,873,206	114,468	957,791	8,945,465
Hurricane Matthew Recovery	10,000,000	1,080,463	(1,080,463)	10,000,000
Economic Development	1,500,000		-	1,500,000
Hazardous Materials Team	464,735	2,822	(46,523)	421,034
Public Safety Communications	8,455,365		246,943	8,702,308
Hotel/motel Tax	22,896,000		(703,904)	22,192,096
Automobile Rental Tax	1,880,000		246,000	2,126,000
Per Occupied Room Fee			1,630,000	1,630,000
Recorders Court Technology Fee	300,000	3,805	(103,805)	200,000
Confiscated Assets	200,000	42,749	157,251	400,000
General Obligation Bond Debt Service	20,000,000		-	20,000,000
Special Assessment Debt Service	100,000		-	100,000

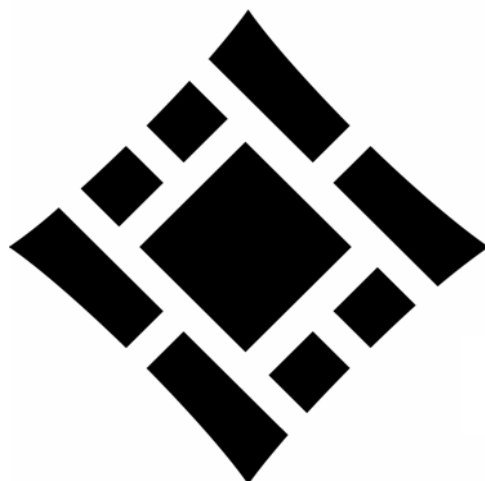
CITY OF SAVANNAH, GEORGIA

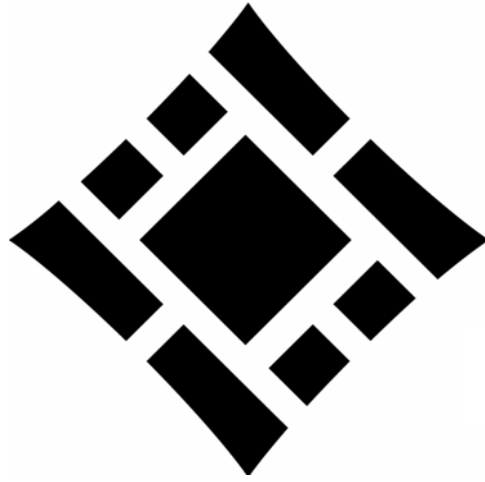
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE A – BUDGET (CONTINUED)

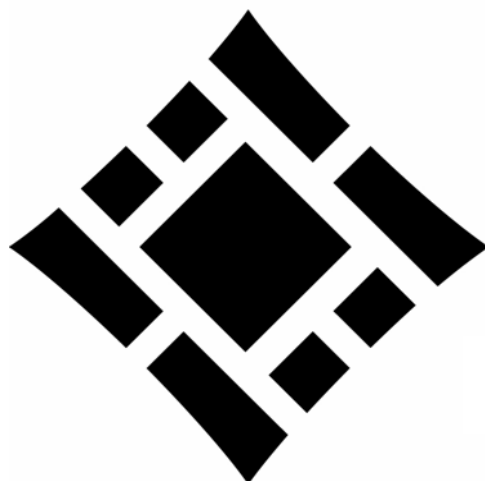
In accordance with State law, new appropriations for projects for the capital project funds were adopted by ordinance and totaled \$64,190,840 in 2018.

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.

Hurricane Matthew Recovery Fund – The Hurricane Matthew Recovery Fund accounts for all activity related to the City's recovery efforts arising from damages suffered during 2016's Hurricane Matthew.

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.

Per Occupied Room Fee Fund – The Per Occupied Room Fee Fund is used to account for the proceeds and uses of the per occupied room fee charged by the City on larger hotels located within the City's convention transportation special service district. The proceeds of this fee are used to provide transportation incentives to conventions held in Savannah and to also provide for downtown amenities.

Court Technology Fee Fund – The Records Court Technology Fee Fund is used to account for the proceeds and uses of the Records Court Technology Fee. This fee is levied as an additional fee to fines within the Chatham County Records Court and its

NONMAJOR CITY FUNDS (CONTINUED)

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.

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.

NONMAJOR CITY FUNDS (CONTINUED)

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

SPLOST 2009 – 2014 Fund – This fund accounts for special purpose local option sales tax resources provided to the City of Savannah 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 11, 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.

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, 2018

SPECIAL REVENUE FUNDS												PERMANENT FUND
	GRANT FUND	HURRICANE MATTHEW RECOVERY	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	PER OCCUPIED ROOM FEE	COURT TECHNOLOGY FEE	CONFISCATED ASSETS	TOTAL	CEMETERY
ASSETS												
Cash and investments	\$ -	\$ -	\$ -	\$ 12,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,104	\$ -
Receivables, net					412,860	1,968,426	125,512				2,506,798	
Due from other governments	1,448,150	7,887,559			3,923,357						13,259,066	
Restricted assets:												
Cash and investments			395,257					363,905	375,063	128,128	1,262,353	6,882,893
Receivables net								110,195			110,195	115,751
Notes receivable, long-term			5,599								5,599	
Total assets	\$ 1,448,150	\$ 7,887,559	\$ 400,856	\$ 12,104	\$ 4,336,217	\$ 1,968,426	\$ 125,512	\$ 474,100	\$ 375,063	\$ 128,128	\$ 17,156,115	\$ 6,998,644
LIABILITIES												
Accounts payable	\$ 331	\$ -	\$ -	\$ 12,104	\$ 2,140	\$ 427,590	\$ -	\$ 168,946	\$ 360	\$ -	\$ 611,471	\$ -
Unexpended grant proceeds	249,656	5,324									254,980	
Due to other funds	1,198,163	6,256,764			4,334,077	1,540,836	125,512				13,455,352	
Total liabilities	1,448,150	6,262,088		12,104	4,336,217	1,968,426	125,512	168,946	360		14,321,803	
DEFERRED INFLOWS OF RESOURCES												
Unavailable program income			5,599								5,599	115,751
Unavailable grant proceeds		7,887,559									7,887,559	
Total deferred inflows of resources		7,887,559	5,599								7,893,158	115,751
FUND BALANCES												
Nonspendable												
Restricted			395,257					305,154	374,703	128,128	1,203,242	6,882,893
Unassigned		(6,262,088)									(6,262,088)	
Total fund balance		(6,262,088)	395,257					305,154	374,703	128,128	(5,058,846)	6,882,893
Total liabilities, deferred inflows of resources and fund balances	\$ 1,448,150	\$ 7,887,559	\$ 400,856	\$ 12,104	\$ 4,336,217	\$ 1,968,426	\$ 125,512	\$ 474,100	\$ 375,063	\$ 128,128	\$ 17,156,115	\$ 6,998,644

This statement is continued on the next page.

CITY OF SAVANNAH, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS							TOTAL NONMAJOR GOVERNMENTAL FUNDS
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENTS	TOTAL	SALES TAX ROAD FUND I	SALES TAX ROAD FUND II	SPLOST 1998-2003	SPLOST 2003-2008	SPLOST 2009-2014	TAX ALLOCATION DISTRICT I	TOTAL	
ASSETS											
Cash and investments	\$ 925,481	\$ -	\$ 925,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 937,585
Receivables, net											2,506,798
Due from other governments											13,259,066
Restricted assets:											
Cash and investments		31,637	31,637	95	103,244	2,019,044	18,495,577	28,245,592	7,372,832	56,236,384	64,413,267
Receivables, net											225,946
Special assessments receivable, net		121,679	121,679								121,679
Notes receivable, long-term											5,599
Total assets	\$ 925,481	\$ 153,316	\$ 1,078,797	\$ 95	\$ 103,244	\$ 2,019,044	\$ 18,495,577	\$ 28,245,592	\$ 7,372,832	\$ 56,236,384	\$ 81,469,940
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,903	\$ 100,402	\$ 3,441,072	\$ 1,817,451	\$ 5,364,828	\$ 5,976,299
Unexpended grant proceeds											254,980
Due to other funds											13,455,352
Total liabilities						5,903	100,402	3,441,072	1,817,451	5,364,828	19,686,631
DEFERRED INFLOWS OF RESOURCES											
Unavailable program income		121,679	121,679								243,029
Unavailable grant proceeds											7,887,559
Total deferred inflows of resources		121,679	121,679								8,130,588
FUND BALANCES											
Nonspendable											6,882,893
Restricted	925,481	31,637	957,118	95	103,244	2,013,141	18,395,175	24,804,520	5,555,381	50,871,556	53,031,916
Unassigned											(6,262,088)
Total fund balance	925,481	31,637	957,118	95	103,244	2,013,141	18,395,175	24,804,520	5,555,381	50,871,556	53,652,721
Total liabilities, deferred inflows of resources and fund balances	\$ 925,481	\$ 153,316	\$ 1,078,797	\$ 95	\$ 103,244	\$ 2,019,044	\$ 18,495,577	\$ 28,245,592	\$ 7,372,832	\$ 56,236,384	\$ 81,469,940

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, 2018

	SPECIAL REVENUE FUNDS											PERMANENT FUND
	GRANT FUND	HURRICANE MATTHEW RECOVERY	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM	PUBLIC SAFETY COMMUNICATIONS	HOTEL/MOTEL TAX	AUTOMOBILE RENTAL	PER OCCUPIED ROOM FEE	COURT TECHNOLOGY FEE	CONFISCATED ASSETS	TOTAL	CEMETERY
REVENUES:												
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,577,337	\$ 2,125,656	\$ -	\$ -	\$ -	\$ 23,702,993	\$ -
Intergovernmental revenue	8,254,137	2,181,643			3,923,357					108,776	14,467,913	
Charges for services			10,994	216,658	2,807,804			1,625,177	97,810		4,758,443	267,569
Investment income					8,267					1,738	10,005	
Miscellaneous revenue	43,562										43,562	
Total revenues	8,297,699	2,181,643	10,994	216,658	6,739,428	21,577,337	2,125,656	1,625,177	97,810	110,514	42,982,916	267,569
EXPENDITURES:												
Police					7,491,110					90,157	7,581,267	
Recorders court									8,271		8,271	
Fire				420,313							420,313	
Tourism enhancement						10,101,156		1,320,023			11,421,179	
Grant program and administration	8,944,982	921,703									9,866,685	
Total expenditures	8,944,982	921,703		420,313	7,491,110	10,101,156		1,320,023	8,271	90,157	29,297,715	
Excess (deficiency) of revenues over (under) expenditures	(647,283)	1,259,940	10,994	(203,655)	(751,682)	11,476,181	2,125,656	305,154	89,539	20,357	13,685,201	267,569
Transfers in	647,283	192,462		203,655							1,043,400	
Transfers out		(3,074,621)				(11,476,181)	(2,125,656)				(16,676,458)	
Total other financing sources (uses)	647,283	(2,882,159)		203,655		(11,476,181)	(2,125,656)				(15,633,058)	
Net change in fund balances		(1,622,219)	10,994		(751,682)			305,154	89,539	20,357	(1,947,857)	267,569
FUND BALANCES (DEFICIT) - JANUARY 1		(4,639,869)	384,263		751,682				285,164	107,771	(3,110,989)	6,615,324
FUND BALANCES (DEFICIT) - DECEMBER 31	\$ -	\$ (6,262,088)	\$ 395,257	\$ -	\$ -	\$ -	\$ -	\$ 305,154	\$ 374,703	\$ 128,128	\$ (5,058,846)	\$ 6,882,893

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, 2018

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS								TOTAL NONMAJOR GOVERNMENTAL FUNDS
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENTS	TOTAL	SALES TAX ROAD FUND I	SALES TAX ROAD FUND II	SPLOST 1998-2003	SPLOST 2003-2008	SPLOST 2009-2014	TAX ALLOCATION DISTRICT I	TOTAL		
REVENUES:												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,871	\$ 161,871	\$	161,871
Selective sales tax												23,702,993
Intergovernmental revenue							76,508		195,363	271,871		14,739,784
Charges for services		1,411	1,411									5,026,012
Special assessments												1,411
Investment income	13,994		13,994	1	1,579	33,257	285,348	546,519	144,687	1,011,391		1,035,390
Miscellaneous revenue												43,562
Total revenues	13,994	1,411	15,405	1	1,579	33,257	361,856	546,519	501,921	1,445,133		44,711,023
EXPENDITURES:												
Police												7,581,267
Recorders court												8,271
Fire												420,313
Tourism enhancement												11,421,179
Grant program and administration												9,866,685
Debt Service:												
Principal	2,075,000		2,075,000						1,695,000	1,695,000		3,770,000
Interest and fiscal charges	438,809		438,809						1,126,395	1,126,395		1,565,204
Capital outlay					1,328	321,884	617,949	16,813,106	5,390,398	5,390,398		5,390,398
Capital outlay - SPLOST funded										17,754,267		17,754,267
Total expenditures	2,513,809		2,513,809		1,328	321,884	617,949	16,813,106	8,211,793	25,966,060		57,777,584
Excess (deficiency) of revenues over (under) expenditures	(2,499,815)	1,411	(2,498,404)	1	251	(288,627)	(256,093)	(16,266,587)	(7,709,872)	(24,520,927)		(13,066,561)
OTHER FINANCING SOURCES (USES):												
Transfers in	2,513,809		2,513,809						2,069,591	2,069,591		5,626,800
Transfers out												(16,676,458)
Total other financing sources (uses)	2,513,809		2,513,809						2,069,591	2,069,591		(11,049,658)
Net change in fund balances	13,994	1,411	15,405	1	251	(288,627)	(256,093)	(16,266,587)	(5,640,281)	(22,451,336)		(24,116,219)
FUND BALANCES - JANUARY 1	911,487	30,226	941,713	94	102,993	2,301,768	18,651,268	41,071,107	11,195,662	73,322,892		77,768,940
FUND BALANCES - DECEMBER 31	\$ 925,481	\$ 31,637	\$ 957,118	\$ 95	\$ 103,244	\$ 2,013,141	\$ 18,395,175	\$ 24,804,520	\$ 5,555,381	\$ 50,871,556	\$	53,652,721

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, 2018

	GRANT FUND				HURRICANE MATTHEW RECOVERY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ 7,107,199	\$ 8,136,075	\$ 8,254,137	\$ 118,062	\$ 10,000,000	\$ 10,000,000	\$ 2,181,643	\$ (7,818,357)
Miscellaneous revenue			43,562	43,562				
Total revenues	7,107,199	8,136,075	8,297,699	161,624	10,000,000	10,000,000	2,181,643	(7,818,357)
EXPENDITURES:								
Grant program and administration	7,873,206	8,945,465	8,944,982	483	10,000,000	10,000,000	921,703	9,078,297
Total expenditures	7,873,206	8,945,465	8,944,982	483	10,000,000	10,000,000	921,703	9,078,297
Excess (deficiency) of revenues over (under) expenditures	(766,007)	(809,390)	(647,283)	162,107			1,259,940	1,259,940
Transfers in	766,007	809,390	647,283	(162,107)			192,462	192,462
Transfers out							(3,074,621)	(3,074,621)
Total other financing sources (uses)	766,007	809,390	647,283	(162,107)			(2,882,159)	(2,882,159)
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -	(1,622,219)	\$ (1,622,219)
FUND BALANCE (DEFICIT) - JANUARY 1							(4,639,869)	
FUND BALANCE (DEFICIT) - DECEMBER 31			\$ -				\$ (6,262,088)	

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, 2018

	ECONOMIC DEVELOPMENT FUND				HAZARDOUS MATERIALS TEAM			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ 68,000	\$ -	\$ (68,000)
Charges for services	1,500,000	1,500,000	10,994	(1,489,006)	274,000	274,000	216,658	(57,342)
Total revenues	1,500,000	1,500,000	10,994	(1,489,006)	342,000	342,000	216,658	(125,342)
EXPENDITURES:								
Fire					464,735	421,034	420,313	721
Community development program and administration	1,500,000	1,500,000		1,500,000				
Total expenditures	1,500,000	1,500,000		1,500,000	464,735	421,034	420,313	721
Excess (deficiency) of revenues over (under) expenditures			10,994	10,994	(122,735)	(79,034)	(203,655)	(124,621)
Transfers in					122,735	79,034	203,655	124,621
Total other financing sources (uses)					122,735	79,034	203,655	124,621
Net change in fund balance	\$ -	\$ -	10,994	\$ 10,994	\$ -	\$ -		\$ -
FUND BALANCE - JANUARY 1			384,263					
FUND BALANCE - DECEMBER 31			395,257				\$ -	

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, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ 22,896,000	\$ 22,192,096	\$ 21,577,337	\$ (614,759)
Intergovernmental revenue	2,285,365	2,603,672	3,923,357	1,319,685				
Charges for services	5,170,000	5,098,636	2,807,804	(2,290,832)				
Investment income			8,267	8,267				
Total revenues	<u>7,455,365</u>	<u>7,702,308</u>	<u>6,739,428</u>	<u>(962,880)</u>	<u>22,896,000</u>	<u>22,192,096</u>	<u>21,577,337</u>	<u>(614,759)</u>
EXPENDITURES:								
Police	8,455,365	8,702,308	7,491,110	1,211,198				
Tourism enhancement					10,693,809	10,371,193	10,101,156	270,037
Total expenditures	<u>8,455,365</u>	<u>8,702,308</u>	<u>7,491,110</u>	<u>1,211,198</u>	<u>10,693,809</u>	<u>10,371,193</u>	<u>10,101,156</u>	<u>270,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(751,682)</u>	<u>248,318</u>	<u>12,202,191</u>	<u>11,820,903</u>	<u>11,476,181</u>	<u>(344,722)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in								
Transfers out					(12,202,191)	(11,820,903)	(11,476,181)	344,722
Total other financing sources (uses)					<u>(12,202,191)</u>	<u>(11,820,903)</u>	<u>(11,476,181)</u>	<u>344,722</u>
Net change in fund balance	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>	<u>(751,682)</u>	<u>\$ 248,318</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
FUND BALANCE - JANUARY 1			<u>751,682</u>					
FUND BALANCE - DECEMBER 31			<u>\$ -</u>				<u>\$ -</u>	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2018

	AUTOMOBILE RENTAL				PER OCCUPIED ROOM FEE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Selective sales taxes	\$ 1,880,000	\$ 2,126,000	\$ 2,125,656	\$ (344)	\$ -	\$ -	\$ -	\$ -
Charges for services						1,630,000	1,625,177	(4,823)
Total revenues	1,880,000	2,126,000	2,125,656	(344)		1,630,000	1,625,177	(4,823)
EXPENDITURES:								
Tourism enhancement						1,630,000	1,320,023	309,977
Total expenditures						1,630,000	1,320,023	309,977
OTHER FINANCING SOURCES (USES):								
Transfers out	(1,880,000)	(2,126,000)	(2,125,656)	344				
Total other financing sources (uses)	(1,880,000)	(2,126,000)	(2,125,656)	344				
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -	305,154	\$ 305,154
FUND BALANCE - JANUARY 1								
FUND BALANCE - DECEMBER 31			\$ -				\$ 305,154	

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, 2018

	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	\$ 108,776	\$ (291,224)
Charges for services	300,000	200,000	97,810	(102,190)			1,738	1,738
Investment income								
Total revenues	300,000	200,000	97,810	(102,190)	200,000	400,000	110,514	(289,486)
EXPENDITURES:								
Police					200,000	400,000	90,157	309,843
Recorders court	300,000	200,000	8,271	191,729				
Total expenditures	300,000	200,000	8,271	191,729	200,000	400,000	90,157	309,843
Excess (deficiency) of revenues over (under) expenditures			89,539	89,539	-	-	18,619	20,357
Net change in fund balance	\$ -	\$ -	89,539	\$ 89,539	\$ -	\$ -	20,357	\$ 20,357
FUND BALANCE - JANUARY 1			285,164				107,771	
FUND BALANCE - DECEMBER 31			\$ 374,703				\$ 128,128	

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, 2018

	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	\$ 1,411	\$ (98,589)
Investment income			13,994	13,994				
Total revenues			13,994	13,994	100,000	100,000	1,411	(98,589)
EXPENDITURES:								
Debt Service:								
Principal	15,000,000	15,000,000	2,075,000	12,925,000	50,000	50,000		50,000
Interest and fiscal charges	5,000,000	5,000,000	438,809	4,561,191	50,000	50,000		50,000
Total expenditures	20,000,000	20,000,000	2,513,809	17,486,191	100,000	100,000		100,000
Excess (deficiency) of revenues over (under) expenditures	(20,000,000)	(20,000,000)	(2,499,815)	17,500,185	-	-	1,411	1,411
OTHER FINANCING SOURCES (USES):								
Transfers in	20,000,000	20,000,000	2,513,809	(17,486,191)				
Total other financing sources (uses)	20,000,000	20,000,000	2,513,809	(17,486,191)				
Net change in fund balance	\$ -	\$ -	13,994	\$ 13,994	\$ -	\$ -	1,411	\$ 1,411
FUND BALANCE - JANUARY 1			911,487				30,226	
FUND BALANCE - DECEMBER 31			<u>\$ 925,481</u>				<u>\$ 31,637</u>	

This schedule is continued from the previous page.

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018**

	RESOURCE RECOVERY	CIVIC CENTER	GOLF COURSE	TOTAL
<u>ASSETS</u>				
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 2,064,949	\$ 305,573	\$ 2,370,522
Due from other funds		94,134		94,134
Inventories		5,933		5,933
Total current assets		<u>2,165,016</u>	<u>305,573</u>	<u>2,470,589</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments		1,299,245		1,299,245
Accounts receivable		107,874		107,874
Capital assets:				
Land	1,592,559	606,537		2,199,096
Plant, buildings, stations, reservoirs, etc		20,388,267	1,097,785	21,486,052
Improvements, other than buildings		690,907	6,637,651	7,328,558
Machinery and equipment		2,028,713	54,443	2,083,156
Other capital assets		1,409,248	4,682	1,413,940
Less accumulated depreciation		(19,381,121)	(4,254,700)	(23,635,821)
Construction in progress		891,550	1,035,856	1,927,406
Total noncurrent assets	<u>1,592,559</u>	<u>8,041,220</u>	<u>4,575,727</u>	<u>14,209,506</u>
Total assets	<u>1,592,559</u>	<u>10,206,236</u>	<u>4,881,300</u>	<u>16,680,095</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related deferred outflows		139,882		139,882
OPEB related deferred outflows		35,250		35,250
Total deferred outflows of resources		<u>175,132</u>		<u>175,132</u>
Total assets and deferred outflows of resources	<u>\$ 1,592,559</u>	<u>\$ 10,381,368</u>	<u>\$ 4,881,300</u>	<u>\$ 16,855,227</u>
<u>LIABILITIES</u>				
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 493,797	\$ -	\$ 493,797
Current portion of compensated absences		57,770		57,770
Total current liabilities		<u>551,567</u>		<u>551,567</u>
Noncurrent liabilities:				
Payable from restricted assets:				
Customer deposits		1,407,119		1,407,119
Advances from other funds				
Contractual obligations				
Compensated absences				
Net Pension Liability		895,675		895,675
Net OPEB Liability		134,207		134,207
Total noncurrent liabilities		<u>2,437,001</u>		<u>2,437,001</u>
Total liabilities		<u>2,988,568</u>		<u>2,988,568</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related deferred inflows		186,180		186,180
OPEB related deferred inflows		49,435		49,435
Total deferred inflows of resources		<u>235,615</u>		<u>235,615</u>
<u>NET POSITION</u>				
Investment in capital assets	1,592,559	6,634,101	4,575,727	12,802,387
Unrestricted		523,084	305,573	828,657
Total net position	<u>1,592,559</u>	<u>7,157,185</u>	<u>4,881,300</u>	<u>13,631,044</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,592,559</u>	<u>\$ 10,381,368</u>	<u>\$ 4,881,300</u>	<u>\$ 16,855,227</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2018

	<u>RESOURCE RECOVERY</u>	<u>CIVIC CENTER</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
OPERATING REVENUES:				
Rental fees	\$ -	\$ 1,361,495	\$ -	\$ 1,361,495
Recreation fees		9,120		9,120
Total operating revenues		1,370,615		1,370,615
OPERATING EXPENSES:				
Personal services		1,205,550		1,205,550
Contractual services		1,312,886	300,299	1,613,185
Commodities		233,538		233,538
Internal service		404,791		404,791
Depreciation		606,982	222,915	829,897
Total operating expenses		3,763,747	523,214	4,286,961
Operating (Loss)		(2,393,132)	(523,214)	(2,916,346)
NONOPERATING REVENUES:				
Interest earned			4,902	4,902
Total nonoperating revenues			4,902	4,902
Loss before contributions and transfers		(2,393,132)	(518,312)	(2,911,444)
CAPITAL CONTRIBUTIONS			62,689	62,689
TRANSFERS IN		2,281,755	1,335,205	3,616,960
TRANSFERS OUT		(16,258)	(82,513)	(98,771)
Change in net position		(127,635)	797,069	669,434
Total net position - beginning, as restated	1,592,559	7,284,820	4,084,231	12,961,610
Total net position - ending, as restated	<u>\$ 1,592,559</u>	<u>\$ 7,157,185</u>	<u>\$ 4,881,300</u>	<u>\$ 13,631,044</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2018

	CIVIC CENTER	GOLF COURSE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,370,615	\$ -	\$ 1,370,615
Cash paid to suppliers	(1,026,954)	(300,299)	(1,327,253)
Cash paid to employees	(1,327,917)		(1,327,917)
Net cash (used) by operating activities	(984,256)	(300,299)	(1,284,555)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:			
Transfers in	2,281,755	1,335,205	3,616,960
Transfers out	(16,258)	(82,513)	(98,771)
Net cash provided by non capital financing activities	2,265,497	1,252,692	3,518,189
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,312,089)	(995,267)	(2,307,356)
Net cash (used) by capital and related financing activities	(1,312,089)	(995,267)	(2,307,356)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income		4,902	4,902
Net cash provided by investing activities		4,902	4,902
(DECREASE) IN CASH AND CASH EQUIVALENTS	(30,848)	(37,972)	(68,820)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$735,712 IN 2017)	3,395,042	343,545	3,738,587
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$1,299,245 IN 2018)	\$ 3,364,194	\$ 305,573	\$ 3,669,767
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:			
Operating (loss)	\$ (2,393,132)	\$ (523,214)	\$ (2,916,346)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	606,982	222,915	829,897
Change in assets and liabilities:			
(Increase) decrease in receivables	707		707
(Increase) decrease in prepaid items and inventories	44,845		44,845
(Increase) decrease in deferred outflows of resources	(110,017)		(110,017)
Increase (decrease) in accounts and other payables	757,710		757,710
Increase (decrease) in deferred inflows of resources	49,435		49,435
Increase (decrease) in the net pension and OPEB liabilities	59,214		59,214
Net cash (used) by operating activities	\$ (984,256)	\$ (300,299)	\$ (1,284,555)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Contributions of capital assets from developers/other entities	\$ -	\$ 62,689	\$ -

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018**

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
ASSETS			
Current assets:			
Cash and investments	\$ 28,681,252	\$ 16,975,798	\$ 45,657,050
Receivables, net	6,997	850,441	857,438
Inventories	870,598		870,598
Total current assets	<u>29,558,847</u>	<u>17,826,239</u>	<u>47,385,086</u>
Capital assets:			
Plant, buildings, stations, reservoirs, etc	2,479,758		2,479,758
Improvements, other than buildings	610,615		610,615
Machinery and equipment	95,531,359		95,531,359
Less accumulated depreciation	(65,331,731)		(65,331,731)
Construction in progress	1,076,181		1,076,181
Total noncurrent assets	<u>34,366,182</u>		<u>34,366,182</u>
Total assets	<u>\$ 63,925,029</u>	<u>\$ 17,826,239</u>	<u>\$ 81,751,268</u>
<u>LIABILITIES AND NET POSITION</u>			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 453,614	\$ 1,124,966	\$ 1,578,580
Current portion of compensated absences	220,689		220,689
Current portion of claims and judgments		3,947,489	3,947,489
Total current liabilities	<u>674,303</u>	<u>5,072,455</u>	<u>5,746,758</u>
Noncurrent liabilities:			
Compensated absences	179,596		179,596
Claims and judgments		3,487,382	3,487,382
Total noncurrent liabilities	<u>179,596</u>	<u>3,487,382</u>	<u>3,666,978</u>
Total liabilities	<u>853,899</u>	<u>8,559,837</u>	<u>9,413,736</u>
NET POSITION			
Investment in capital assets	34,366,182		34,366,182
Unrestricted	<u>28,704,948</u>	<u>9,266,402</u>	<u>37,971,350</u>
Total net position	<u>63,071,130</u>	<u>9,266,402</u>	<u>72,337,532</u>
Total liabilities and net position	<u>\$ 63,925,029</u>	<u>\$ 17,826,239</u>	<u>\$ 81,751,268</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2018

	REVOLVING	RISK MANAGEMENT	TOTAL
OPERATING REVENUES:			
Charges for services	\$ 28,714,561	\$ -	\$ 28,714,561
Risk management fees		36,674,690	36,674,690
	<u>28,714,561</u>	<u>36,674,690</u>	<u>65,389,251</u>
Total operating revenues			
	<u>28,714,561</u>	<u>36,674,690</u>	<u>65,389,251</u>
OPERATING EXPENSES:			
Depreciation	7,595,503		7,595,503
Central garage	6,502,171		6,502,171
Information services	8,130,331		8,130,331
Risk management		32,491,538	32,491,538
	<u>22,228,005</u>	<u>32,491,538</u>	<u>54,719,543</u>
Total operating expenses			
	<u>22,228,005</u>	<u>32,491,538</u>	<u>54,719,543</u>
Operating Income (Loss)	<u>6,486,556</u>	<u>4,183,152</u>	<u>10,669,708</u>
NONOPERATING REVENUES (EXPENSES):			
Interest earned	360,208	179,167	539,375
Gain (loss) on disposal of assets	252,446		252,446
	<u>612,654</u>	<u>179,167</u>	<u>791,821</u>
Total nonoperating revenues (expenses)			
	<u>612,654</u>	<u>179,167</u>	<u>791,821</u>
Income (loss) before transfers	<u>7,099,210</u>	<u>4,362,319</u>	<u>11,461,529</u>
TRANSFERS OUT	<u>(295)</u>		<u>(295)</u>
Change in net position	7,098,915	4,362,319	11,461,234
Total net position - beginning	<u>55,972,215</u>	<u>4,904,083</u>	<u>60,876,298</u>
Total net position - ending	<u>\$ 63,071,130</u>	<u>\$ 9,266,402</u>	<u>\$ 72,337,532</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2018

	REVOLVING	RISK MANAGEMENT	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 28,714,561	\$ -	\$ 28,714,561
Cash received for services and fees		36,674,690	36,674,690
Cash paid to suppliers	(17,340,563)		(17,340,563)
Cash paid for supplies and insurance		(30,921,165)	(30,921,165)
Net cash provided (used) by operating activities	<u>11,373,998</u>	<u>5,753,525</u>	<u>17,127,523</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Transfers Out	(295)		(295)
Net cash provided (used) by non capital financing activities	<u>(295)</u>		<u>(295)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of equipment	832,873		832,873
Acquisition and construction of capital assets	(11,641,411)		(11,641,411)
Net cash provided (used) by capital and related financing activities	<u>(10,808,538)</u>		<u>(10,808,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	360,208	179,167	539,375
Net cash provided by investing activities	<u>360,208</u>	<u>179,167</u>	<u>539,375</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	925,373	5,932,692	6,858,065
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>27,755,879</u>	<u>11,043,106</u>	<u>38,798,985</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 28,681,252</u>	<u>\$ 16,975,798</u>	<u>\$ 45,657,050</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 6,486,556	\$ 4,183,152	\$ 10,669,708
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	7,595,503		7,595,503
Change in assets and liabilities:			
(Increase) decrease in receivables	5,346	235,648	240,994
(Increase) decrease in inventories	5,315		5,315
Increase (decrease) in accounts payables	(2,627,528)	292,693	(2,334,835)
Increase (decrease) in compensated absences	(91,194)		(91,194)
Increase (decrease) in claims and judgments payable		1,042,032	1,042,032
Net cash provided (used) by operating activities	<u>\$ 11,373,998</u>	<u>\$ 5,753,525</u>	<u>\$ 17,127,523</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS AND AGENCY FUNDS
DECEMBER 31, 2018

	TRUST FUNDS				AGENCY FUNDS		
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL	RECORDERS COURT	FLEXIBLE BENEFITS	TOTAL
<u>ASSETS</u>							
Cash and cash equivalents	\$ 1,893,805	\$ 193,370	\$ 1,016,933	\$ 3,104,108	\$ 165,161	\$ 218,556	\$ 383,717
Accrued income	718,886			718,886			
Accounts receivable:							
From employers	13,789			13,789			
From participants	59,513			59,513			
Investments, at fair value:							
U.S. government obligations	91,123,584		8,619,780	99,743,364			
Foreign corporate bonds	1,749,040			1,749,040			
Domestic corporate bonds	18,658,545		17,356,621	36,015,166			
Domestic stocks	143,800,839			143,800,839			
Domestic stock fund	31,755,216		35,814,494	67,569,710			
International stock fund	33,560,571		7,515,876	41,076,447			
Real estate fund	39,687,744		7,916,383	47,604,127			
Total investments	360,335,539		77,223,154	437,558,693			
Total assets	363,021,532	193,370	78,240,087	441,454,989	\$ 165,161	\$ 218,556	\$ 383,717
<u>LIABILITIES AND NET POSITION</u>							
Liabilities:							
Payable from restricted assets:							
Accounts payable	\$ 190,323	\$ -	\$ 35,444	\$ 225,767	\$ 165,161	\$ 11,056	\$ 176,217
Benefits payable						104,760	104,760
Benefit plan surplus						102,740	102,740
Total liabilities	190,323		35,444	225,767	\$ 165,161	\$ 218,556	\$ 383,717
Net Position:							
Held in trust for:							
Pension benefits	362,831,209	193,370		363,024,579			
OPEB benefits			78,204,643	78,204,643			
Total net position	\$ 362,831,209	\$ 193,370	\$ 78,204,643	\$ 441,229,222			

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUNDS
YEAR ENDED DECEMBER 31, 2018**

	PENSION (AND OTHER EMPLOYEE BENEFITS)			
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL
ADDITIONS				
Contributions:				
Employers	\$ 10,331,820	\$ -	\$ 4,259,109	\$ 14,590,929
Plan members	7,459,327		2,603,943	10,063,270
Total contributions	17,791,147		6,863,052	24,654,199
Investment income:				
Interest	3,081,389	2,933	22,313	3,106,635
Dividends			3,202,397	3,202,397
Real estate net income	2,787,735		(851,706)	1,936,029
Net appreciation (depreciation) in fair value of investments	(16,154,905)		(5,775,009)	(21,929,914)
Total investment income	(10,285,781)	2,933	(3,402,005)	(13,684,853)
Less investment expense	1,046,246		385,838	1,432,084
Net investment income (loss)	(11,332,027)	2,933	(3,787,843)	(15,116,937)
Total additions	6,459,120	2,933	3,075,209	9,537,262
DEDUCTIONS				
Benefits	27,299,414	4,793	6,897,848	34,202,055
Refunds of contributions	3,097,077			3,097,077
Administrative expense	122,121		308,339	430,460
Total deductions	30,518,612	4,793	7,206,187	37,729,592
Change in net position	(24,059,492)	(1,860)	(4,130,978)	(28,192,330)
Beginning of year - January 1	386,890,701	195,230	82,335,621	469,421,552
End of year - December 31	\$ 362,831,209	\$ 193,370	\$ 78,204,643	\$ 441,229,222

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2018

	<u>JANUARY 1, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>DECEMBER 31, 2018</u>
RECORDER'S COURT				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 99,559	\$ 5,829,470	\$ 5,763,868	\$ 165,161
Total assets	<u>\$ 99,559</u>	<u>\$ 5,829,470</u>	<u>\$ 5,763,868</u>	<u>\$ 165,161</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 99,559	\$ 5,829,470	\$ 5,763,868	\$ 165,161
Total liabilities	<u>\$ 99,559</u>	<u>\$ 5,829,470</u>	<u>\$ 5,763,868</u>	<u>\$ 165,161</u>
FLEXIBLE BENEFITS PLAN				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 210,436	\$ 651,157	\$ 643,037	\$ 218,556
Total assets	<u>\$ 210,436</u>	<u>\$ 651,157</u>	<u>\$ 643,037</u>	<u>\$ 218,556</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 11,130	\$ 11,056	\$ 11,130	\$ 11,056
Benefits payable	105,096	640,101	640,437	104,760
Benefit plan surplus	<u>94,210</u>	<u>27,419</u>	<u>18,889</u>	<u>102,740</u>
Total liabilities	<u>\$ 210,436</u>	<u>\$ 678,576</u>	<u>\$ 670,456</u>	<u>\$ 218,556</u>
TOTAL				
<u>ASSETS</u>				
Restricted assets:				
Cash and investments	\$ 309,995	\$ 6,480,627	\$ 6,406,905	\$ 383,717
Total assets	<u>\$ 309,995</u>	<u>\$ 6,480,627</u>	<u>\$ 6,406,905</u>	<u>\$ 383,717</u>
<u>LIABILITIES</u>				
Payable from restricted assets:				
Accounts payable	\$ 110,689	\$ 5,840,526	\$ 5,774,998	\$ 176,217
Benefits payable	105,096	640,101	640,437	104,760
Benefit plan surplus	<u>94,210</u>	<u>27,419</u>	<u>18,889</u>	<u>102,740</u>
Total liabilities	<u>\$ 309,995</u>	<u>\$ 6,508,046</u>	<u>\$ 6,434,324</u>	<u>\$ 383,717</u>

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018

PROJECT NUMBER		Total	Original	Current	Sales Tax Funded Expenditures			Remaining Balance
		Estimated Cost to be Funded from All Sources	Sales Tax Funding per Referendum Resolution	Estimated Cost to be Funded by Sales Tax	PRIOR YEARS	CURRENT YEAR	TOTAL	
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	440,062		94,887	94,887		94,887	
PD0801	West 57th St. Blvd.	2,105,369		230,000	230,000		230,000	
RE0503	Daffin Jogging Path	24,826		22,000	22,000		22,000	
SP0111	Hazardous Sidewalk Repair	1,164,506		358	358		358	
SP0200	Twickenham Area Paving	845,561		387,672	387,672		387,672	
SP0201	Atlantic Paving	1,551,020		814,120	814,120		814,120	
SP0202	Bon-Air, Riviera, Rogers & Leeward Paving	384,240		295,920	295,920		295,920	
SP0213	Hamilton Court	275,405		81,235	81,235		81,235	
SP0300	Alta, Halsey, Industry & Ware Paving	596,002		514,940	514,940		514,940	
SP0301	Gordonston Area Paving	1,144,800		971,542	971,542		971,542	
SP0302	Adirondak, Bacon Park & Bruce Paving	336,908		257,815	257,815		257,815	
SP0304	Felt Drive Paving	33,034		21,034	21,034		21,034	
SP0305	Ohio Avenue Paving	396,255		190,268	190,268		190,268	
SP0306	Charlton, DeRenne, Pierpont & 34th Paving	663,279		472,922	472,922		472,922	
SP0307	Robin & Rendant Paving	767,889		527,433	527,433		527,433	
SP0309	Laurel Grove Paving	247,813		203,720	203,720		203,720	
SP0310	Ripley, Sheffield, Scott & Whitman	445,575		336,768	336,768		336,768	
SP0311	Avondale Area Paving	560,805		510,416	510,416		510,416	
SP0313	Semken Plant, Battey, Nunez & Waters Paving	555,238		468,158	468,158		468,158	
SP0400	Columbia, Heard, Lloyd & Fayette Paving	293,279		98,023	98,023		98,023	
SP0401	36th, Kinzie, Galway, Gunter, 50th, Gunnie, Corinth & Baudry Park Paving	43,676		14,100	14,100		14,100	
SP0402	Central Avenue Paving	41,788		30,986	30,986		30,986	
SP0501	Honeybee Area Paving	388,572		16,000	16,000		16,000	
SP0502	Liberty City Paving	466,954		155,479	155,479		155,479	
SP0504	Fulton Road Extension Paving	118,222		33,255	33,255		33,255	
SP0602	1994 Street Paving-Phase II	343,090		12,422	12,422		12,422	
SP0702	44th, 48th, Clifford, Barrington, Desoto, Etc.	514,322		166,702	166,702		166,702	
SP0703	Archer, Bates, Blossum, Clivald & Elmdale	1,100,303		8,000	8,000		8,000	
SP0704	49th, 56th, Latimer, Costa Rica, Cedar, Etc.	1,511,511		67,000	67,000		67,000	
SP0705	Felt & Waubun Paving	1,462,546		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	
TE0310	President St Improvements	33,202,407		20,000	20,000		20,000	
TOTALS-SALES TAX FUND I		\$ 55,742,073	\$ 10,875,470	\$ 9,845,383	\$ 9,845,383	-	\$ 9,845,383	

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.

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CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018

		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
Project Number								
SALES TAX FUND II:								
	Savannah Roads, Sidewalks and Drainage		\$ 5,691,151					
DR0129	Local Match GEMA Grants	\$ 7,677,531		\$ 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	225,207		36	36		36	
PD0801	West 57th Street Boulevard	2,105,369		470,000	470,000		470,000	
SP0111	Hazardous Sidewalk Repair	1,164,506		7,251	7,251		7,251	
SP0213	Hamilton Court	275,405		98,005	98,005		98,005	
SP0303	Cuyler-Brownsville Kline	78,383		1,211	1,211		1,211	
SP0312	Dennis, Eugene & Mosley Paving	367,958		207,845	207,845		207,845	
SP0318	Repair-Install Curbs	172,211		7,700	7,700		7,700	
SP0415	Kimball, McLaws, Desoto Paving	575,119		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.	514,322		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	1,462,546		160,719	160,719		160,719	
SP0706	41st, Gwinnett Lane, Dieter, Entleman, Etc.	86,088		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	398,476		398,476	397,148	1,328	398,476	
SP0802	Abercorn-62nd-65th Paving	511,850		122,545	122,545		122,545	
SP0903	Deiter, Riverwalk & MLK Paving	462,567		435,567	435,567		435,567	
TE0310	President St Improvements	33,202,407		101,000	101,000		101,000	
TOTALS SALES TAX FUND II		\$ 56,894,786	\$ 5,691,151	\$ 6,989,243	\$ 6,987,915	\$ 1,328	\$ 6,989,243	\$ -

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(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.

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CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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		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	
DR0126	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	1,490,913		205,000	205,000		205,000	
DR0301	Springfield Canal	12,144,945		7,652,969	7,652,969		7,652,969	
DR0304	SCADA II	94,817		36,446	36,446		36,446	
DR0305	Bilbo Basin	15,766,216		157,366	157,366		157,366	
DR0501	Cranman Drive Culvert Replacement	336,133		336,133	336,133		336,133	
DR0503	Wilshire Basin Study	9,480,032		1,746,691	1,746,691		1,746,691	
DR0507	Downtown Bilbo Drainage Basin	143,300		143,300	143,300		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	18,224,526		1,063,707	51,161	269,545	320,706	743,001
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	2,105,369		555,117	555,117		555,117	
PD0901	Meding Street Curve	206,059		206,059	206,059		206,059	
RE0412	Boaen Tract Open Space	22,812		22,000	22,000		22,000	
RE0604	Band Shell	595,770	787,500	577,950	577,950		577,950	
RE0805	Daffin Park Master Plan	4,783,503		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	
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	1,096,139		200,000	200,000		200,000	
SQ0701	Liberty Square Reconstruction	80,000		80,000		8,861	8,861	71,139
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	13,215,795		872	872		872	
RE0123	Master Plan-Mohawk Property	72,040		1,557	1,557		1,557	
RE0129	Edgemoor/Sackville Recreation	257,720		82,470	38,992	43,478	82,470	
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	409,426		407,143	407,143		407,143	
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	1,161,490		402,233	402,233		402,233	
TOTALS SPLOST 98-2003 FUND		\$ 275,080,528	\$ 98,169,265	\$ 100,588,403	\$ 99,452,379	\$ 321,884	\$ 99,774,263	\$ 814,140

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CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018

PROJECT NUMBER	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
				PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance
SPLOST 2003-2008 FUND:							
	Savannah Roads, Sidewalks and Drainage	\$ 64,770,000					
DR0115	Montgomery Xrds Bridge	75,829	19,329	19,329	\$ -	19,329	\$ -
DR0122	Westside Pump Station & Line	14,230,285	1,500,575	1,500,575		1,500,575	
DR0127	Windsor Canal	2,810,852	1,143,379	1,143,379		1,143,379	
DR0204	Casey South Drainage	24,607,402	3,091,390	3,091,390		3,091,390	
DR0215	Bilbo-North Casey Drainage	1,490,913	425,000	425,000		425,000	
DR0305	Bilbo Drainage Improvements	15,766,216	15,508,841	15,508,841		15,508,841	
DR0503	Wishire North Branch	9,480,032	7,733,341	7,733,341		7,733,341	
DR0505	Brick Line Replacement	406,870	192,941	139,492	26,902	166,394	26,547
DR0802	Placentia 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		753,723	
DR0809	Bilbo Drainage Improvements	2,000	2,000	2,000		2,000	
DR0904	Paradise Park Drainage Improvements	280,424	224,382	224,382		224,382	
DR0905	Springfield Drainage Improvements	1,000,000	1,000,000	306,542	52,015	358,557	641,443
DR0906	Sylvan Terrace Sub-basin	17,553	17,553	17,553		17,553	
DR0911	Casey South Drainage-Phase II	18,224,526	14,691,386	1,531,799		1,531,799	13,159,587
PD0302	Cann Park Sidewalks	179,002	179,002		161		178,841
PD0303	Gordonston Sidewalk Improvements	84,597	84,597	84,597		84,597	
PD0304	Entrepreneurial Center Parking	14,969	14,969	14,969		14,969	
SP0115	Fernwood-Parkwood Curb-Gutter	1,744,215	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	
TE0305	LaRoche-Deleesses Widening	33,259	33,259	33,259		33,259	
TE0310	President Street-General McIntosh Improvements	33,202,407	1,924,864	1,924,864		1,924,864	
TE0512	Jimmy DeLoach Parkway Signal	126,590	29,069	29,069		29,069	
TE0613	Taterville Sound Barrier	1,214,904	1,214,904	1,214,904		1,214,904	
TE0708	LaRoche-Deleesses Design	3,017,924	2,551,837	334,607	275,513	610,120	1,941,717
TE0709	Gwinnett St. Widening Design	8,618,986	1,888,000	787,674		787,674	1,200,326
TE0813	Traffic Signal-Chatham Parkway	155,498	135,931	135,931		135,931	
TE0906	Jimmy DeLoach/Crossroad Interchange	909,297	218,000	218,000		218,000	
SQ0411	MLK Median Landscaping	833,130	11,452	11,452		11,452	
SQ0804	MLK Streetscape	3,939,453	3,280,231	3,280,231		3,280,231	
	Parks, Recreation and Squares		22,231,471				
PB0821	Cultural Arts Center	24,440,000	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		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	223,513	64,431	287,944	219,056
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	7,114,296		7,114,296	
PB0634	Moses Jackson Center Roof	943,543	14,644	14,644		14,644	
PB0730	Bacon Park Tennis Courts Reconstr.	731,868	376,104	376,104		376,104	
PB0824	Moses Jackson-Phase 2	2,051,473	1,049,424	1,049,424		1,049,424	
PB0827	Bacon Park Clubhouse Renovations	868,702	380,000	380,000		380,000	
PD0101	MURP II	1,181,119	457,750	457,750		457,750	
PD0102	Midtown Street Improvements	9,663	9,663	9,663		9,663	
PD0107	Woodville Park Improvement	1,563	1,563	1,563		1,563	
PD0108	Dixon Park	23,381	23,381	23,381		23,381	
PD0109	Dixon Park Street Improvement	77,561	77,561	77,561		77,561	
PD0110	Felzer Terrace Passive Park	12,262	12,262	12,262		12,262	
PD0111	East Savannah Lighting	84,939	84,939	84,939		84,939	
PD0114	Housing Construction Svc. Office	153,691	1,480	1,480		1,480	
PD0202	Hudson Hill Sidewalk Improvements	93,612	93,612	93,612		93,612	
PD0203	Sylvan Terrace Irrigation System	98,465	98,465	98,465		98,465	
PD0205	Metro Sidewalk West 41st Street	49,430	49,430	49,430		49,430	
PD0309	Waters Avenue Corridor	5,281,031	367,831	369,066	(1,235)	367,831	
PD0310	Youth Advancement Center	839,229	416,000	416,000		416,000	
PD0400	Savannah Gardens Phase I	13,215,795	242,766	242,766		242,766	
PD0801	West 57th Street Blvd.	2,105,369	484,599	484,599		484,599	
PD0805	WS-Acquisition Moses Jackson Property	114,224	114,224	114,224		114,224	
PD0806	Augusta Avenue Revitalization	1,273,962	1,132,581	791,216	20,467	811,683	320,898
PD0808	WS-Tree Lawn & Buffering	10,012	10,012	10,012		10,012	
PD0902	Montgomery-Meding-56th	152,870	152,870	152,870		152,870	
PD0903	Eastside Sidewalk Access	100,158	100,158	100,158		100,158	
PD0904	West 56th Street Rebrickng	378,314	378,314	378,314		378,314	
PD0906	Midtown Acquisition	433,352	433,352	433,352		433,352	
PD0907	Kline Street Play Area	125,984	125,984	125,984		125,984	
PD0908	37th & Bulloch Greenspace	48,592	48,591	48,591		48,591	
PD0909	Historic Street Lighting CB	5,335	5,335	5,335		5,335	
PD0910	Rockwell Park	76,970	76,970	76,970		76,970	
PD0911	40th Street Lane Paving	27,665	27,665	27,665		27,665	
PD0912	Municipal Parking Lot	31,900	31,900	31,900		31,900	
PD0915	Right-of-Way Improvements	135,000	135,000	135,000		135,000	
PD0916	Edgemore-Sackville Curbing	97,490	97,490	97,490		97,490	
RE0224	Cann Park Improvements	347,602	43,102	43,102		43,102	
PD0313	Savannah Shines	1,890,180	531,340		179,695	181,685	351,645
	Public Safety Equipment	1,241,500	1,300,000	1,241,500		1,241,500	
TOTALS SPLOST 2003-2008 FUND		\$ 293,082,857	\$ 97,640,895	\$ 106,091,828	\$ 87,433,819	\$ 617,949	\$ 88,051,768
							\$ 18,040,060

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, 2018

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	\$ 493,103	\$ 2,694,208	\$ 3,187,311	\$ 16,274,867
DR0215	Bilbo-North Casey Drainage	1,490,913		860,913	860,913		860,913	
DR0308	Bilbo Box Culver Improvements	24,813,717		10,210,000	7,987,252	2,222,748	10,210,000	
DR0602	Baldwin Park Drainage	3,740,363		3,740,362	3,740,362		3,740,362	
DR0911	Casey South Drg Phs II	18,224,526		2,465,721				2,465,721
OP0136	Public Safety Video Surveillance	1,246,456		1,246,455	1,246,455		1,246,455	
OP0208	Children's Museum - Battlefield Park	6,535,504		6,500,000	6,500,000		6,500,000	
OP0253	Public Safety Camera Plan	136,054		3,550		3,550	3,550	
OP0651	E911 System Upgrade	356,571		356,571	356,572		356,572	
PB0138	Savannah Public Services Complex	909,089		495,803	495,803		495,803	
PB0149	SCMPD Central Precinct	9,225,420		7,223,021	1,882,607	3,667,172	5,549,779	1,673,242
PB0220	Bacon Park Tennis Building	1,151,349		1,151,280	1,151,280		1,151,280	
PB0227	Grayson Stadium Renovations	3,023,188		3,000,000	3,000,000		3,000,000	
PB0240	Bomb Squad Roof Replacement	98,329		40,919		40,919	40,919	
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	1,896,866		1,282,899	1,282,899		1,282,899	
PB0821	Cultural Arts Center	24,440,000		17,719,788	9,562,867	8,156,921	17,719,788	
PB0828	Westside Land Assemblage	3,704,446		923,304	832,862	4,998	837,860	85,444
PB0836	Savannah Public Safety Metroplex	10,509,746		9,961,772	9,525,045		9,525,045	436,727
PD0308	Fellwood Homes Site Infrastructure	3,658,417		3,658,417	3,658,417		3,658,417	
PD0309	Water Avenue Streetscape	5,281,031		3,350,000	2,248,648	12,040	2,260,688	1,089,312
PD0400	Savannah Gardens Phase I	13,215,795		11,055,577	10,858,827	8,552	10,867,379	188,198
PD0601	MLK Corridor-Savannah Pharmacy	464,093		464,093	464,093		464,093	
RE0309	Coffee Bluff Fishing Pier	5,521,719		4,490,000	4,490,000		4,490,000	
RE0805	Daffin Park Master Plan	4,783,503		1,000,000	1,000,000		1,000,000	
TE0422	I-16 Flyover Conceptual Master	25,000		25,000				25,000
TE0607	Street Lighting Upgrade	1,000,000		1,000,000	105,035		105,035	894,965
TE0610	37th St Corridor Signal	340,000		340,000				340,000
TE0611	Eisenhower Drive Signal Interconnection	360,000		360,000	20,211	1,998	22,209	337,791
TE0612	Downtown Traffic Signal	346,986		300,000	300,000		300,000	
TOTALS SPLOST 2009-2014 FUND		\$ 278,179,495	\$ 160,000,000	\$ 118,929,349	\$ 78,304,977	\$ 16,813,106	\$ 95,118,083	\$ 23,811,267

- 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, 2018

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	\$ 87,500		\$ 87,500	-	-	-	\$ 87,500
AL0500	SPLOST 6-District 5	19,000		19,000				19,000
AL0600	SPLOST 6-District 6	38,989		38,989				38,989
CC0206	New Cc Arena	124,462,178		105,000,000	392,196	93,001	485,197	104,514,803
DR0131	Drainage Box Rehabilitations	9,310,000		9,310,000		14,083	14,083	9,295,917
DR0132	Placentia Basin Drainage Impro	7,000,000		7,000,000	83,843	12,330	96,173	6,903,827
DR0308	Bilbo Box Culvert Impro	24,813,717		4,600,000	4,600,000		4,600,000	
DR0309	Colonial Drive Drainage	500,000		500,000	6,869	387	7,256	492,744
OP0144	Savannah Children's Museum	1,500,000		1,500,000				1,500,000
OP0145	Pedestrian Wayfinding Signage	650,000		500,000	30,203	32,000	62,203	437,797
OP0146	Wireless/Fiber Infrastructure	883,500		883,500	100,088	110,315	210,403	673,097
OP0255	Data Ctr move out of Civic Ctr	1,093,710		116,500	116,500		116,500	
OP0414	Traffic Calming Devices	830,013		500,000	201,786	213,176	414,962	85,038
OP0429	Caretaker's Cottage Restoration	500,000		500,000				500,000
OP0432	Washington Ave Tree Lawn	50,000		50,000		9,641	9,641	40,359
OP0433	District 4 Lighting Improvements	50,000		50,000				50,000
OP0434	Leedsgate Community Improve	95,000		95,000				95,000
OP0932	Radio Network Infrastructure	4,500,000		4,500,000	1,235,552	505,272	1,740,824	2,759,176
PB0148	Grant Center	2,000,000		2,000,000	680		680	1,999,320
PB0150	Hutchinson Is Public Safety Facility	235,960		235,960	235,960		235,960	
PB0153	LaVida Property Acquisition	463,857		463,857	463,857		463,857	
PB0336	Highlands Fire Station	3,792,076		3,781,685	9,205	39,666	48,871	3,732,814
PB0438	Hudson Hill Improvements	200,000		200,000				200,000
PB0533	Fire Station Sweetwater	3,514,534		2,935,336	569,055	2,366,281	2,935,336	
PB0821	Cultural Arts Center	24,440,000		600,000				600,000
PB0840	Fire Building Maint	484,789		50,000	26,282	23,718	50,000	
PB0842	Tomkins Ctr Renov & Expansion	3,070,348		1,500,000	1,500,000		1,500,000	
PB0929	Family Resource Center Penn Ave	7,250,000		7,250,000	83,870	4,498,805	4,582,675	2,667,325
PD0117	Hitch Village Redevelopment	6,750,162		6,750,162	1,825,176	708,441	2,533,617	4,216,545
PD0208	Ogeechee Sign	10,115		10,115	10,115		10,115	2
PD0209	Fernwood Sign	7,027		7,027	7,027		7,027	
PD0211	Carver Village Neighbor Sign	5,644		5,644	5,644		5,644	
PD0212	Twickenham Sign	9,382		9,382	9,382		9,382	
PD0213	Summerside Sign	11,897		11,897	7,697	4,200	11,897	
PD0214	Feller Terrace Signs	17,067		17,067	17,067		17,067	
PD0215	Feller Terrace Park Improvements	110,000		110,000				110,000
PD0309	Waters Ave Corridor Improvements	5,281,031		900,000	448,803	6,643	455,446	444,554
PD0311	Tremont Park Sign	11,613		11,613			11,613	
PD0312	Cann Park Sign	7,497		7,497	7,497		7,497	
PD0314	Twickenham/Pine Garden Park	18,532		18,532		18,532	18,532	
PD0403	Woodville Neighborhood Sign	10,000		10,000		4,341	4,341	5,659
PD0404	Parkwood Sign	20,718		20,718		5,895	5,895	14,823
PD0806	Augusta Ave Revitalization	1,273,962		80,862			-	80,862
PT0401	District 4 Irrigation Improvements	40,000		40,000			-	40,000
RE0124	Southside Park Development	1,299,113		1,055,156	11,170	10,805	21,975	1,033,181
RE0125	Athletic Field Turf	1,600,000		1,600,000	1,542,043	26,386	1,568,429	31,571
RE0128	Bee Road Park	76,000		76,000	31,899	34,336	66,235	9,765
RE0129	Edgemere/Sackville Recreation	257,720		175,250	1,500	43,498	44,998	130,252
RE0130	Kensington Park Playground	77,550		77,550	77,550		77,550	
RE0131	Hudson Hill Ballpark Lighting	13,253		13,253	13,253		13,253	
RE0133	Sylvan Terrace Park	262,194		262,194	111,875	92,815	204,690	57,504
RE0134	Ogeechee Park Park Improvements	2,100		2,100	2,100		2,100	
RE0222	Holly Heights Green Space	100,000		100,000			-	100,000
RE0223	Summerside Playground	200,000		200,000	2,350	25,419	27,769	172,231
RE0224	Cann Park Improvements	347,602		304,500	109,289	17,722	127,011	177,489
RE0225	Mayfair Playground Improvements	124,611		100,000	100,000		100,000	
RE0226	Ambush Park Improvements	37,233		37,233	28,214	9,019	37,233	
RE0227	Myers Park	1,354		1,353	1,353		1,353	
RE0228	Liberty City Comm Ctr	34,470		34,470	34,470		34,470	
RE0309	Coffee Bluff Fishing Pier	5,521,719		85,000	85,000		85,000	
RE0314	Avondale Park Shelter	39,750		39,750		39,750	39,750	
RE0316	Altwood Street Park Improvements	255,000		255,000		1,693	1,693	253,307
RE0317	Windsor Rd Property Acquisition	272,009		271,809	118,150	153,659	271,809	
RE0414	Joe Tribble Park	410,000		410,000		186,129	186,129	223,871
RE0415	Tremont Basketball Resurfacing	67,874		67,874		67,874	67,874	
RE0416	Brinkman Park Improvements	17,500		17,500				17,500
RE0417	Windsor Neighborhood Park	400,190		400,190		399,265	399,265	925
RE0418	Treat Park Expansion	75,000		75,000		64,811	64,811	10,189
RE0419	Veterans Park	175,000		175,000		102,898	102,898	72,102
RE0421	Holly Heights Improvements	378,340		378,340		11,281	11,281	367,059
RE0422	Cloverdale Park Playground Improvements	55,474		55,474		55,474	55,474	
RE0423	Jan Street Park Improvementst	150,000		150,000				150,000
RE0424	Kensington Park Improvements	25,000		25,000		624	624	24,376
RE0425	Sheridan Circle Greenscape	50,000		50,000		2,850	2,850	47,150
RE0426	District 5 Basketball Court Improvements	100,000		100,000		10,392	10,392	89,608
RE0427	Highlands Park Developments	356,421		356,421			-	356,421
SP0118	Sidewalk Repairs	785,000		200,000	50,000	51,785	101,785	98,215
SP0219	New Sidewalk Installs	245,644		70,644	70,644		70,644	
SP0421	Atlantic Park Improvements	159,950		159,950				159,950
SP0422	Cedar Street Improvements	50,000		50,000				50,000
SP0423	Sylvan Terrace ROW Improvements	120,000		120,000				120,000
SP0720	Wheelchair Access Ramps	409,144		9,144	9,144		9,144	
SQ0101	Riverwalk Extension at Mariott	1,536,000		1,536,000	163,790	22,880	186,660	1,349,340
SQ0102	Victory Drive Corridor Impr	1,000,000		1,000,000	170,097	243,649	413,746	586,254
SQ0103	Factors Walk Wall Restoration	600,000		600,000	133,770	233,893	367,663	232,337
SQ0418	Washington Ave Median Improve	25,000		25,000				25,000
TE0216	Habersham & Kensington Speed	208,782		200,000	200,000		200,000	
TE0309	Derenne Ave Traffic Arl	17,587,951		11,800,000		89,285	89,285	11,710,715
TE0310	President St Improvments	33,202,407		5,000,000	5,000,000		5,000,000	
TOTALS SPLOST 2009-2014 FUND		\$ 304,132,173	\$ 190,000,000	\$ 202,073,618	\$ 20,073,618	\$ 30,738,537	\$ 30,738,537	\$ 159,261,463

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, 2018**

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	\$ 21,577,337	
Expenditures made to:		
Convention and Visitors Bureau	\$ 7,191,727	33.33%
Georgia International & Maritime Trade Center	\$ 2,909,430	13.48%
Savannah Civic Center	\$ 687,513	3.19%

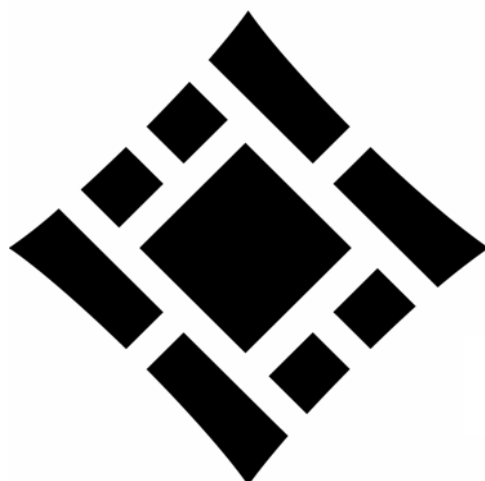
CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX
FOR THE YEAR ENDED DECEMBER 31, 2018

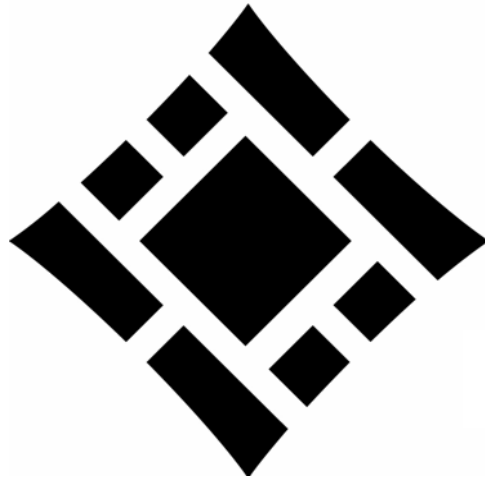
During 2018, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Rental motor vehicle tax	\$ 2,125,656	
Transfers made to:		
General Fund	\$ 531,414	25.00%
Civic Center Fund	\$ 1,594,242	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	138-142
<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	143-146
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	147-151
<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	152-153
<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	154-161
<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)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net investment in capital assets	\$ 518,489	\$ 534,164	\$ 557,007	\$ 564,537	\$ 564,426	\$ 577,032	\$ 582,292	\$ 596,139	\$ 615,738	\$ 637,819
Restricted	51,637	37,174	86,329	105,611	124,687	147,790	170,564	185,145	214,481	234,076
Unrestricted	<u>73,444</u>	<u>83,795</u>	<u>44,063</u>	<u>47,384</u>	<u>50,174</u>	<u>51,512</u>	<u>(11,427)</u>	<u>(11,818)</u>	<u>(14,335)</u>	<u>2,416</u>
Total governmental activities net position	<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>	<u>\$ 769,466</u>	<u>\$ 815,884</u>	<u>\$ 874,311</u>
Business-type activities										
Net investment in capital assets	\$ 260,204	\$ 255,749	\$ 267,671	\$ 276,219	\$ 282,641	\$ 294,940	\$ 316,149	\$ 318,418	\$ 329,224	\$ 391,907
Restricted	2,328	2,336	2,395	2,344	2,345	2,367	2,370	3,870	3,212	3,267
Unrestricted	<u>82,735</u>	<u>91,229</u>	<u>99,157</u>	<u>106,927</u>	<u>118,497</u>	<u>131,454</u>	<u>110,391</u>	<u>120,280</u>	<u>139,613</u>	<u>162,564</u>
Total business-type activities net position	<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>	<u>\$ 442,568</u>	<u>\$ 472,049</u>	<u>\$ 557,738</u>
Primary government										
Net investment in capital assets	\$ 778,693	\$ 789,913	\$ 824,678	\$ 840,756	\$ 847,067	\$ 871,972	\$ 898,441	\$ 914,557	\$ 944,962	\$ 1,029,726
Restricted	53,965	39,510	88,724	107,955	127,032	150,157	172,934	189,015	217,693	237,343
Unrestricted	<u>156,179</u>	<u>175,024</u>	<u>143,220</u>	<u>154,311</u>	<u>168,671</u>	<u>182,966</u>	<u>98,964</u>	<u>108,462</u>	<u>125,278</u>	<u>164,980</u>
Total primary government net position	<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>	<u>\$1,212,034</u>	<u>\$ 1,287,933</u>	<u>\$ 1,432,049</u>

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

Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General administration	\$ 3,573	\$ 4,898	\$ 29,825	\$ 4,412	\$ 4,497	\$ 4,624	\$ 14,722	\$ 5,237	\$ 5,440	\$ 5,606
Management and financial services	6,957	5,977	2,156	4,042	4,368	4,196	4,065	3,517	2,728	9,229
Facilities maintenance	33,777	32,327	33,226	36,409	39,905	41,996	42,305	44,175	42,861	50,553
Police	67,048	65,473	55,339	67,822	65,396	65,091	67,028	75,375	74,032	65,473
Recorder's court	2,229	2,225	1,856	2,284	2,159	2,234	2,082	2,154	2,092	2,216
Fire	25,236	25,479	21,009	26,319	25,579	26,316	30,331	30,442	30,214	32,685
Leisure services	21,530	22,508	17,459	21,688	21,692	22,197	22,202	24,130	24,334	10,816
Tourism enhancement	8,364	8,923	8,365	9,109	8,665	10,487	11,314	11,884	12,690	11,694
Social and cultural	1,711	1,794	1,643	1,718	1,954	1,457	1,704	1,589	1,370	1,277
Public development	12,544	12,229	8,317	9,165	6,281	6,256	6,200	7,238	5,538	7,520
Grant program and administration	5,531	8,533	5,925	5,646	5,426	4,201	5,764	19,423	17,536	9,722
Community development program and administration	12,933	10,064	11,566	10,644	9,464	8,906	8,572	8,959	9,832	9,281
Interest on long-term debt	1,128	1,185	1,083	998	959	763	1,036	1,332	1,415	1,906
Interest on capital leases	69	54	39	23	6					
Total governmental activities expenses	<u>202,630</u>	<u>201,669</u>	<u>197,808</u>	<u>200,279</u>	<u>196,351</u>	<u>198,724</u>	<u>217,325</u>	<u>235,455</u>	<u>230,082</u>	<u>217,978</u>
Business-type activities:										
Water and sewer	52,322	52,818	48,673	53,239	53,493	54,257	56,949	56,962	58,462	59,401
Sanitation	25,960	23,095	20,842	23,257	23,584	22,837	22,895	24,814	26,029	16,599
Parking facilities	10,125	10,569	9,487	10,264	10,209	10,702	11,218	11,752	12,992	14,533
Civic center	2,943	3,215	2,906	3,100	3,723	3,820	3,577	3,812	3,546	3,764
Golf course	62	58	42	39	33	68	165	218	212	224
Resource recovery										
Total business-type activities expenses	<u>91,412</u>	<u>89,755</u>	<u>81,950</u>	<u>89,899</u>	<u>91,042</u>	<u>91,684</u>	<u>94,804</u>	<u>97,558</u>	<u>101,241</u>	<u>94,521</u>
Total primary government expenses	<u>\$ 294,042</u>	<u>\$ 291,424</u>	<u>\$ 279,758</u>	<u>\$ 290,178</u>	<u>\$ 287,393</u>	<u>\$ 290,408</u>	<u>\$ 312,129</u>	<u>\$ 333,013</u>	<u>\$ 331,323</u>	<u>\$ 312,499</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Management and financial services	\$ 2,765	\$ 2,871	\$ 2,894	\$ 2,950	\$ 2,791	\$ 2,760	\$ 2,821	\$ 2,325	\$ 2,776	\$ 3,798
Facilities maintenance	3,389	4,826	666	563	853	655	1,034	1,327	1,358	817
Police	23,672	23,891	23,833	24,819	25,007	25,185	26,212	23,006	22,011	13,445
Recorder's court	2,690	2,845	2,783	2,805	2,690	3,201	1,901	1,940	2,387	3,407
Fire	313	305	243	364	386	677	409	425	504	426
Leisure services	755	824	807	859	874	783	1,170	1,004	1,267	1,283
Tourism enhancement	1,046	1,149	1,167	1,170	1,243	1,281	1,367	1,450	1,795	1,789
Public development	1,629	2,032	1,859	2,663	2,896	3,110	3,735	3,741	3,383	4,369
Grant program and administration	5									-
Community development program and administration	5,599	3,645	2,922	3,894	1,776	3,491	2,836	1,511	2,047	1,368
Operating grants and contributions	12,784	15,244	15,879	11,867	9,439	8,223	8,935	13,875	31,907	18,471
Capital grants and contributions	16,980	12,844	40,144	35,836	37,677	36,053	41,270	40,303	42,034	46,549
Total governmental activities program revenues	<u>71,627</u>	<u>70,476</u>	<u>93,197</u>	<u>87,790</u>	<u>85,632</u>	<u>85,419</u>	<u>91,690</u>	<u>90,907</u>	<u>111,469</u>	<u>95,722</u>
Business-type activities:										
Charges for services:										
Water and sewer	57,062	58,397	59,683	61,648	64,146	67,754	66,508	68,474	71,165	72,187
Sanitation	20,564	19,844	21,574	24,982	25,424	26,901	26,674	28,896	29,338	28,272
Parking facilities	10,073	11,032	11,179	12,125	11,964	12,331	12,965	13,180	13,924	17,567
Civic center	1,303	1,404	1,654	1,483	1,651	1,509	1,946	1,530	1,844	1,371
Golf course	85	62								
Resource recovery										
Operating grants and contributions	49	54	70	71	63	54	73	70	64	67
Capital grants and contributions	5,476	1,064	950	530	942	4,685	3,474	4,114	3,106	52,539
Total business-type activities program revenues	<u>94,612</u>	<u>91,857</u>	<u>95,110</u>	<u>100,839</u>	<u>104,190</u>	<u>113,234</u>	<u>111,640</u>	<u>116,264</u>	<u>119,441</u>	<u>172,003</u>
Total primary government program revenues	<u>\$ 166,239</u>	<u>\$ 162,333</u>	<u>\$ 188,307</u>	<u>\$ 188,629</u>	<u>\$ 189,822</u>	<u>\$ 198,653</u>	<u>\$ 203,330</u>	<u>\$ 207,171</u>	<u>\$ 230,910</u>	<u>\$ 267,725</u>
Net (expense)/revenue										
Governmental activities	\$ (131,003)	\$ (131,193)	\$ (104,611)	\$ (112,489)	\$ (110,719)	\$ (113,305)	\$ (125,635)	\$ (144,548)	\$ (118,613)	\$ (122,256)
Business-type activities	3,200	2,102	13,160	10,940	13,148	21,550	16,836	18,706	18,200	77,482
Total primary government net expense	<u>\$ (127,803)</u>	<u>\$ (129,091)</u>	<u>\$ (91,451)</u>	<u>\$ (101,549)</u>	<u>\$ (97,571)</u>	<u>\$ (91,755)</u>	<u>\$ (108,799)</u>	<u>\$ (125,842)</u>	<u>\$ (100,413)</u>	<u>\$ (44,774)</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 61,664	\$ 62,386	\$ 55,607	\$ 55,627	\$ 59,874	\$ 62,590	\$ 64,604	\$ 67,569	\$ 70,368	\$ 78,573
Intangible, transfer and franchise taxes	17,163	17,713	18,852	18,735	19,014	19,369	20,069	20,671	20,043	20,893
General sales taxes	36,287	38,860	39,962	42,623	36,115	37,198	37,841	37,787	40,547	43,801
Selective sales taxes	15,209	16,493	17,445	19,171	19,975	22,752	25,055	26,461	28,049	29,451
Business taxes	7,977	7,853	7,018	7,441	7,669	8,047	8,601	9,253	9,913	10,606
Penalties and interest on delinquent taxes	632	860	1,422	1,064	1,216	920	785	796	447	734
Grants and contributions not restricted to specific programs	2,995	1,093	1,076	1,131	1,393	1,075	1,675	1,352	1,736	2,018
Investment earnings, unrestricted	993	396	195	180	47	69	73	249	794	1,973
Gain on sale of capital assets	1,494	484	670	810	320	659	1,376	1,847	579	515
Miscellaneous	716	395	592	389	504	598	1,148	692	2,096	501
Contributions to cemetery perpetual care	202	154	180	212	240	288				
Extraordinary items					(9,530)					
Transfers	(2,122)	(3,930)	(6,143)	(4,761)	(4,363)	(3,213)	(1,417)	5,908	(9,540)	(6,173)
Total governmental activities	<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>	<u>172,585</u>	<u>165,032</u>	<u>182,892</u>
Business-type activities:										
Grants and contributions not restricted to specific programs										
Investment earnings, unrestricted	433	223	150	51	102	148	360	1,198	1,198	2,801
Gain on sale of capital assets	6	19	3	(1)		(2)				
Miscellaneous	416	365	412	433	413	416	500	543	543	756
Special items	(2,841)									
Transfers	3,930	6,143	4,761	4,363	3,213	1,417	(5,908)	9,540	9,540	6,173
Total business-type activities	<u>1,944</u>	<u>6,750</u>	<u>5,326</u>	<u>4,846</u>	<u>3,728</u>	<u>1,979</u>	<u>(5,048)</u>	<u>11,281</u>	<u>11,281</u>	<u>9,730</u>
Total primary government	<u>\$144,701</u>	<u>\$143,626</u>	<u>\$147,948</u>	<u>\$137,320</u>	<u>\$154,080</u>	<u>\$161,789</u>	<u>\$167,537</u>	<u>\$183,866</u>	<u>\$176,313</u>	<u>\$192,622</u>
Change in Net Position										
Governmental activities	\$ 12,017	\$ 38,146	\$ 24,387	\$ 31,903	\$ 21,755	\$ 24,717	\$ 15,262	\$ 28,037	\$ 46,419	\$ 60,636
Business-type activities	6,003	15,104	17,690	18,619	17,994	20,564	20,685	13,658	29,481	87,213
Total primary government	<u>\$ 18,020</u>	<u>\$ 53,250</u>	<u>\$ 42,077</u>	<u>\$ 50,522</u>	<u>\$ 39,749</u>	<u>\$ 45,281</u>	<u>\$ 35,947</u>	<u>\$ 41,695</u>	<u>\$ 75,900</u>	<u>\$ 147,849</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 1,546	\$ 1,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,382	21,837								
Committed			2,063	2,217	2,119	2,275	2,904	2,613	3,908	3,758
Unassigned			31,116	31,285	31,766	32,510	32,566	34,096	35,508	37,945
Total general fund	<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>	<u>\$ 36,709</u>	<u>\$ 39,416</u>	<u>\$ 41,703</u>
All other governmental funds										
Reserved	\$ 73,312	\$ 66,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	21,618	27,783								
Debt service funds	893	896								
Capital projects funds	21,756	18,773								
Nonspendable, reported in										
Special revenue funds			5,122	5,344	5,571	5,829	6,073	6,308	6,615	6,883
Restricted, reported in										
Special revenue funds			3,575	3,578	3,874	4,303	3,423	2,745	2,471	2,160
Capital projects funds			55,199	72,633	90,960	112,837	136,102	161,398	181,015	198,726
Committed, reported in										
Capital projects funds			29,938	30,519	35,533	36,981	43,032	32,348	35,728	48,236
Unassigned										
Special revenue funds									(4,640)	(6,262)
Total all other governmental funds	<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>	<u>\$ 202,799</u>	<u>\$ 221,189</u>	<u>\$ 249,743</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)

Revenues	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes	\$ 139,814	\$ 142,136	\$ 143,588	\$ 146,313	\$ 144,964	\$ 151,103	\$ 158,682	\$ 162,167	\$ 168,453	\$ 184,247
Licenses and permits	2,900	1,693	3,185	3,914	4,239	4,598	5,245	5,283	4,956	6,401
Intergovernmental	19,088	23,036	51,218	47,812	47,172	43,333	49,105	49,803	64,234	62,488
Charges for services	30,623	28,109	29,585	30,396	30,890	31,938	30,849	26,556	26,431	14,233
Fines	2,977	3,090	3,136	2,984	2,752	2,753	2,496	2,666	3,040	3,860
Investment earnings	1,292	473	218	214	288	668	684	1,352	2,191	4,803
Special assessments	5	4	2	1	1					
Miscellaneous	8,064	12,121	6,938	6,210	5,703	5,991	7,821	8,078	9,938	8,551
Total revenues	204,763	210,662	237,870	237,844	236,009	240,384	254,882	255,905	279,243	284,583
Expenditures										
General administration	3,018	3,017	29,052	4,230	4,398	4,162	14,399	4,760	5,341	5,535
Management and financial services	9,168	8,779	7,712	7,526	7,695	7,847	8,011	7,963	7,429	15,100
Facilities maintenance	21,274	19,065	22,026	23,657	27,580	29,127	29,083	30,289	29,225	37,448
Police	63,923	62,155	63,880	66,909	66,633	66,883	69,395	74,037	74,080	70,100
Recorder's court	2,143	2,126	2,149	2,272	2,231	2,311	2,188	2,151	2,155	2,385
Fire	23,754	23,919	23,924	25,506	25,890	26,701	30,801	29,388	29,682	33,525
Leisure services	19,130	20,034	19,163	20,085	20,576	20,907	21,462	21,816	22,523	9,478
Tourism enhancement	8,334	8,903	8,421	9,109	8,670	10,494	11,333	11,886	12,695	11,715
Social and cultural	1,711	1,794	1,643	1,718	1,954	1,457	1,704	1,590	1,370	1,277
Public development	13,046	12,974	10,209	10,113	7,564	7,474	7,683	8,260	6,709	9,007
Grant program and administration	5,700	8,706	6,140	5,388	5,835	4,244	5,827	19,392	17,611	9,867
Community development program and administration	11,438	8,576	10,522	9,331	8,113	7,678	7,229	7,525	6,304	7,808
Capital outlay	34,238	27,807	34,719	27,036	17,664	20,209	34,087	33,477	36,456	48,113
Debt service										
Principal	18,610	2,377	2,462	2,625	2,680	13,180	2,740	3,565	3,780	3,870
Interest	1,083	1,040	1,120	1,025	991	933	849	1,449	1,491	1,571
Bond issuance costs						174	402	127	124	349
Total expenditures	219,575	210,787	242,547	216,530	208,474	223,781	247,193	257,675	256,975	267,148
Excess of revenues over (under) expenditures	(14,812)	(125)	(4,677)	21,314	27,535	16,603	7,689	(1,770)	22,268	17,435
Other financing sources (uses)										
Transfers in	22,818	25,947	17,972	22,841	18,871	23,757	32,642	30,701	28,299	35,706
Transfers out	(24,083)	(29,473)	(23,137)	(25,592)	(22,159)	(26,157)	(31,368)	(24,889)	(38,122)	(42,083)
Debt issuance proceeds	37,000	485	595			9,970	19,950	10,000	8,585	16,095
Premium on bond debt	505					738	452			716
Proceeds from the sale of capital assets	706							1,367	67	2,972
Total other financing sources (uses)	19,951	(3,526)	(5,165)	(2,751)	(3,288)	8,308	21,676	17,179	(1,171)	13,406
Net change in fund balances	\$ 5,139	\$ (3,651)	\$ (9,842)	\$ 18,563	\$ 24,247	\$ 24,911	\$ 29,365	\$ 15,409	\$ 21,097	\$ 30,841
Debt service as a percentage of noncapital expenditures	10.6%	1.9%	1.7%	1.9%	1.4%	6.9%	1.7%	2.2%	2.4%	2.5%

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	
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
2016	4,239,601	10,599,003	771,703	1,929,258	110,151	275,378	5,121,455	12,803,638	12.48
2017	4,465,495	11,163,738	809,379	2,023,448	129,634	324,085	5,404,508	13,511,270	12.48
2018	4,736,526	11,841,315	761,653	1,904,133	142,749	356,873	5,640,928	14,102,320	13.40

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
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
2016	12.480	0.200	16.631	12.543	1.000	0.000	42.854
2017	12.480	0.200	16.631	12.693	1.150	0.000	43.154
2018	13.400	0.200	18.881	12.693	1.150	0.000	46.324

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	2018			2009		
		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	\$ 82,429,340	1	1.46%	\$ 32,645,349	3	0.65%
International Paper Company	Paper Manufacturer	42,970,760	2	0.76%	33,614,000	2	0.67%
Home Depot	Distribution Center	39,614,180	3	0.70%	27,909,033	5	0.56%
Oglethorpe Mall, LLC	Regional Shopping Mall	31,691,398	4	0.56%	31,691,400	4	0.63%
Columbia Properties	Marriott Hotel	28,000,000	5	0.50%	22,533,400	7	0.45%
Gulfstream Aerospace Corporation	Airplane manufacturer	27,574,040	6	0.49%			
HH Savannah LLC	Hyatt Hotel	26,400,000	7	0.47%	19,304,600	9	0.39%
Pratt & Whitney Canada Distribution USA LLC	Aircraft engine manufacturer	23,062,170	8	0.41%			
Dollar Tree Stores Inc	Distribution Center	22,105,199	9	0.39%			
CWT Savannah Hotel LLC	Westin Hotel	19,059,500	10	0.34%			
Whirlpool Corporation	Appliance Manufacturer				38,272,846	1	0.76%
Savannah Hotel LLC	Westin Hotel				22,975,942	6	0.46%
A T & T	Telephone Utility				20,439,979	8	0.41%
SSF Savannah Properties, LLC	Regional Shopping Mall				14,551,800	10	0.29%
Totals		<u>\$ 342,906,587</u>		<u>6.08%</u>	<u>\$ 263,938,349</u>		<u>5.27%</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
2009	\$ 59,306,757	\$ 53,862,308	90.8%	\$ 5,196,246	\$ 59,058,554	99.6%
2010	58,460,598	54,681,460	93.5%	3,519,383	58,200,843	99.6%
2011	53,277,035	51,491,991	96.6%	1,533,251	53,025,242	99.5%
2012	52,598,916	52,436,392	99.7%	(86,771)	52,349,621	99.5%
2013	54,011,615	52,608,040	97.4%	1,217,166	53,825,206	99.7%
2014	56,131,453	53,648,991	95.6%	2,305,301	55,954,292	99.7%
2015	59,540,241	60,100,835	100.9%	(769,732)	59,331,103	99.6%
2016	61,413,545	57,940,557	94.3%	3,125,637	61,066,194	99.4%
2017	64,776,365	60,448,963	93.3%	3,530,256	63,979,219	98.8%
2018	72,502,320	67,595,596	93.2%		67,595,596	93.2%

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 - April and September. 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	Sanitation Contractual Obligations	Parking Contractual Obligations	Civic Center Contractual Obligations			
2009		\$ 37,104,866	\$ 1,235,000	\$ 4,957	\$ 1,485,985	\$ 42,643,793	\$ 35,682,124	\$ 27,024,799	\$ 34,712,852	\$ 2,606,354	\$ 182,500,730	3.7%	\$ 1,380
2010		35,325,296	1,120,000	2,478	1,137,714	36,778,326	33,464,007	24,665,986	33,829,956	2,215,384	168,539,147	3.3%	1,243
2011		33,595,737	980,000		774,397	30,695,816	31,170,949	22,311,478	32,914,868	1,807,285	154,250,530	2.8%	1,138
2012		31,106,180	840,000		395,385	25,960,845	28,800,610	19,906,187	31,956,023	1,393,082	140,358,312	2.6%	1,035
2013		28,561,620	700,000			22,959,882	26,349,813	17,785,041	31,187,873	974,861	128,519,090	2.3%	941
2014		26,100,429	600,000			20,435,248	23,816,330	15,075,550	30,000,024	500,843	116,528,424	2.1%	844
2015		43,778,917	500,000			17,196,559	21,188,415	12,306,356	30,096,427		125,066,674	2.2%	900
2016	2,000,000	48,212,484	400,000			33,648,038		9,275,620	61,774,476		155,310,618	2.7%	1,140
2017	4,000,000	51,017,031	300,000			29,994,518	3,358,710	6,217,191	60,483,228		155,370,678	2.6%	1,140
2018	6,000,000	61,958,984	200,000			27,379,141	16,867,540	14,211,741	89,764,478		216,381,884	3.5%	1,588

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

Fiscal Year	General Obligation Bonds	Assessed Value (000)	Percentage of Actual Taxable Value of Property	Population	Per Capita
2009		\$5,010,250	0.000000%	132,985	\$0.00
2010		4,768,480	0.000000%	136,286	0.00
2011		4,539,928	0.000000%	136,286	0.00
2012		4,535,627	0.000000%	136,286	0.00
2013		4,603,176	0.000000%	136,286	0.00
2014		4,751,473	0.000000%	136,286	0.00
2015		5,098,015	0.000000%	136,286	0.00
2016	2,000,000	5,121,455	0.039051%	136,286	14.68
2017	4,000,000	5,404,508	0.074012%	136,286	29.35
2018	6,000,000	5,640,929	0.106365%	136,286	44.03

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, 2018

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt*</u>
City of Savannah			
General Obligation Bonded Debt	\$ 6,000,000	100.0%	\$ 6,000,000
Section 108 Notes Payable	200,000	100.0%	200,000
Contractual Obligations:			
Downtown Savannah Authority, Series 2009	8,315,836	100.0%	8,315,836
Downtown Savannah Authority, Series 2014	6,535,500	100.0%	6,535,500
Downtown Savannah Authority, Series 2015	17,711,311	100.0%	17,711,311
Downtown Savannah Authority, Series 2016	8,000,000	100.0%	8,000,000
Downtown Savannah Authority, 2017	6,585,000	100.0%	6,585,000
Downtown Savannah Authority, 2018	<u>14,811,337</u>	100.0%	<u>14,811,337</u>
Total Direct Debt	<u>68,158,984</u>		<u>68,158,984</u>
Chatham County			
Capital Leases	2,490,015	44.5%	1,108,057
Contractual Obligations:			
Downtown Savannah Authority (Chatham County Projects), Series 2005A	1,439,153	44.5%	640,423
Downtown Savannah Authority (Union Mission), Series 2009	1,670,000	44.5%	743,150
Downtown Savannah Authority (Chatham County Projects), Series 2014	7,400,000	44.5%	3,293,000
Mosquito Control Facility	<u>3,208,705</u>	44.5%	<u>1,427,874</u>
Savannah/Chatham County School Board			
General Obligation Bonded Debt	15,500,000	44.5%	6,897,500
Capital Leases	17,624,364	44.5%	7,842,842
Contractual Obligations:			
Downtown Savannah Authority (Energy Management)	<u>1,850,819</u>	44.5%	<u>823,614</u>
Overlapping Debt	<u>51,183,056</u>		<u>22,776,460</u>
Total Direct and Indirect General Obligation Supported Bonded Debt	<u><u>\$119,342,040</u></u>		<u><u>\$ 90,935,444</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 2018

Assessed value 2018 Tax Roll	<u>\$ 5,640,928,799</u>
General Bonded Debt Limit, 10% of Assessed Value	\$ 564,092,880
Debt applicable to limit:	
Less: outstanding general obligation bonds	<u>6,000,000</u>
Total net debt applicable to limit	<u>6,000,000</u>
Legal debt margin	<u>\$ 558,092,880</u>

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 501,024,955	\$ 476,848,044	\$ 453,992,798	\$ 453,562,744	\$ 460,317,459	\$ 475,147,282	\$ 509,801,454	\$ 512,145,531	\$ 540,450,752	\$ 564,092,880
Total net debt applicable to limit	-	-	-	-	-	-	-	2,000,000	4,000,000	6,000,000
Legal debt margin	<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>	<u>\$ 510,145,531</u>	<u>\$ 536,450,752</u>	<u>\$ 558,092,880</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%	0.39%	0.74%	1.06%

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	
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			
2016	68,826	43,287	25,539	5,325	894	4.11	711			
2017	72,904	44,408	28,496	3,600	757	6.54	1,465			
2018	68,101	43,840	24,261	2,585	682	7.43	1,411			

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
2009	132,985	5,077,633	38,182	5,846	8.9%	41,152
2010	136,285	5,218,625	38,292	5,780	10.0%	40,973
2011	136,285	5,424,143	39,800	6,058	9.6%	41,588
2012	136,285	5,310,345	38,965	6,328	8.6%	42,064
2013	136,285	5,270,277	38,671	6,367	7.2%	42,349
2014	136,285	5,488,470	40,272	6,526	6.1%	43,438
2015	136,285	5,707,343	41,878	6,639	4.9%	44,196
2016	136,285	5,830,136	42,779	6,629	5.0%	44,288
2017	136,285	6,039,197	44,313	7,113	4.4%	44,001
2018	136,285	6,159,981 *	45,199 *	7,684	3.6%	43,657

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 2018 not available at time of publishing.

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Gulfstream Aerospace	10,000	1	7.35%	6,024	1	3.72%
Ft. Stewart/Hunter Army Airfield	5,773	2	4.24%	4,285	3	2.65%
Savannah-Chatham Board of Education	5,654	3	4.16%	4,093	4	2.53%
Memorial Health University Medical Center	4,775	4	3.51%	4,643	2	2.87%
St. Joseph's/Candler Health System	3,400	5	2.50%	3,304	5	2.04%
City of Savannah	2,468	6	1.81%	2,500	7	1.54%
Savannah College of Art and Design	1,886	7	1.39%	1,500	9	0.93%
Chatham County	1,790	8	1.32%	1,500	10	0.93%
Georgia Ports Authority	1,080	9	0.79%			
Georgia Southern University	886	10	0.65%			
Wal-Mart				2,935	6	1.81%
Momentum Resources II, Inc.				1,703	8	1.05%
Total	37,712		27.7%	32,487		20.07%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governance										20.00
General Administration	43.00	35.00	51.00	39.00	46.00	48.00	50.00	56.00	57.00	
Strategic Services										32.00
Public safety										
Police	756.28	748.64	791.00	738.00	737.00	730.00	729.00	745.00	727.13	603.38
SAVComm	91.00	90.00	106.00	106.00	105.00	105.00	104.00	104.00	104.00	103.00
Savannah Fire Department	328.00	324.00	362.00	329.00	329.00	329.00	343.00	360.00	370.00	351.00
Municipal Operations										
Chief Operating Officer										14.00
Human Resources										22.00
Financial Services	110.85	105.60	71.23	87.60	81.60	67.60	69.60	69.60	68.60	79.00
Fleet Services	44.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	42.00	43.00
Department of Information Technology	37.00	34.00	37.25	36.00	36.00	36.00	35.00	36.00	36.00	36.60
Real Estate Services	6.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	82.88
Recorder's Court	28.50	27.50	27.00	28.00	28.00	28.00	29.00	29.00	28.00	28.00
Infrastructure and Development										
Chief Infrastructure and Development										13.00
Parking Services	78.65	78.75	77.15	70.20	69.20	74.20	74.20	74.45	90.45	62.70
Mobility Services										63.00
Development Services										49.00
Public Works and Water Resources	463.00	442.00	467.00	446.00	498.00	503.00	502.00	506.00	508.00	457.00
Community Services										
Chief Community Services Officer										3.00
Cultural Resources										10.00
Code Compliance										48.75
Human Services	142.50	139.00	142.00	119.25	73.25	76.25	73.25	71.25	55.25	24.00
Housing and Neighborhood Services										15.00
Parks and Recreation	337.64	320.24	285.57	282.33	281.33	281.33	283.43	290.24	301.70	118.30
Sanitation	223.50	221.50	228.00	226.50	227.00	218.00	218.00	220.00	221.00	191.00
Total	2,689.92	2,612.23	2,691.20	2,554.88	2,558.38	2,543.38	2,557.48	2,608.54	2,615.13	2,469.61

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Violent crimes	1,016	766	782	806	813	859	1,065	1,063	992	982
Property crimes	8,796	7,646	7,924	6,995	7,173	7,088	7,639	7,224	6,588	5,918
Fire										
Fire calls	935	996	1,050	1,041	1,074	1,937	831	1,273	927	905
Dwelling fires	384	432	361	387	389	372	331	208	181	222
Rescues	207	202	227	120	163	163	142	217	212	148
Refuse Disposal										
Total system City tons	163,221	109,341	124,987	118,484	111,126	104,011	126,651	128,268	91,908	91,416
Other public works										
Traffic sign repairs	8,910	7,778	6,992	7,266	7,578	6,729	7,226	6,579	6,758	7,107
Pothole repairs	720	732	701	616	579	578	853	1,739	4,003	6,677
Storm drain inlets cleaned	5,287	4,416	4,914	4,323	3,358	5,711	4,563	5,747	2,493	2,894
Leisure services										
Youth baseball participants	1,165	1,171	1,185	1,190	1,070	1,200	1,354	803	626	410
Youth football participants	2,040	1,976	1,594	1,596	1,386	1,234	481	757	967	720
Neighborhood center participants	5,865	7,021	6,113	5,451	4,700	3,820	3,864	3,830	4,250	4,095
Water										
Average daily ground water production (MGD)	23.39	23.36	22.86	21.88	21.59	21.71	20.42	22.44	21.06	21.27
Average daily surface water production (MGD)	27.51	32.53	30.00	29.11	28.70	29.89	30.71	34.18	31.93	37.91
Sewer										
Average flow (MGD)	26.31	25.99	23.08	24.59	24.79	26.49	27.53	27.38	25.30	24.75
Public Development										
Valuation of new commercial building permits issued (millions)	\$41	\$66	\$105	\$122	\$143	\$112	\$223	\$317	\$154	\$357
Valuation of new residential building permits issued (millions)	\$69	\$44	\$31	\$48	\$55	\$74	\$79	\$71	\$90	\$84

Sources: Crime data from Bureau of Justice Statistics

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

Function/Program	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Stations	5	5	5	5	5	5	5	5	5	4
Fire										
Stations	15	15	15	15	15	15	15	15	15	15
Refuse Collection										
Available landfill capacity (cubic yards)	1,933,345	1,815,878	1,692,082	1,569,835	1,451,270	1,345,480	1,237,861	1,102,439	946,555	805,293
Other public works										
Streets (miles)	682	682	687	687	687	690	690	690	689	684
Signalized intersections	244	248	248	250	251	258	260	264	265	269
Cemeteries	5	5	5	5	5	5	5	5	5	5
Leisure services										
Parks (acreage)	661	663	663	663	663	663	667	736	736	629
Playgrounds	55	57	57	60	60	68	68	68	68	71
Water										
Wells	47	49	49	49	49	49	49	49	49	49
Sewer										
Treatment capacity (MGD)	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95	36.95
Parking facilities										
Parking garages	5	5	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)		
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
2016	22.44	30.75	34.18	51.11	95,228	93,302
2017	21.06	29.56	31.93	44.29	97,471	94,436
2018	21.27	31.53	37.91	47.41	98,200	95,947

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, 2018**

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	17.51	19.65	36.13	1997	Primary treatment, activated sludge, clarifier, chlorinator, gravity thickener, belt press, clarifiers, chlorination, sludge incineration: 2MGD reclaim water by filtration.
Wilshire Plant	4.50	2.53	2.62	4.35	1999	Activated sludge, clarifier, gravity thickener, chlorinator, belt press, sludge disposed at landfill.
Georgetown Plant	2.45	1.86	1.94	2.36	2005	Activated sludge, clarifiers, effluent filtration, ultra-violet disinfection, belt press, sludge disposed at landfill.
Crossroads Plant	3.00	2.85	3.12	3.96	2008	Screening, grit removal, flow equalization, activated sludge clarifiers, filtration, ultra-violet disinfection, post aeration, belt press, sludge disposed at landfill.
Total	36.95	24.75	27.33	46.81		

**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.	
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
2016	11.06	0.98	1.16	16.59	1.47	1.74	8.80	3.20	3.58	13.20	4.80	5.37	650.57
2017	11.06	1.03	1.21	16.59	1.54	1.81	8.80	3.37	3.75	13.20	5.05	5.62	635.24
2018	11.06	1.07	1.25	16.59	1.60	1.87	8.80	3.48	3.86	13.20	5.22	5.79	515.26

**CITY OF SAVANNAH, GEORGIA
WATER AND SEWER CONNECTION FEES
EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018**

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

Customer	Product/Business	2018 Customer Revenue	Percent of 2018 Water and Sewer Fund Gross Revenue
Chatham County Public Works	Wholesale sewer	\$ 917,758	1.23%
City of Port Wentworth	Wholesale water and sewer	878,175	1.18%
City of Thunderbolt	Wholesale water and sewer	759,572	1.02%
City of Pooler	Wholesale water	746,379	1.00%
Kerry Inc.	Food producer	610,317	0.82%
Coastal Correctional Center	State prison	515,146	0.69%
Hospital Corp of America	Hospital	507,635	0.68%
Chatham County Detention Center	County prison	378,096	0.51%
St. Josephs/Candler	Hospital	270,120	0.36%
Johnson Matthey	Chemical company	255,459	0.34%
		<u>\$ 5,838,657</u>	<u>7.84%</u>

Major industrial customers of the water system:

Customer	Product/Business	2018 Customer Revenue	Percent of 2018 Water and Sewer Fund Gross Revenue	2018 Consumption (MG)
Weyerhaeuser	Bleached pulp	\$ 2,783,868	3.74%	5,403
International Paper	Unbleached kraft products	1,464,530	1.97%	2,842
Savannah Foods	Sugar refinery	483,585	0.65%	939
		<u>\$ 4,731,983</u>	<u>6.36%</u>	<u>9,184</u>