COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

For the Fiscal Year Ended

September 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

Post Office Box 250, Kingsland, Georgia 31548

For the Fiscal Year Ended

September 30, 2012

Prepared by:
City Finance Department

Tamra Edwards, CPA, CIA
Director of Finance

Filiz Morrow, CPA, MIA
Deputy Director of Finance



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CITY OF KINGSLAND, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2012
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal i
GFOA Certificate of Achievement for Excellence in Financial Reporting viii
Principal Officials ix

FINANCIAL SECTION

Independent Auditor's Report 1

Management Discussion and Analysis (MD&A 3

Basic Financial Statements

- Government-Wide Financial Statements
  - Statement of Net Assets 20
  - Statement of Activities 21
- Fund Financial Statements:
  Governmental Funds:
  - Balance Sheet 24
  - Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities 25
  - Statement of Revenues, Expenditures, and Changes in Fund Balances 26
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 27
- Proprietary Funds:
  - Statement of Net Assets 28
  - Statement of Revenues, Expenses, and Changes in Fund Net Assets 29
  - Statement of Cash Flows 30
- Notes to Financial Statements 32

Required Supplementary Information Other Than (MD&A)

- Budgetary Comparison Schedule - General Fund 54
- Notes to Required Supplementary Information 56
- Schedule of Funding Progress 57

Supplementary Data - Combining Fund Financial Statements and Schedules:

- Non-major Governmental Funds:
  - Combining Balance Sheet 62
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 63
- Budgetary Comparison Schedule - Non-major Governmental Funds:
  - Special Revenue Funds:
    - Drug Forfeiture 64
    - Revolving Loan Fund 65
    - Kingsland Development Authority 66
    - Multiple Grant 67
    - Grant 68
    - Hotel/Motel Tax Fund 69
  - Debt Service Fund:
    - Revenue Bond 70
    - Debt Service Fund 71
  - Discretely Presented Component Unit:
    - Balance Sheet 72
    - Statement of Revenues, Expenditures, and Changes in Fund Balances 73
    - Budgetary Comparison Schedule 74

CITY OF KINGSLAND, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2012
TABLE OF CONTENTS

STATISTICAL SECTION

Net Assets by Component - Last Ten Years 79
Change in Net Assets - Last Ten Years 80
Program Revenues by Function/Program - Last Seven Fiscal Years 83
Fund Balances of Governmental Funds - Last Ten Fiscal Years 84
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years 85
General Governmental Tax Revenues by Source - Last Ten Fiscal Years 87
Assessed Value and Estimated Actual Value of all Taxable Property - Last Ten Fiscal Years 88
Property Tax Rate - Direct and Overlapping Governments - Last Ten Fiscal Years 89
Principal Property Taxpayers - Current Year and Nine Years Ago 90
Property Tax Levies and Collections - Last Ten Fiscal Years 92
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years 93
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years 94
Direct and Overlapping Governmental Activities Debt 95
Legal Debt Margin Information - Last Ten Fiscal Years 96
Pledged Revenue Coverage - Last Ten Fiscal Years 97
Demographic and Economic Statistics - Last Ten Fiscal Years 98
Principal Employers - Current Year and Nine Years Ago 99
Full -Time Equivalent City Government Employees by Function 100
Operating Indicators by Function - Last Ten Fiscal Years 101
Capital Assets Statistics by Function - Last Ten Fiscal Years 103

COMPLIANCE SECTION

State Mandated Program Information:

Schedule of Projects Constructed with Special Sales Tax Proceeds - Special Purpose Local Option Sales Tax 2008 Issue 107
Schedule of Required Expenditures Generated by the Hotel/Motel Tax 108

Report on Internal Control over Financial Reporting an on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 109

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

LIST OF PRINCIPAL OFFICIALS

ORGANIZATIONAL CHART



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CITY OF KINGSLAND
FINANCE DEPARTMENT

Kenneth E. Smith, Sr.
Mayor

Tamra Edwards, CPA, CIA
Director of Finance

March 20, 2013

Honorable Mayor Kenneth Smith, Sr.,
Distinguished Council Members of the City Council,
And the Citizens of Kingsland:

I am pleased to submit The City of Kingsland's Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2012. Georgia state law requires we publish audited financial statements within six months of the fiscal year end. This CAFR satisfies that requirement. This was accomplished by using the guidelines set forth by the Government Finance Officers Association (GFOA). We prepared the report by these stringent guidelines because it gives the reader more information to better understand the financial statements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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.

Baird & Company, Certified Public Accountants, have conducted an independent audit and issued an unqualified ("clean") opinion on The City of Kingsland's financial statements for the year ended September 30, 2012. This report can be found at the front of the financial section of the CAFR beginning on page 1 of this report.

This report is presented in the format required by Governmental Accounting Standards Board (GASB) Statement 34. The format provides more comprehensive information to the readers regarding city-wide financial information. The basic premise of GASB 34 is to enhance the accountability of governmental financial reports. Additionally GASB 34 requires management to include a narrative section that provides the financial highlights and analysis of financial trends. This discussion is 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 compliment the MD&A and should be read in conjunction with it. The MD&A can be found directly following the auditor's report beginning on page 3.

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Reporting Entity and Format

The City of Kingsland has reviewed its reporting entity to include all of the funds, agencies, and boards that are defined in Governmental Accounting Standards Board (GASB) Statement 14 "Defining the Governmental Reporting Entity". The City reports all funds of the primary government. The primary government provides services consisting of, but not limited to, police and fire protection, construction of roads and streets, community planning and development, building and code enforcement, water and sewer services, and sanitation. GASB 14 mandates any board or authority that are controlled by or are dependent on the City to be included as part of the reporting entity. The Kingsland Development Authority (KDA) is reported as a blended component unit and the Kingsland Area Convention and Visitors Bureau Authority (C&VB) is reported as a discretely presented component unit. This is explained in more detail in the "Notes to the financial Statements" that can be found directly behind the basic financial statements.

The CAFR is presented in three sections:

- An introductory section that includes this letter of transmittal, a title page, a table of contents, a list of principal officials and the City's organizational structure.
- A financial section presents the independent auditor's report, Management's Discussion and Analysis, the basic financial statements and required supplemental information.
- The statistical section includes relevant financial and demographic indicators that show historical trends.

City Profile

The City is located in the southeastern portion of the state of Georgia in Camden County, which is bordered on the south by the state of Florida. The City presently has a total area of approximately 45 square miles. Of the area, 44.67 square miles is land and 0.33 square miles is water. Most of the City is approximately 25 feet above sea level with the downtown area being 35 feet above.

The City of Kingsland is a municipal corporation incorporated in 1908 under the laws of the State of Georgia. The Mayor and a four-member Council conduct the affairs of the City. Under the City's Charter, all legislative powers are vested in the Council. No person is eligible to serve as Mayor or as a Council member unless he or she is a qualified voter of the City at the time of his or her election to such office. The Mayor is elected at-large by the voters of the entire City. The Council Members run for a specific post, but are elected by a city-wide vote. Each is elected to staggering four year terms with elections being held every two years.

Under the City's Charter, the Mayor is the chief executive officer of the City and has general jurisdiction of all affairs of the City. The Mayor presides at all meetings of the Council and has a vote only in the case of a tie vote by the members of the Council. The Mayor has the power to veto every ordinance or resolution passed by the council, which veto may be overridden only upon the affirmative vote of the four members of the Council. Under the City's Charter, the City Manager, who is appointed by and serves at the pleasure of the Council, is the chief administrative officer of the City responsible to the Mayor and Council for the administration of all City affairs placed in his or her charge pursuant to the Charter of the City.

The annual budget provides the foundation for the City's future and assists in controlling the financial well-being of the government. A budget is adopted for all governmental funds as required by law and for enterprise funds to be used as a management tool. Project length budgets are adopted for capital project funds. The budgetary process begins in July of each year and cumulates with council adopting the budget at the last held meeting in September.

The City of Kingsland's budget amendment process is regulated by the official code of Georgia and local policies. The level of control or level at which expenditures may not legally exceed the budget is the department level. Any increase in expenditure in any department of the City, even if accomplished through a transfer of expenditures among departments, shall require the approval of the governing authority. The long-term policies and goals of the City are the basic premise of the budget process. No increase may be made to the budget without a provision for financing such an increase.

Budget-to-actual comparisons are provided in these statements for each governmental fund that a budget was legally adopted. The City currently has two major governmental funds; the general fund and the SPLOST capital project fund. For all funds, these comparative statements are presented in the governmental fund sub-section beginning on page 54. The SPLOST fund is a capital project fund that is budgeted on a project length basis and is not shown.

Local Economy

The City is the second largest of three cities located in Camden County. Its boundaries are adjacent to the largest city; therefore what affects Camden County has a direct relationship on Kingsland. Camden County has tremendous economic potential. According to the Joint Development Authority, Camden County provides access to the largest market in Georgia outside of Atlanta. One million two-hundred fifty thousand people live within a one hour drive of Interstate 95 at Exit 3, which is located in

Kingsland. It also has a strategic location between the three seaports of Jacksonville, FL, Brunswick, GA and Savannah, GA. It is also home port of the East Coast Trident Submarine fleet and the only Navy base in Georgia. Kingsland also has nearly 60,000 cars per day traveling through it on I-95. Per Georgia DOT, over 2,150,000 exit off of I-95 yearly at Kingsland's exit 3.

The City's population more than doubled from the 1990 population of 4,699 to the population in 2000 of 10,506. The 2010 census of 15,946 (July 1, 2009) is evidence of the continued growth. The growth began with the construction of Kings Bay Naval Submarine Base in the mid 80's. However, it is now attributed to many different factors, including retirees and families from northern states finding the local area's environment, economic condition, and the close proximity to Jacksonville, FL attractive. The naval base is one of the largest and the only home port for nuclear subs on the east coast and many stay here when they retire.

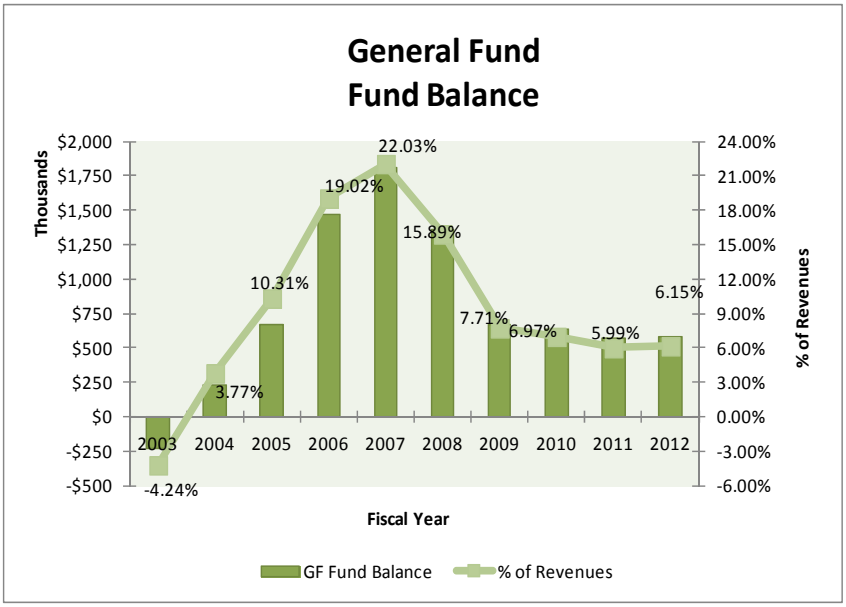
Although we are still growing slightly as evidenced by 119 building permits being issued during the fiscal year, the rapid growth we had been enjoying definitely declined from the 327 residential permits issued in 2006. While our economic base is stronger than most, we continue to feel the effects of the decline in the economy through our revenue sources. Our sales tax and construction based revenue, such as permit fees, plan review fees, and utility tap fees have declined.

Camden County increased its population from 30,164 in 1990 to 43,664 in 2000 and an estimated 50,513 currently. With County passing the estimated population mark of 50,000, more major companies are beginning to take interest in locating in the area. One major chain restaurant opened this past year in the City. Many other national and regional companies are making inquires about Kingsland. Kingsland also is home to most of the hotels and restaurants in the County. The county wide high school is also located with in the City.

In 2011, Kingsland was picked out of a nationwide search to be the host City of a new television series produced by Oprah Winfrey Network and the BBC network. The crews and production cast spent over four weeks in Kingsland using our local vendors. It was a healthy boost to our economy. Already, another film company filmed in the area for a week for a major network show. Perhaps the biggest news in the history of Kingsland happened in November 2008. The City by the end of September was approximately 12,900 acres. The City was asked to annex in 15,900 acres. This more than doubled the current size of the City and made it the eighth largest city in Georgia as far as land mass. Discussions are in process with several other potential significant developments. Again, we know it is coming and it is a challenge to be prepared for it when it happens.

Long-term financial planning

The City has struggled with the general fund's fund balance in the past. The rapid growth with the arrival of the naval base was difficult for a very small city at that time. Over the past years through careful planning, using cost versus benefit analysis, and through the use of being more efficient, the government has been able to increase the general fund's FY 2003 negative fund balance by $799,456 to the current year positive balance of $576,186. This equates to 6.15% of the general fund revenues.



The fund balance peaked in 2007 but, due to the economic decline the general fund showed a dramatic loss for 2008 and 2009, however, our fund balance was able to absorb the loss. There was a slight loss in 2010 and a slight increase in 2011 & 2012; thus, showing hopes that the economy may be on its way back to recovery. Mayor, Council and Management have taken the stance of protecting the remaining fund balance. There were no positions approved in the subsequent year budget and vacant positions are only being filled for critical vacancies. Unless it was critically needed equipment, it was not included in the budget either. This philosophy will be maintained until the economy is stable.

Major initiatives

There are no major initiatives planned at this time. With the decline in revenues, we have suspended large projects and purchases. An expanded wastewater treatment plant was completed in 2009 and our water supply is now ready for many years of future growth. We have also identified future roads that will need to be built or widened, but again, it will have to wait until the growth resumes. We have every reason to believe it will.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kingsland for its comprehensive annual financial report for the fiscal year ended September 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) also awarded the City of Kingsland a Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2011. This was the thirteenth time the government has received the award, the last ten being consecutive. In order to qualify, the budget document has to be judged proficient as a policy document, a financial plan, an operations guide and a communications device. This is the highest award for governmental budgeting and it is a significant achievement to be awarded. We believe our current budget document continues to meet the stringent criteria of the Distinguished Budget award and we have submitted it for consideration of another certificate.

The preparation of this report would not be possible without the dedicated and efficient efforts of the finance department's entire staff. I would like to thank each of them for the proficient work they do that makes this report able to be published in a timely manner. Special thanks for those who assist in the year end closing and the preparation of this report as this is not an easy accomplishment within a small department and would not be possible without Ms. Filiz Morrow and Ms. Cindy McCullough's assistance.

Credit must also be given to management and the governing board for their interest and support for maintaining the highest standard of professionalism in conducting the financial affairs of the City of Kingsland.

Respectfully submitted,



Tamra Edwards, CPA, CIA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kingsland
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P Morrill
President

Jeffrey R. Emer
Executive Director

City Officials and Department Heads



Mayor Kenneth E. Smith Sr.



Councilman,
Mayor Pro Tem
Alex Blount



Councilman
Jim McClain



Councilman
Grayson Day



Councilman
Don Mounsey

Department Heads

Gwen Mungin.....City Manager
Quentin McPhatter.....Deputy City Manager
Tamra Edwards.....Director of Finance
Darryl Griffis ..... Chief of Police
Morris Peeples .....Fire Chief
Bill Coleman.....Public Works Director
Ken Kessler .....Community Planning & Development Director
Ronnie Wise..... Fleet Services Director
Tonya Rosado.....Convention & Visitors Bureau Director
CJ LeBlanc ..... Municipal Utility Director

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS





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Baird & Company *CPAs, LLC*
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA, PFS
Rep E. Whiddon, CPA, CVA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Kingsland, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Kingsland, Georgia as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Kingsland, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingsland, Georgia, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2013, on our consideration of the City of Kingsland, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 17, 54 through 55, and 64 through 71 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.

Supplementary Data

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kingsland, Georgia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, state mandated program information and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules, and the state mandated program information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Introductory and Statistical Sections

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.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 19, 2013

4210 Columbia Road, Building 10, Augusta, Georgia 30907 / Telephone (706) 855-9500 / Telefax (706) 855-2900 (www.bairdcpas.com)

As management of the City of Kingsland, Georgia (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Kingsland, Georgia for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on pages i.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $37,354,766 (*net assets*). Of this amount, $3,713,051 (unrestricted net assets), may be used to meet the City's obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $530,621, a decrease of $6,731 over the prior year. The Capital Projects Fund and Revolving Loan Fund have deficit fund balances due to expenditures being made against grants that were awarded but not allocated. These deficits will be eliminated in the future. The Revolving Loan Fund was not known until well after year end. All other government funds had positive fund balances.
- At the end of the current fiscal year, fund balance for the general fund was a positive $576,186, or a positive 6.07% of total general fund operating expenditures and 6.15% of total general operating fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction to the City of Kingsland's basic financial statements.

The City's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

The primary role of the Statement of Net Assets and the Statement of Activities in the government-wide financial statements is to demonstrate operational accountability, while the primary role of the fund financial statements is to demonstrate fiscal accountability. Operational accountability requires that a

government demonstrate the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so. Whereas, fiscal accountability requires that a government demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year). Certain comparative information between the current year and the prior year is required to be presented and it is included where required. 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 of Kingsland's finances, in a manner similar to a private-sector business. The statements provide short and long-term debt information, which assists in assessing the City's economic condition. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This results in methods used by most businesses. The government-wide financial statements include the following two statements:

- ***Statement of net assets***. The *statement of net assets* presents information on all the City's assets and liabilities, with the difference between the two reported as *net assets*. This statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

- ***Statement of activities*.** The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the 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). This statement also presents a direct comparison between program revenues and expenses for each function of the City.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, public works, and housing and development. The business-type activities of the City include water and sewer distribution system and a solid waste collection operation.

Also included in the government wide financial statements is the Kingsland Development Authority(KDA). It is blended into the governmental funds as if its transactions were that of the primary government. The Convention and Visitor's

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Bureau (CVB) is included in the financial statement as a discreetly presented component unit. They are evaluated as either major or non-major funds and reported accordingly. More discussion on these component units can be found in Note 1 in the Notes of the Financial Statements section.

The government-wide financial statements can be found on pages 20 through 21 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.

The individual fund financial statements report the operations of the City in more detail than the government-wide statements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. These funds use different accounting methods and should be interpreted differently.

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 on *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. This approach is known as the modified accrual method that recognizes the revenues when they become measurable and available. This means as soon as the amount is known and it is collected in the current year or soon enough thereafter to pay current liabilities, it is recognized. This provides for a short-term assessment of the current needs of the City and whether there will be adequate resources to meet those needs.

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

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The City maintains ten (10) individual governmental funds to account for the following activities:

- General
- Special Revenues
    - Drug Forfeiture
    - Revolving Loan
    - Hotel/Motel Tax
    - Multiple Grants
    - Kingsland Development Authority
    - The Grant Fund
- Debt Service
    - Revenue Bonds
    - Debt Service
- Capital Projects
    - Special Purpose Local Option Sales Tax (SPLOST)
    - Welcome Center Capital Projects

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and SPLOST only, because they are considered to be major funds. SPLOST is major in most years. Data from the other nine (9) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* located after the general fund budgetary comparison which is immediately behind the notes.

The City adopts an annual appropriated budget for its general fund as well as several of the non major funds. A budgetary comparison statement has been provided for these governmental funds to demonstrate compliance with this budget. The City adopts a project length budget for the Capital Projects funds.

The governmental fund financial statements can be found on pages 24 through 27 of this report.

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Proprietary funds. These funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Since these funds charge fees for services rendered and are supposed to be self sustaining, they are treated like a business. They are called e*nterprise funds*. The City uses two enterprise funds to account for its water and sewage system and solid waste operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the water and sewer operation and the solid waste operation, of which only the water and sewer fund is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 28 through 30 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 beginning on page 32 of this report.

***Required supplementary information*.** In addition to the basic financial statements and accompanying notes, this report presents the General Fund budgetary comparison schedule and the schedule of funding progress as required supplementary information beginning on page 54 of this report.

***Other information*.** The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the required supplementary information. These can be found beginning on page 62 of this report. Also included in the compliance section is the State mandated program information beginning on 107.

***Statistical section*.** In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information; such as, 10 year presentation of revenues, expenditures and tax rates. The statistical section can be found beginning on page 79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $37,354,766 at the close of the most recent fiscal year.

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By far the largest portion of the City's net assets (89.64%) 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.

The *unrestricted net assets* ($3,713,051) may be used to meet the City's ongoing obligations to citizens and creditors.

A summary of the statement of net assets for the fiscal years ending September 30, 2012 and 2011 are presented below:

City of Kingsland's Net Assets
As of September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	$ 1,595,568	$ 1,817,637	$ 4,923,761	$ 4,610,104	$ 6,519,329	$ 6,427,741
Capital assets	25,835,828	26,565,662	26,419,682	27,778,972	52,255,510	54,344,634
Total assets	27,431,396	28,383,299	31,343,443	32,389,076	58,774,839	60,772,375
Liabilities:						
Other liabilities	1,095,227	2,729,049	2,614,747	2,543,651	3,709,974	5,272,700
Non-current liabilities	4,667,335	3,077,220	13,042,764	14,046,859	17,710,099	17,124,079
Total liabilities	5,762,562	5,806,269	15,657,511	16,590,510	21,420,073	22,396,779
Net assets:						
Invested in capital assets, net of related debt	21,226,848	21,866,711	12,257,452	14,506,473	33,484,300	36,373,184
Restricted for:						
Public Safety	61,644	15,153	-	-	61,644	15,153
Debt Service	95,771	55,287	-	-	95,771	55,287
Unrestricted	284,571	639,879	3,428,480	1,292,093	3,713,051	1,931,972
Total net assets	$21,668,834	$22,577,030	$15,685,932	$15,798,566	$37,354,766	$38,375,596

Governmental activities during the fiscal year ended September 30, 2012, decreased the City of Kingsland's net assets by $908,196. This is primarily due to the value of capital assets decreasing by increasing depreciation and adding very little asset value.

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The following chart shows the revenue and expenses by activity for the total primary government.

City of Kingsland's Changes in Net Assets
September 30, 2012 and 2011

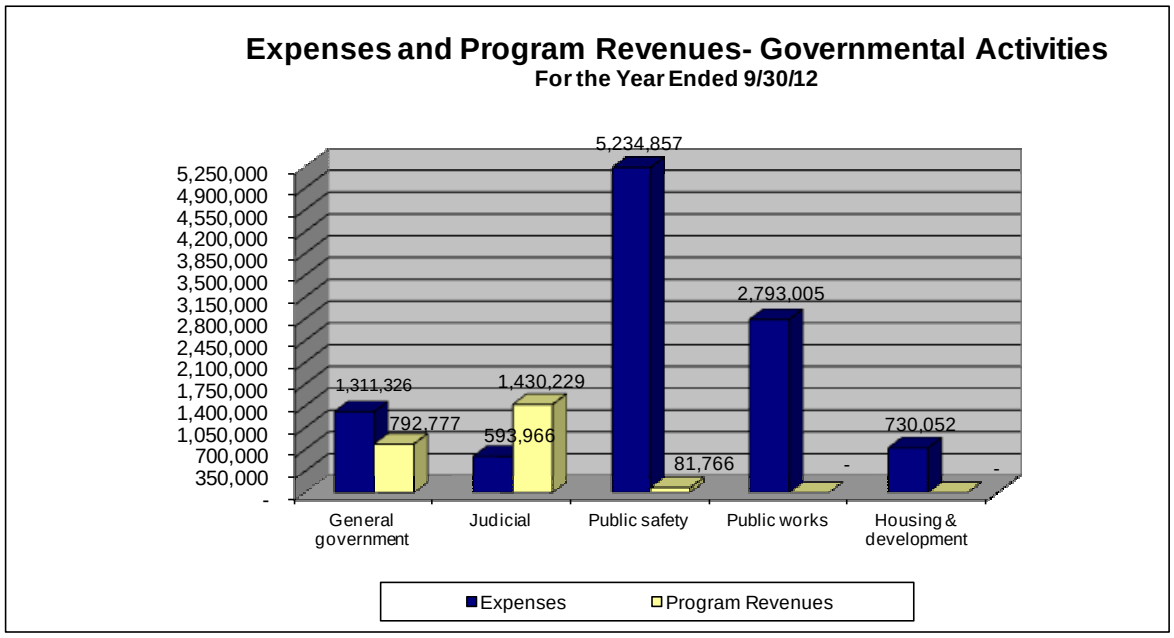
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues						
Charges for services	$ 1,734,970	$ 2,129,042	$ 6,142,968	$ 6,471,792	$ 7,877,938	$ 8,600,834
Operating grants and contributions	569,802	266,774			569,802	266,774
Capital grants and contributions	152,971	2,100,531	-	383,000	152,971	2,483,531
General revenues:						
Property taxes	4,700,654	5,400,913			4,700,654	5,400,913
Sales taxes	1,487,010	1,440,061			1,487,010	1,440,061
selective taxes	954,464				954,464	
Other taxes	884,651	930,582			884,651	930,582
Grants & contributions	120,202	325,411			120,202	325,411
Unrestricted investment earnings	1,328	984	23,328	32,522	24,656	33,506
Miscellaneous	115,572	115,981	184,095	31,899	299,667	147,880
Total Revenues	10,721,624	12,710,279	6,350,391	6,919,213	17,072,015	19,629,492
Expenses:						
General government	1,311,326	1,392,414			1,311,326	1,392,414
Judicial	593,966	720,472			593,966	720,472
Public safety	5,234,857	5,232,678			5,234,857	5,232,678
Public works	2,793,005	2,867,912			2,793,005	2,867,912
Housing and development	730,052	725,654			730,052	725,654
Intergovernmental	632,291	292,298			632,291	292,298
Interest on long-term debt	334,323	229,995			334,323	229,995
Water and sewer			5,640,757	5,884,614	5,640,757	5,884,614
Solid waste			822,268	818,472	822,268	818,472
Total expenses	11,629,820	11,461,423	6,463,025	6,703,086	18,092,845	18,164,509
Increase in net assets before transfers	(908,196)	1,248,856	(112,634)	216,127	(1,020,830)	1,464,983
Transfers	-	-	-	-	-	-
Increase in net assets	(908,196)	1,248,856	(112,634)	216,127	(1,020,830)	1,464,983
Net assets, beginning of year	22,577,030	21,328,174	15,798,566	15,582,439	38,375,596	36,910,613
Net assets, end of year	$21,668,834	$22,577,030	$15,685,932	$15,798,566	$37,354,766	$38,375,596

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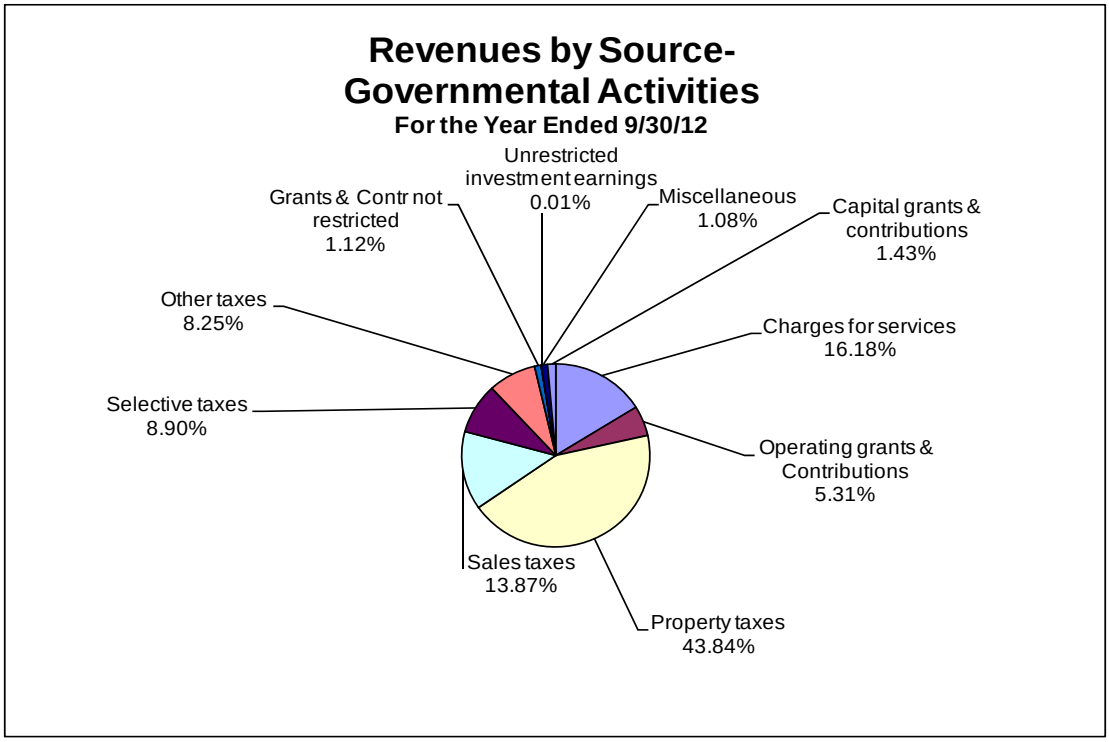
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The following graphs present the cost of each of the City's governmental functions programs – general government, judicial, public safety, public works, and housing and development – as well as the program revenues generated by these activities.

- The cost of all governmental activities this year was $11,629,820.
- However, the amount that our taxpayers paid for these activities through City taxes was $8,026,779. Some of the cost was paid by :
  - Those who directly benefited from the programs ($1,734,970) or
  - Other governmental and organizations that subsidized certain programs with grants and contributions ($722,773).
- Public safety and the Judicial traffic court required the largest net amount of funds after subtracting program revenue and grants and contributions. The total subsidy was $4,316,828 in fiscal year 2012. Public safety comprised 37.12% of total governmental expenses in 2012. Public Safety subsidized expense decreased by 16.40%. This decrease was due to fine revenue decreasing and a decrease in grants received.
- Public works comprised 24.02% of total governmental expenses. There was a decrease in total percentage of overall expenses over last year of 2.61%..
- General government comprised 11.28% of total governmental expenses. For every one dollar of the total governmental activities in fiscal year 2012, $.15 came from charges for services.



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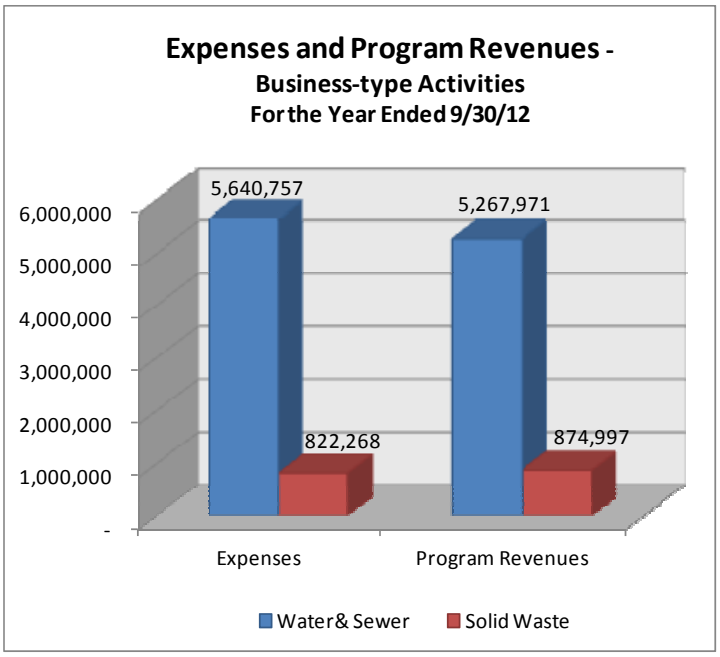
Business-type activities. Business-type activities during the same period decreased net assets by $112,634. Decrease in business-type activities resulted partly from no contributed water and sewer lines from developers. Net operating income for the water/sewer fund resulted in a gain of $240,432 before non-operating revenues/expenses are added. Non-operating expenses were primarily the net of interest revenue and expense ($560,489) and miscellaneous. ($184,095). Miscellaneous resulted in a larger amount due to a sales tax refund from the construction of a waste water treatment plant in 2008.

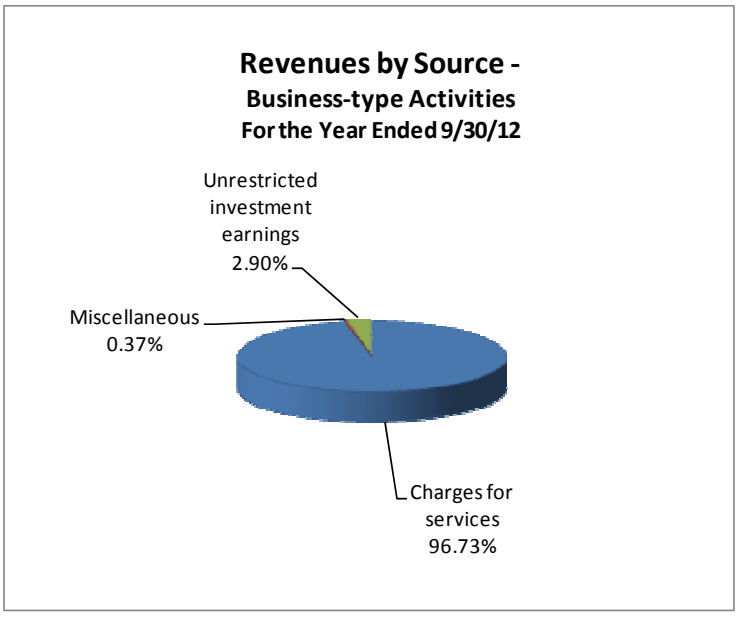
Business-type activities – by revenue source. The following graphs present the cost of each of the City's business-type activities - the water and sewer fund and the solid waste fund – as well as the program revenues generated by these activities.

- The cost of all business-type activities this year was $6,463,025. This reflects a 3.32% decrease. Due to the economy, costs were kept at a minimum, but debt service increased.
- Business-type activities decreased the City of Kingsland's net assets by $112,634, or 11.03% of the total decline in net assets.
- Charges for services accounts for 96.73% of the business-type revenues, with the water sewer fund generating 85.76% of total revenues.

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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Governmental Funds The City of Kingsland presents two major governmental funds the first of which is the General Fund. This is the chief operating fund of the City of Kingsland. At the end of FY 2012 the General Fund had a fund balance of $576,186. This is an increase of $7,193 from the beginning fund balance. $309,417 of this amount constitutes "unassigned fund balance" which is available for spending at the government's discretion.

The SPLOST fund is presented as the other major governmental fund. The SPLOST funds are used to account for projects constructed with special purpose local option sales tax. The SPLOST is on a reimbursable basis per an intergovernmental contract with the county in which the City resides. The SPLOST fund is a major fund in most years. It was not in the current year, however, for consistency it was presented as one. The fund balance of $42,435 is restricted for SPLOST projects.

The fund balances for the other governmental funds decreased by $13,924 due to timing differences and projects which used up revenues collected in prior years.

Proprietary funds. The City of Kingsland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer fund at the end of the year amounted to a positive $3,166,580 and those for the non-major solid waste fund amounted to $261,900. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Kingsland's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budgeted operating revenues increased by $307,520 or 3.15% from the original budget as a result of fines being higher than usual in the first part of the year, yet declined at the end of the year. The operating expenditures increased by $139,322 or 1.44% from the original budget to the final despite the costs of rising employee benefits. All departments were cost conscience and aware of decreased revenues over prior years.

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. As of September 30, 2012, governmental activities and business-type activities had capital assets of $52,255,510 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities. This represents a $2,089,124 or 3.84% overall decrease. The governmental capital activities decreased by 2.75%. The decreases are due to very little additions to assets and a greater depreciation expense from additions in the prior years. Major capital asset events during the current period include the following:

- ❖ Very little machinery and equipment was purchased.
- ❖ Various road projects were started and finished during the year resulting in additions to infrastructure and decreases to construction-in-progress.
- ❖ Several air conditioning units in City buildings were replaced through an Energy Efficiency Grant.

The City is a "stage 3" government as defined by GASB 34, which means roads, streets, and bridges prior to September 30, 2004, were not required to be capitalized, therefore they are not.

City of Kingsland's Capital Assets
(net of depreciation)
September 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 1,527,843	$ 1,527,843	$ 58,892	$ 58,892	$ 1,586,735	$ 1,586,735
Buildings	2,631,162	2,746,546	1,137,845	1,191,594	3,769,007	3,938,140
Land and building improvements	3,005,037	2,884,647			3,005,037	2,884,647
Infrastructure	17,583,874	17,848,393	-	-	17,583,874	17,848,393
System Improvements			24,516,229	25,898,693	24,516,229	25,898,693
Machinery and equipment	536,488	716,635	498,606	454,107	1,035,094	1,170,742
Construction in progress	551,424	841,598	208,110	175,686	759,534	1,017,284
Total	$25,835,828	$26,565,662	$26,419,682	$27,778,972	$52,255,510	$54,344,634

Additional information on the City's capital assets can be found in Note 5 beginning on page 41 of this report.

***Debt Administration*.** The City's total long-term debt consists of revenue bonds, long-term notes, capital leases and compensated absences.

At the end of September 30, 2012, the City had $5,025,030 of outstanding long-term debt related to governmental activities and $14,503,826 of long-term liabilities related to business-type activities for a total of $19,528,856. The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

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At the end of 2012, the governmental activity had bonded debt outstanding of $2,416,899 and the business-type had $13,731,964 for a total of $16,148,863. Of this amount, none is backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

The City maintains an "AAA" rating from Standard & Poor's for its Water and Sewer Utility revenue bonds.

State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is $46,581,392 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

Additional information on the City's debt can be found in Note 6 beginning on page 42 of this report.

ECONOMIC FACTOR AND NEXT YEAR'S BUDGET AND RATES FY 2012-2013 BUDGET

The FY 12/13 city wide budget decreased 7.55% partly due to a reduction in capital outlay. The total City wide budget was set at $19,907,965 and the millage rate was set at the same 8 mills as the prior year. The City tax digest decreased 2.43 % prior year and 10.18% in the current year. That is the first decrease since 1990, which is the only available data.

The Mayor and Council of the City of Kingsland considered many factors when approving the City's FY 2013 budget and are very aware of present economic conditions and their effect on its citizens. A study by Georgia Tech predicts Kingsland's population will increase 81 percent by 2030. We were experiencing tremendous growth, but with the economic decline, the growth has shown a dramatic decline. We know it will resume, but not when. This has caused a large decline in our building permit fees and tap fees in the water/sewer fund. This extraordinary growth has to be planned for and we are trying to be proactive as we plan our budget. This is extremely difficult with declining revenues.

Our revenues are declining in the housing market and the fact that there is less discretionary income available has directly affected our sales tax revenues. Property taxes stayed declined as did other revenues. Due to the loss of revenues, this year's budget was a great challenge as our expenses are increasing. Our retirement increased almost 100% over the last several years. This was due to the valuation of the plan assets being valued at record low prices. We also had increases in our health insurance as well as the continued high prices for gas.

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With the presence of the Kings Bay Naval Submarine Base, our economy has not been hit as hard as different areas of the country. We feel confident that the Base will remain here for many years as it is in a strategic location. Mayport Navel Base and NAS in Jacksonville Florida all form a “fleet concentration area” in the southeast; it is also the only nuclear powered submarine base on the east coast, therefore, it is home to a certain class of subs that no other base has. It is also a fairly new base with the first sub coming in 1989. The steadiness of the military and the civilians it employs has been a stabilizer in these times.

We are constantly striving to assure the revenue streams are there to provide the needed services at the current level or better. We recognize that we have to be proactive instead of reactive in relation to the growth because even though it has slowed, it will come. Managing the future growth is the key to preserving the integrity of the City. It is a challenge to maintain the level of service the citizens need and deserve without a property tax increase. Once again the Mayor, Council, and Management were able to reach that goal.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview the City of Kingsland’s finances for citizens, taxpayers, customers, investors and creditors and all others with an interest in the City. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Tamra Edwards, Director of Finance, City of Kingsland, PO Box 250, 105 W. William Avenue, Kingsland, Georgia 31548.

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GOVERNMENT - WIDE FINANCIAL STATEMENTS





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CITY OF KINGSLAND, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	Kingsland Area Convention & Visitor's Bureau
Assets				
Cash and investments	$ 264,241	$ 582,702	$ 846,943	$ -
Receivables	1,072,166	703,881	1,776,047	-
Internal balances	(28,568)	28,568	-	-
Prepaid	24,957	40,536	65,493	709
Due from other governments	-	-	-	26,205
Inventories	170,933	104,619	275,552	-
Restricted assets				
Cash and investments	70,879	3,202,609	3,273,488	-
Deferred charges	20,960	260,845	281,805	-
Capital assets				
Non-depreciable assets	2,079,267	267,002	2,346,269	-
Depreciable assets, net of accumulated depreciation	23,756,561	26,152,680	49,909,241	-
Total assets	27,431,396	31,343,442	58,774,838	26,914
Liabilities				
Accounts payable	301,427	181,705	483,132	3,270
Accrued liabilities	109,077	37,211	146,288	3,578
Due to other governments	196,297	-	196,297	-
Unearned revenues	17,517	-	17,517	-
Liabilities payable from restricted assets	113,214	934,768	1,047,982	-
Long-term liabilities				
Due within one year	423,347	1,461,062	1,884,409	10,627
Due in more than one year	4,601,683	13,042,764	17,644,447	5,986
Total liabilities	5,762,562	15,657,510	21,420,072	23,461
Net Assets				
Invested in capital assets, net of related debt	21,226,848	12,257,452	33,484,300	-
Restricted for:				
Public safety	61,644	-	61,644	-
Debt service	95,771	-	95,771	-
Unrestricted	284,571	3,428,480	3,713,051	3,453
Total net assets	$ 21,668,834	$ 15,685,932	$ 37,354,766	$ 3,453

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Governmental Activities	Net Revenue (Expense) and Changes in Net Assets: Business-type Activities	Net Revenue (Expense) and Changes in Net Assets: Total	Discretely Presented Component unit
Primary government:								
Governmental activities:								
General government	$ 1,311,325	$ 260,265	$ 532,512	$ -	$ (518,548)	$	$ (518,548)	$
Judicial	593,966	1,430,229	-	-	836,263		836,263	
Public safety	5,234,858	44,476	37,290	-	(5,153,092)		(5,153,092)	
Public works	2,793,005	-	-	-	(2,793,005)		(2,793,005)	
Housing and develpment	730,052	-	-	-	(730,052)		(730,052)	
Intergovernmental	632,291	-	-	152,971	(479,320)		(479,320)	
Interest on long-term debt	334,323	-	-	-	(334,323)		(334,323)	
Total governmental activities	11,629,820	1,734,970	569,802	152,971	(9,172,077)		(9,172,077)	
Business-type activities:								
Water and Sewer	5,640,757	5,267,971	-	-	-	(372,786)	(372,786)	
Solid Waste	822,268	874,997	-	-	-	52,729	52,729	
Total business-type activities	6,463,025	6,142,968	-	-	-	(320,057)	(320,057)	
Total primary government	$ 18,092,845	$ 7,877,938	$ 569,802	$ 152,971	(9,172,077)	(320,057)	(9,492,134)	
Component units:								
Kingsland Area Convention & Visitor's Bureau	$ 326,426	$ -	$ 322,067	$ -				(4,359)
Total component units	$ 326,426	$ -	$ 322,067	$ -				(4,359)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					4,700,654	-	4,700,654	-
Sales taxes for general purposes					1,487,010	-	1,487,010	-
Selective taxes					954,464	-	954,464	-
Other taxes					884,651	-	884,651	-
Grants and contributions not restricted to specific programs					120,202	-	120,202	-
Unrestricted investment earnings					1,328	23,328	24,656	-
Miscellaneous					115,572	184,095	299,667	43,174
Total general revenues and transfers					8,263,881	207,423	8,471,304	43,174
Change in net assets					(908,196)	(112,634)	(1,020,830)	38,815
Net assets, beginning of year					22,577,030	15,798,566	38,375,596	(35,362)
Net assets, end of year					$ 21,668,834	$ 15,685,932	$ 37,354,766	$ 3,453

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FUND FINANCIAL STATEMENTS

CITY OF KINGSLAND, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ -	$ 217,013	$ 47,228	$ 264,241
Receivables	985,430	-	86,736	1,072,166
Due from other funds	35,945	-	10,218	46,163
Prepaid items	24,957	-	-	24,957
Inventories	170,933	-	-	170,933
Restricted cash and investments	70,879	-	-	70,879
Total assets	$ 1,288,144	$ 217,013	$ 144,182	$ 1,649,339
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 141,833	$ 4,486	$ 155,108	$ 301,427
Due to other funds	41,379	-	33,352	74,731
Accrued liabilities	109,077	-	-	109,077
Due to other governments	-	170,092	26,205	196,297
Deferred revenue	419,669	-	17,517	437,186
Total liabilities	711,958	174,578	232,182	1,118,718
Fund balances:				
Nonspendable	195,890	-	-	195,890
Restricted	70,879	42,435	25,192	138,506
Committed	-	-	-	-
Assigned	-	-	21,000	21,000
Unassigned	309,417	-	(134,192)	175,225
Total fund balances	576,186	42,435	(88,000)	530,621
Total liabilities and fund balances	$ 1,288,144	$ 217,013	$ 144,182	$ 1,649,339

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

Total fund balances - governmental funds	$ 530,621
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets	25,835,828
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	419,669
Some liabilites, (such as Notes Payable, Capital Lease Contract Payable, Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. See Long-term debt note.	(5,004,070)
Interest Payable is not available to pay current period expenditures and therefore is not reported in the fund financial statements, but is reported in the governmental activities in the Statement of Net Assets.	(113,214)
Net position of governmental activities in the Statement of Net Assets	$ 21,668,834

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 7,403,665	$ -	$ 731,970	$ 8,135,635
Licenses and permits	256,721	-	-	256,721
Intergovernmental	120,202	152,970	566,872	840,044
Charges for services	62,200	-	-	62,200
Fines and forfeitures	1,426,817	-	-	1,426,817
Investment	1,222	-	106	1,328
Miscellaneous	96,767	-	13,371	110,138
Total revenues	9,367,594	152,970	1,312,319	10,832,883
	-			
EXPENDITURES				
Current:				
General government	1,206,542	-	-	1,206,542
Judicial	593,614	-	-	593,614
Public safety	4,807,581	-	54,560	4,862,141
Public works	2,025,924	-	-	2,025,924
Housing and development	670,465	-	-	670,465
Intergovernmental	-	2,792	629,499	632,291
Capital outlay	-	-	-	
General government			32,353	32,353
Public safety			10,741	10,741
Public works	195,892	340,178	-	536,070
Debt service:				
Principal	-	-	240,761	240,761
Interest and other charges	-	-	209,310	209,310
Total expenditures	9,500,018	342,970	1,177,224	11,020,212
Excess (Deficiency) of revenues over expenditures	(132,424)	(190,000)	135,095	(187,329)
OTHER FINANCING SOURCES (USES)				
Transfer in	285,468	190,000	576,854	1,052,322
Transfer out	(326,449)	-	(725,873)	(1,052,322)
Proceeds from capital leases	171,750	-	-	171,750
Sale of capital assets	8,848	-	-	8,848
Total other financing sources & (uses)	139,617	190,000	(149,019)	180,598
Net change in fund balances	7,193	-	(13,924)	(6,731)
Fund balances - beginning	568,993	42,435	(74,076)	537,352
Fund balances - ending	$ 576,186	$ 42,435	$ (88,000)	$ 530,621

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - governmental funds		$ (6,731)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital outlays	579,164	
Less: depreciation expense	(1,320,963)	(741,799)
Governmental funds do not present non cash donations to capital assets. The effect of capital assets donations is to increase net assets.		11,965
The net effect of various miscellaneous transactions involving capital assets (ie. Sales, trade-ins, donations) is to decrease net assets		8,848
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		
Defered revenues	419,669	
Less deferred revenues September 30, 2011	(551,740)	(132,071)
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount is the net of these differences in the treatment of long-term debt and related items.		
Principal retirements	240,762	
Issuance of debt	(171,750)	
		69,012
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Amortization of bond issuance costs	(1,049)	
Compensated absences	8,642	
Accrued interesr	(125,013)	(117,420)
Change in net assets of governmental activities		$ (908,196)

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE
SEPTEMBER 30, 2012

	Water & Sewer Fund	Solid Waste Fund	Totals
ASSETS			
Current assets:			
Cash and investments	$ 209,824	$ 372,878	$ 582,702
Receivables	601,169	102,712	703,881
Due from other funds	34,252	41,286	75,538
Prepaid items	37,690	2,846	40,536
Inventory	104,619	-	104,619
Restricted cash and investments	3,165,400	37,209	3,202,609
Total current assets	4,152,954	556,931	4,709,885
Non-current assets:			
Deferred charges	260,845	-	260,845
Capital assets:			
Non-depreciable assets	267,002	-	267,002
Depreciable assets, net of accumulated depreciation	25,798,581	354,099	26,152,680
Total non-current assets	26,326,428	354,099	26,680,527
Total assets	30,479,382	911,030	31,390,412
LIABILITIES			
Current liabilities:			
Accounts payable	163,914	17,791	181,705
Accrued liabilities	32,597	4,614	37,211
Due to other funds	12,718	34,252	46,970
Current portion of debt	103,222	67,840	171,062
Payable from restrictred assets:			
Accrued interest	168,314	-	168,314
Customer deposits	766,454	-	766,454
Current portion of bonds	1,290,000	-	1,290,000
Total current liabilities	2,537,219	124,497	2,661,716
Non-current liabilities:			
Bonds, notes and loans payable	12,872,230	170,534	13,042,764
Total non-current liabilities	12,872,230	170,534	13,042,764
Total liabilities	15,409,449	295,031	15,704,480
Net assets			
Invested in capital assets, net of related debt	11,903,353	354,099	12,257,452
Unrestricted	3,166,580	261,900	3,428,480
Total net assets	$ 15,069,933	$ 615,999	$ 15,685,932

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Water & Sewer Fund	Solid Waste Fund	Total
Operating Revenues			
Water sales	$ 2,704,671	$ -	$ 2,704,671
Sewer sales	2,146,561	-	2,146,561
Water and wastewater tap fees	59,198	-	59,198
Capital recovery fees	136,020	-	136,020
Garbage fees	73,225	874,997	948,222
Other	148,296	-	148,296
Total operating revenues	5,267,971	874,997	6,142,968
Operating Expenses			
Salaries and benefits	2,051,867	326,659	2,378,526
Contracted services	708,433	212,979	921,412
Supplies	669,028	191,362	860,390
Other operating expenses	4,111	4,146	8,257
Depreciation and amortization	1,646,829	87,122	1,733,951
Total operating expenses	5,080,268	822,268	5,902,536
Operating income	187,703	52,729	240,432
Nonoperating revenues (expenses)			
Investment income	23,159	169	23,328
Interest expenses	(560,489)	-	(560,489)
Miscellaneous	184,095	-	184,095
Total non-operating revenue (expenses)	(353,235)	169	(353,066)
Change in net assets	(165,532)	52,898	(112,634)
Total net assets - beginning	15,235,465	563,101	15,798,566
Total net assets- ending	$ 15,069,933	$ 615,999	$ 15,685,932
			(15,685,932)

The accompanying notes are an integral part of these financial statements.

CITY OF KINGSLAND, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS -ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Water & Sewer Fund	Solid Waste Fund	Total
Cash flows from operating activities:			
Cash received from customers	$ 5,401,028	$ 875,662	$ 6,276,690
Cash payments to suppliers for goods and services	(1,540,789)	(464,069)	(2,004,858)
Cash payments to employees for services	(2,086,935)	(331,508)	(2,418,443)
Net cash provided by operating activities	1,773,304	80,085	1,853,389
Cash flows from noncapital financial activities:			
Miscellaneous	332,191	-	332,191
Net cash provided by noncapital financing activities	332,191	-	332,191
Cash flows from capital and related financing activities:			
Proceeds from debt	-	237,178	237,178
Acquisitions and construction of capital assets	(111,348)	(231,763)	(343,111)
Principal payments on debt	(1,298,237)	(61,609)	(1,359,846)
Interest payments on debt	(574,485)	(4,359)	(578,844)
Net cash (used) by capital and related financing activities	(1,984,070)	(60,553)	(2,044,623)
Cash flows from investing activities:			
Interest earned on cash and investments	23,437	169	23,606
Net cash provided by investing activities	23,437	169	23,606
Net increase in cash and cash equivalents	144,862	19,701	164,563
Cash and cash equivalents, beginning of year	3,230,362	390,386	3,620,748
Cash and cash equivalents, end of year	$ 3,375,224	$ 410,087	$ 3,785,311
Operating income	$ 187,703	$ 52,729	$ 240,432
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,615,279	87,122	1,702,401
Change in assets and liabilities:			
Decrease (increase) in other/accounts receivables	100,840	(51,475)	49,365
(Increase) decrease in prepaid items	(3,511)	5,052	1,541
(Decrease) in accounts payable and accrued liabilities	(118,828)	(13,343)	(132,171)
(Decrease) in customer deposits	(8,179)	-	(8,179)
Total adjustments	1,585,601	27,356	1,612,957
Net cash provided by operating activities	$ 1,773,304	$ 80,085	$ 1,853,389

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the City of Kingsland, Georgia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated under the provisions of Georgia Laws 1959, H.B. No. 242, Act No. 148. The City operates under a Mayor/Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, housing and development, public improvements, planning and zoning, and general administrative services.

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity", and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides service entirely to the City or exclusively for the benefit of the City. These component units are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has one blended component unit, the Kingsland Development Authority.

The Kingsland Development Authority has been included as a component unit of the City. The governing body of the Authority is appointed by the City Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of the City's public buildings. The Kingsland Development Authority does not issue separate financial statements.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

The Kingsland Area Convention and Visitors Bureau Authority was established in 1991 to promote tourism, trade, and conventions. The Authority is legally separate from the City and the City appoints a voting majority of the Authority's governing body. The City has the ability to remove appointed members of the Authority's board, and the City can modify the budget of the Authority. Therefore, the City has the ability to impose its will on the Authority. The Authority does not issue separate financial statements.

The Kingsland Downtown Development Authority is a discretely presented component unit of the City as it is a legally separate entity, the City appoints a voting majority of the Authority's board and the City is able to impose its will on the Authority. Further, the Authority provides services and benefits for the community. As of September 30, 2012, the Authority had insignificant assets, liabilities, fund balance, revenues and expenditures. Therefore, no financial statements have been presented.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are major individuals enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relate to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The fund financial statements emphasize the major funds in either the governmental or proprietary categories. Nonmajor funds are summarized into a single column.

The City reports the following major governmental funds:

The **General fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **SPLOST fund** is a capital projects fund used to account for the proceeds of a one percent Special Purpose Local Option Sales Tax.

The City reports the following major proprietary fund:

The **Water and Sewer fund** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services, and billing and collection.

Additionally, the government reports the following fund types:

The **Special Revenue funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

The **Welcome Center fund** is a capital projects fund used to account for the construction of the welcome center.

The **Debit Service fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes authorize the City to invest in obligations of the United State, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime banker's acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 ($1.00 per share value). Net asset value is calculated weekly to insure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a $1.00 per share. The fair value of the City's position in the pool is the same as the value of pool shares ($1.00 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

E. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Inventories

Inventories consist of expendable supplies and items acquired for infrastructure repair and maintenance or for possible future expansion. Inventories in governmental funds are stated at average cost. Enterprise fund inventories are stated at lower of average cost or market. The consumption method is used to account for inventories. Under the consumption method, budgetary authority is slated and expenditures are recorded in terms of authority to use or consume inventory items.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2012, are recorded as prepaid terms.

H. Restricted Assets

Enterprise funds, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. Customer deposits that must be refunded upon the termination of service are restricted.

I. Capital Assets

Capital assets, which include property, plant, equipments, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the governmental wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 in the governmental funds and $3,000 in the business-type funds and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. in accordance with GASB 34, the City has elected not to include infrastructure acquired prior to July 1, 2003.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following useful lives:

Asset	Years
Building	7-40
Land and building improvements	10-40
System improvements	10
Infrastructure	15-50
Machinery and equipmant	3-20

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. It is the City's policy to pay 25% of unpaid accumulated sick leave when employees separate from service with the City. Accumulated unpaid vacation costs and 25% of sick pay are accrued when incurred in the government-wide and proprietary 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,.

K. Long-Term Obligations

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The gain on defeasance of bonds is presented as an addition to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

L. Fund Equity

Fund equity at the governments fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net assets".

Fund balance reported in the governmental funds financial statements generally represents the difference between current assets and current liabilities. Fund balance classifications represent a hierarchy based primarily on the extent to which the City is bound to honor constraints on specific purposes for which amounts in those funds can be spent. These classifications may consist of the following:

a) **Nonspendable** - Fund balances are classified as nonspendable when amounts cannot be spent because they are either i) in nonspendable form or ii) they are legally contractually required to be maintained intact. The City includes items that are not expected to be converted to cash such as inventories and prepaid amounts.
b) **Restricted -** Fund balances are reported as restricted when their use is restricted for specific purposes including i) constraints on funds externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or ii) constraints imposed by law through constitutional provisions or enabling legislation.
c) **Committed** - Fund balances are reported as committed if their use is for a specific purpose as approved by formal action by the City Council (resolution). Amounts committed cannot be used for any other purpose unless Council removes or changes the specific use by approving such action through resolution at a Council meeting. Budget resolutions are considered a plan for specific use.
d) **Assigned** - Fund balances are reported as assigned when constrained by the City's intent to use the funds for specific purposes that are neither restricted nor committed. Assigned fund balances includes i) all remaining amounts (except negative balances) reported in governmental funds, other than the General fund, that are not classified as nonspendable, restricted or committed, and ii) amounts in the General Fund intended for a specific use identified by either the City Manager or Finance Director, and iii) amounts appropriated to eliminate a projected budget deficit in the subsequent year.
e) **Unassigned** - Fund balances are reported as unassigned when the balances do not meet any of the above four criterion for classification. The City reports positive unassigned fund balance in only the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

For purposes of fund balance disbursement, unless otherwise approved by the City Council, the City will expend restricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Next the City will expand committed fund balance when an expenditure is paid for which unrestricted fund balance is available. The City would next disburse fund balance assigned for purposes of the fund before disbursing other assigned fund balance amounts. In the General Fund, the City would disburse unassigned fund balance prior to disbursing fund balance assigned for financial policy reserve levels or amounts assigned to eliminate subsequent year's budget deficit.

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

a) **Invested in capital assets, net of related debt** consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b) **Restricted net assets** consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c) **Unrestricted net assets** consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: Legal Compliance - Budgets

A. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds, debt service fund, and capital projects funds. Enterprise fund budgets are prepared and utilized as a management tool to access the operations of the enterprise funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenue Funds, Debt Service Fund, and Proprietary Funds. Project length budgets are adopted for the Capital Project Funds. During the fiscal year ended September 30, 2012, individual amendments were not material in relation to the original appropriations. All annual appropriations lapse at the end of each year.

The City code provides for the following procedures in establishing the budgetary data reflected in these financial statements:

At least 30 days before its adoption, the budget is prepared by the chief administrative officer, transmitted to members of the governing body for their review and made available for public inspection. No earlier than seven days after the budget is transmitted to members of the governing body and no later than the date the budget is adopted by the governing body, a public hearing is held to give the public the opportunity to comment on the proposed budget.

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The budget is adopted at the department level.

Transfers of appropriations within a department budget or within a non-departmental expenditures category require only the approval of the chief administrative officer. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

The City did not employ encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at the year end. Open encumbrances would then be a reservation of fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at September 30, 2012, and none were recorded.

B. Deficit Fund Equity

The following funds reported deficits in fund balances at September 30, 2012:

The Welcome Center Fund has a deficit fund balance of $134,192. The City plans to eliminate this deficit once revenues return to pre-recession levels.

The Revolving Loans Fund has a deficit fund balance of $9,663. The City plans to eliminate this deficit once revenues increase per grant requirements.

NOTE 3: Deposits and Investments

Total deposits and investments as of September 30, 2012, are summarized as follows:

Account Balances		Ownership of Funds	
		Governmental Funds:	
Petty cash/cash on hand	$ 850	Cash and investments	$ 264,241
Demand deposits	1,867,986	Restricted cash and investments	70,879
Certificates of deposits	1,808,034	Enterprise Funds:	
Investments	443,561	Cash and investments	582,702
		Restricted cash and investments	3,202,609
	$ 4,120,431		
			$ 4,120,431

Credit Risk

As of September 30, 2012, the City's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's. The City has no additional credit risk policy of investments other than that required by State Law.

Investment	Maturities	Fair Values
Georgia Fund 1 (investment pool)	58 days weighted average	$ 443,561
		$ 443,561

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Current management limits investments to maturities of one year or less.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits an investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The City has no additional custodial credit risk policy other than that stipulated by State Law.

NOTE 4: Receivables

Receivables at September 30, 2012, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Receivables:	Taxes	Intergovernmental	Accounts Receivable	Gross Receivables	Less: Allowance for uncollectibles	Net Receivables
General	$ 622,201	$ 256,103	$ 315,083	$ 1,193,387	$ (207,957)	$ 985,430
Non-major government	59,557	24,682	2,497	86,736	-	86,736
Water and Sewer	-	20,947	623,268	644,215	(43,046)	601,169
Solid Waste	-	-	106,512	106,512	(3,800)	102,712
Total	$ 681,758	$ 301,732	$ 1,047,360	$ 2,030,850	$ (254,803)	$ 1,776,047

Property taxes attached as an enforceable lien on property as of January 1. Taxes were levied on November 3, 2011 and payable on or before January 5, 2012. Penalties were applied on all unpaid taxes as of April 5, 2012. The City bills and collects its own property taxes. Property taxes levied for the year ending September 30, 2012, are recorded as receivable, net of estimated uncollectible.

NOTE 5: Capital Assets

Capital asset activity for the fiscal year ended September 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-Depreciable Assets:				
Land	$ 1,527,843	$ -	$ -	$ 1,527,843
Construction in progress	841,598	44,134	(334,308)	551,424
	2,369,441	44,134	(334,308)	2,079,267
Depreciable Assets:				
Buildings	4,271,711	-	-	4,271,711
Land and building improvements	4,833,246	352,058	-	5,185,304
Infrastructure	20,093,222	308,009	(76,377)	20,324,854
Machinery and equipment	6,453,994	221,236	(86,245)	6,588,985
	35,652,173	881,303	(162,622)	36,370,854
Accumulated Deprecitation:				
Buildings	(1,525,165)	(115,384)	-	(1,640,549)
Land and building improvements	(1,948,599)	(231,668)	-	(2,180,267)
Infrastructure	(2,244,829)	(496,151)	-	(2,740,980)
Machinery and equipment	(5,737,359)	(477,760)	162,622	(6,052,497)
	(11,455,952)	(1,320,963)	162,622	(12,614,293)
Total Governmental Activities:	26,565,662	(395,526)	(334,308)	25,835,828
Business-Type Activities:				
Non-Depreciable Assets:				
Land	58,892	-	-	58,892
Construction in progress	175,686	32,424	-	208,110
	234,578	32,424	-	267,002
Depreciable Assets:				
Building and improvements	2,807,714	14,347	-	2,822,061
System improvements	46,571,766	64,577	-	46,636,343
Machinery and equipment	3,031,934	231,763	-	3,263,697
	52,411,414	310,687	-	52,722,101
Accumulated Depreciation:				
Buildings and improvements	(1,616,120)	(68,096)	-	(1,684,216)
System improvements	(20,673,073)	(1,447,041)	-	(22,120,114)
Machinery and equipment	(2,577,827)	(187,264)	-	(2,765,091)
	(24,867,020)	(1,702,401)	-	(26,569,421)
Total Business-Type Activities	27,778,972	(1,359,290)	-	26,419,682
Total Capital Assets	$ 54,344,634	$ (1,754,816)	$ (334,308)	$ 52,255,510

Depreciation expense was charged to function/programs of the City as follows:

Governmental activities:	
General government	$ 122,274
Judiciary	352
Public safety	199,919
Public works	938,831
Housing and development	59,587
Total depreciation expense - governmental activities	$ 1,320,963

NOTE 6: Long-Term Debt

Revenue Bonds:

Governmental Funds -

During the fiscal year 2007 the City issued revenue bonds in the amount of $2,500,000 for the purpose of constructing a new welcome center. Revenue bonds outstanding at September 30, 2012, recorded in the City's Governmental Activities are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Welcome Center Construction	$ 2,500,000	4.60%	2032	$ 2,437,859

Debt service requirements to maturity on the welcome center revenue bonds are as follows:

Year Ending September 30,	Principal	Interest
2013	25,295	113,214
2014	32,192	111,808
2015	33,726	110,274
2016	42,111	108,889
2017	51,864	107,512
2018-2022	411,990	476,222
2023-2027	862,221	338,776
2028-2031	876,917	118,522
2032	101,543	1,189
Total	$ 2,437,859	$ 1,486,406

Enterprise Funds -

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. On December 17, 2010, the City issued the series 2010 bond which was issued in printed form as a single revenue bond in the principal amount of $9,755,000. The series 2010 Bond shall mature on December 1, 2021 and shall bear interest at 3.47%. The bond was sold to a purchaser through a private placement transaction, and no premium or discount was recorded at issuance. The series 2010 Bond may not be exchanged. The proceeds from the bond sale were used to i) refund the series 2008 Bond, ii) refund the GEFA loans and iii) pay the costs of issuing the Series 2010 Bond.

The refunding provided a reduction in total future debt service payments of $1,240,846 with most of the savings occurring within the first year. The transaction generated an economic gain (difference between the present values of the old and new debt service payments) of $346,262.

Purpose	Original Amount	Interest Rate	Due Date	Amount
Refunding 1994 Series Bonds and funding for the Wastewater Treatment facility	$ 8,640,000	1.25% - 4.15%	2019	$ 5,065,000
Refunding 2008 Series Bonds and GEFA loans	9,755,000	3.47%	2021	9,050,000
				$ 14,115,000

Debt service requirements to maturity on the water and sewer revenue bonds are as follows:

Year Ending September 30,	Principal	Interest
2013	1,290,000	486,928
2014	1,335,000	441,204
2015	1,380,000	393,039
2016	1,435,000	342,494
2017	1,480,000	294,259
2018-2021	7,195,000	125,917
Total	$ 14,115,000	$ 2,083,841

Capital Leases:

The City has entered into lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payment as of the date of their inceptions.

The cost of assets under capital leases as of September 30, 2012 is:

	Governmental Activities	Business-type Activities
Equipment	$ 1,258,694	$ 601,124

The City's total capital lease debt service requirements to maturity as of September 30, 2012, are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2013	$ 144,976	$ 93,004
2014	51,210	50,795
2015	36,119	51,878
2016	36,936	53,007
2017	3,729	17,958
Total minimum lease payments	272,970	266,642
Less amount representing interest	(8,122)	(6,720)
present value of future minimum lease payments	$ 264,848	$ 259,922

Note Payable:

Governmental Funds

In December 2009 the City converted the Kingsland Development Authority line of credit from the prior year to a three year loan in the amount of $1,750,000. This loan is payable in monthly installments beginning February 5, 2009 for three (3) years with a balloon payment due December 1, 2011 in the amount of $1,590,112. The simple interest is accrued on the loan at a rate of 4.25%. The balance was paid in full December 1, 2011.

During the year ended September 30, 2005, the City obtained a loan from the United States Department of Agriculture to help mitigate the costs of constructing a new fire station within the City. The original amount of the loan was $646,000 and the current amount of the loan outstanding as of September 30, 2012, is $387,954. This note is due in monthly installments including interest at 4.75% through January 2022.

During the year ended September 30, 2011, the Kingsland Development Authority obtained a loan from Citizens State Bank to help mitigate costs within the Authority. The original amount of the loan was $1,582,237 and the current amount of the loan outstanding as of September 30, 2012, is $1,539,279. This note is due in monthly installments including interest at 4.25% through December 2014.

The City's debt service requirements to maturity for the notes payable is as follows:

Year Ending September 30,	Principal	Interest
2013	$ 33,977	$ 17,731
2014	35,627	16,081
2015	37,356	14,351
2016	39,170	12,538
2018	40,983	10,642
2019-2021	184,548	21,607
2022	16,293	154
Total	$ 387,954	$ 93,104

Year Ending September 30,	Principal	Interest
2013	$ 65,652	$ 54,060
2014	68,537	62,313
2015	1,405,090	26,212
Total	$ 1,539,279	$ 142,585

Long-Term liability activity for the year ended September 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Revenue bonds payable	$ 2,455,707	$ -	$ (17,848)	$ 2,437,859	$ 25,295
Less deferred amounts:					
For issuance costs	(22,008)	-	1,048	(20,960)	-
Total bonds payable	2,433,699	-	(16,800)	2,416,899	25,295
Notes Payable	2,015,191	-	(87,958)	1,927,233	99,629
Capital Leases	228,053	171,750	(134,955)	264,848	144,976
Compensated absences	386,448	342,840	(334,198)	395,090	153,447
Total Governmental Activities	$ 5,063,391	$ 514,590	$ (573,911)	$ 5,004,070	$ 423,347
Business-Type Activities					
Bonds Payable	$ 15,360,000	$ -	$ (1,245,000)	$ 14,115,000	$ 1,290,000
Less deferred amounts:					
For issuance costs	(292,395)	-	31,550	(260,845)	-
For loss on early retirement	(142,657)	-	39,394	(103,263)	-
For issuance discounts	(21,570)	-	2,642	(18,928)	-
Total bonds payable	14,903,378	-	(1,171,414)	13,731,964	1,290,000
Capital leases	137,590	168,099	(45,767)	259,922	93,004
Compensated absences	125,131	78,130	(74,355)	128,906	78,058
Total Business-Type Activities	$ 15,166,099	$ 246,229	$ (1,291,536)	$ 14,120,792	$ 1,461,062

For governmental activities, compensated absences are generally liquidated by the General Fund.

Discretely Presented Component Unit: The Kingsland Area Convention and Visitor's Bureau Authority long-term debt at September 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Discretely Presented Component Unit					
Comppensated absences	$ 12,510	$ 11,674	$ (7,571)	$ 16,613	$ 5,986
Total discretely Presented Component Unit	$ 12,510	$ 11,674	$ (7,571)	$ 16,613	$ 5,986

NOTE 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2012, is as follows:

	Payable Fund					
Receivable Funds	General Fund	SPLOST Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ -	$ 23,227	$ 12,718	$ -	$ 35,945
Nonmajor Governmental Funds	93	-	10,125	-	-	10,218
Water and Sewer Fund	-	-	-	-	34,252	34,252
Nonmajor Business-type Funds	41,286	-	-	-	-	41,286
	$ 41,379	$ -	$ 33,352	$ 12,718	$ 34,252	$ 121,701

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Composition of interfund transfers as of September 30, 2012, is as follows:

	Transfers Out			
Transfer In	Genral Fund	SPLOST Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 285,468	$ 285,468
SPLOST Fund	-	-	190,000	190,000
Nonmajor Governmental Funds	326,449	-	250,405	576,854
	$ 326,449	$ -	$ 725,873	$ 1,052,322

Transfers are used to (1) move revenues from the fund statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8: Fund Equity

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent which the City is bound to constraints on the specific purposes for which amounts in the funds can be spent. As of September 30, 2012, fund balances for all the major and non-major funds were distributed as follows:

	General Fund	SPLOST	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Inventories and prepaids	$ 195,890	$ -	$ -	$ 195,890
Restricted for:				
Drug forfeiture	15,989	-	16,492	32,481
Grant purposes	-	-	8,700	8,700
Debt reserve requirements	54,890	-	-	54,890
Construction and capital outlay	-	42,435	-	42,435
Assigned to:				
Kingsland Development Authority	-	-	692	692
Recenue bond	-	-	20,308	20,308
Unassigned:	309,417	-	(134,192)	175,225
Total Fund Balances	$ 576,186	$ 42,435	$ (88,000)	$ 530,621

The City's policy is to maintain a working capital reserve fund of 10% of the prior year's actual revenues.

NOTE 9: Joint Ventures

Under Georgia Law, the City, in conjunction with other cities and counties in the nine count coastal Georgia region, is a member of the Coastal Regional Commission and is required to pay annual dues thereto. The Coastal Regional Commission is one of the 16 Regional Development Centers (RDC) that cover the State of Georgia. During its year ended September 30, 2012, the City paid $15,946 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provided for the organizational structure of the RDC in Georgia. The RDC 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 an RDC. Separate financial statements may be obtained from the Coastal Regional Commission, P. O. Box 1917, Brunswick, Georgia 31521.

NOTE 10: Jointly Governed Organization

Under a contract with the Camden County Public Service Authority (the "Authority") in conjunction with the City of St. Mary's, the City of Woodbine, and Camden County, the City provided funding on an annual basis to the Authority. During the year ended September 30, 2012, the City paid the Authority $289,095. The Authority board is made up of the mayors of Kingsland and St. Mary's, and is charged with providing recreation services to all citizens of Camden County.

Separate financial statements may be obtained from the Camden County Public Service Authority, 1050 Wildcat Drive, Kingsland, Georgia 31548.

NOTE 11: Pension Plan

A. Plan Description

The City of Kingsland Retirement Plan (the Plan) is a noncontributory plan covering all full-time employees with a service period of one year or more. The Plan is administered by the Georgia Municipal Employees Benefit System (GMEBS), a state-wide, agent multiple-employer defined benefit plan. GMEBS handles all administrative and investment functions relative to the Plan. Benefits are fully vested after 5 years of service. Participants become eligible to retire at age 65, with five years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.6% of final average earnings up to a participant's amount of covered compensation, all multiplied by the participant's years of total credited service. The previous two-tiered formula (1.25% and 2%) will be grandfathered in to prevent from having a loss of benefits for those employees earning more than the dynamic break point amount of $61,884. These benefit provisions and all other requirements are established and amended by local ordinance. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GMEBS, 201 Pryor Street, SW, Atlanta, Georgia 30303.

B. Funding Policy

The City's policy is to contribute the actuarially determined amount as recommended by GMEBS. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost (including administrative expenses), 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1982 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). These amortization periods, if applicable, are closed for this plan year.

The recommended contributions under this policy for 2012 and 2011 are shown below:

	2012	2011
Normal Costs		
Plan Benefits	$ 456,052	$ 442,629
Administrative Expenses	20,191	19,893
Amortization of the Unfunded Actuarial Accrued Liability	228,104	238,960
Covered Payroll	744,903	741,873
Recommended Contribution as a Percentage of Covered Payroll	11.55%	11.74%

The above contributions exceed the estimated minimum annual contribution under Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

C. Annual Pension Cost

For the fiscal year ended September 30, 2012, the City's annual pension cost and actual contribution was $741,873. Recommended contributions of $744,903 and $741,873 were determined as part of the January 1, 2012 and 2011 actuarial valuations, respectively. The January 1, 2012 actuarial required contribution payments will be funded during the City's fiscal year 2013.

Valuation Date	January 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases with a net effective amortization period of 10 years.
	assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010. 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20 % of market value for 2014 and later years.
Actuarial Assumptions	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.50% plus age and service based merit increases
Cost of Living Adjustments	3.00%

D. Trend Information

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below:

Fiscal Period Ending	Pension Cost	Annual Pension Cost Contributed	Net Pension Obligation
9/30/2010	$ 604,024	100%	$ -
9/30/2011	705,288	100%	-
9/30/2012	741,873	100%	-

E. Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was 78.73% funded. The actuarial accrued liability for benefits was $7,631,081 and the actuarial value of the assets was $6,007,918 resulting in an unfunded actuarial liability (UAAL) of $1,623,163. The covered payroll (annual payroll of active employees covered by the plan was $6,285,312, and the ratio of the UAAL to the covered payroll was 25.82%).

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 12: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", no assets or liabilities of the City's Deferred Compensation Plan are included in the City's financial statements.

NOTE 13: Commitments and Contingencies

Litigation:

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowance, if any, will not be significant.

NOTE 14: Risk Management

The City is exposed to various risks or losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with the other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the City's insurance coverage.

The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities on such claims are immaterial and are not accrued.

NOTE 15: Hotel/Motel Lodging Tax

The City has levied a 6% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The City collected $731,970 in hotel/motel tax for the year ending September 30, 2012. Of the total amount collected, the City expended $322,067 or 44% for the promotion of tourism, $124,435 or 17% for the construction of a facility for visitor center purposes and $285,468, or 39% for general government needs.

NOTE 16: Subsequent Events

Events that occur after the net assets date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the net assets date require disclosure in the accompanying notes. Management evaluated the activity of the City through March 19, 2013 and concluded that there were no subsequent to events that needed to be disclosed.



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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Taxes	$ 6,904,500	$ 7,329,720	$ 7,403,665	$ 73,945
License and permits	301,500	304,500	256,721	(47,779)
Intergovernmental	119,500	119,500	120,202	702
Charges for services	68,500	47,800	62,200	14,400
Fines and forfeitures	2,085,000	1,985,000	1,426,817	(558,183)
Investment	700	700	1,222	522
Miscellaneous	277,200	277,200	96,767	(180,433)
Total revenues	9,756,900	10,064,420	9,367,594	(696,826)
Expenditures				
Current:				
General government				
Administration	943,965	963,965	954,829	9,136
Finance	251,190	252,380	251,713	667
Total general government	1,195,155	1,216,345	1,206,542	9,803
Judicial				
Municipal Court	800,324	797,203	593,614	203,589
Total judicial	800,324	797,203	593,614	203,589
Public safety:				
Police deparment	2,934,996	2,954,996	2,930,241	24,755
Fire department	1,884,886	1,927,462	1,877,340	50,122
Total public safety	4,819,882	4,882,458	4,807,581	74,877
Public works:				
Public works	1,661,686	1,714,686	1,700,910	13,776
Fleet services	360,997	355,709	325,014	30,695
Total public works	2,022,683	2,070,395	2,025,924	44,471
Housing and development:				
Protective inspection	513,349	511,519	503,286	8,233
Economic development	164,040	168,635	167,179	1,456
Total housing and development	677,389	680,154	670,465	9,689
Capital Outlay	170,000	178,200	195,892	(17,692)
Total current expenditures	9,685,433	9,824,755	9,500,018	324,737
Excess (deficiency) of revenues over expenditures	71,467	239,665	(132,424)	(372,089)

CITY OF KINGSLAND, GEORGIA
BUDEGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 253,500	$ 282,750	$ 285,468	$ 2,718
Transfers out	(316,790)	(327,623)	(326,449)	(1,174)
Sale of capital assets	25,000	25,000	8,848	(16,152)
Capital lease proceeds	160,000	167,000	171,750	4,750
Total other financial sources (uses)	121,710	147,127	139,617	(9,858)
Net change in fund balances	193,177	386,792	7,193	(379,599)
Fund balances, beginning of year	568,993	568,993	568,993	-
Fund balances, end of year	$ 762,170	$ 955,785	$ 576,186	$ (379,599)

CITY OF KINGSLAND, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2012

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The level of budgetary control (the level at which expenditures may not exceed appropriations) is at the department level.

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended September 30, 2012, the following supplemental appropriations and decreases were approved.

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General Fund	$ 10,002,223	$ 150,155	$ -	$ 10,152,378

CITY OF KINGSLAND, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Accrued Liability as a Percentage of Covered Payroll
3/1/2005	$ 2,910,114	$ 3,132,795	$ 222,681	92.89%	$ 3,203,425	6.95%
3/1/2006	3,205,765	3,418,185	212,420	93.79%	3,828,192	5.55%
3/1/2007	3,511,533	3,727,088	215,555	94.22%	4,047,679	5.33%
3/1/2008	3,910,817	4,352,965	442,148	89.84%	4,701,234	9.40%
3/1/2009	3,432,340	5,498,984	2,066,644	62.42%	5,524,989	37.41%
1/1/2010	4,624,711	6,398,250	1,773,539	72.28%	6,199,577	28.61%
1/1/2011	5,254,388	7,020,621	1,766,233	74.84%	6,158,710	28.68%
1/1/2012	6,007,918	7,631,081	1,623,163	68.86%	6,285,312	25.82%



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COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION



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Non-Major Funds

Non-Major Governmental Funds

Special Revenue Funds:

The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than expendable trust, or for major capital projects) that are legally restricted to expenditure for specified purposes.

The Drug Forfeiture Fund was established to account for cash received either as a result of a cash confiscation or from the sale of capital assets acquired from a drug raid.

The Revolving Loan Fund was established to account for cash and cash payments regarding loans paid by the City.

The Kingsland Development Authority Fund is used to account for the blended component unit activity related to financing the construction of the City's public buildings.

The Multiple Grant Fund was established to account for various grant proceeds as well as the expenditures associated with the grants.

The Grant Fund was established to account for grant proceeds and expenditures from Georgia Department of Transportation. It also is used to account for grant proceeds of the Energy Efficiency and Conservation Block Grant (EECBG) from the U.S. Department of Energy (DOE) program funding and that Georgia Environmental Facility Authority (GEFA) as well as the use of the GEFA EECBG funds based on an intergovernmental agreement between City of Kingsland, the City of St. Marys, the City of Woodbine, Camden County and the Camden County Public Service Authority.

The Hotel/Motel Tax Fund was established to account for the tax revenues collected from the hotels/motels in the City and to track the expenditures associated with those revenues.

Capital Project Fund:

The **Welcome Center Fund** was established to account for the construction activity of the Welcome Center that was completed during fiscal year 2008 and placed in service.

Debt Service Funds:

The Revenue Bond Fund was established to account for the principal and interest bond payments on the Series 1991 Revenue Bonds issued for the renovation and equipping of the old Camden Hotel within the City.

The Debt Service Fund was established to account for the accumulation of resources and payments of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest for special assessment levies when the government is obligated in some manner for the payment.

CITY OF KINGSLAND, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds						Capital Project Fund	Debt Services Fund		
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Multiple Grant Fund	Grant Fund	Hotel/Motel Tax Fund	Welcome Center Fund	Revenue Bond Fund	Debt Service Fund	Total
Assets										
Cash and investments	$ 28,651	$ -	$ 692	$ 1,994	$ 5,708	$ -	$ -	$ 10,183	$ -	$ 47,228
Receivables	-	-	-	24,210	2,969	59,557	-	-	-	86,736
Due from other funds	-	-	-	93	-	-	-	10,125	-	10,218
Total assets	28,651	-	692	26,297	8,677	59,557	-	20,308	-	144,182
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	2,496	9,663	-	8,757	-	-	134,192	-	-	155,108
Due to other funds	-	-	-	-	-	33,352	-	-	-	33,352
Due to other governments	-	-	-	-	-	26,205	-	-	-	26,205
Deferred revenue	-	-	-	17,517	-	-	-	-	-	17,517
Total liabilities	2,496	9,663	-	26,274	-	59,557	134,192	-	-	232,182
Fund balances:										
Restricted	26,155	(9,663)	-	23	8,677	-	-	-	-	25,192
Assigned	-	-	692	-	-	-	-	20,308	-	21,000
Unassigned	-	-	-	-	-	-	(134,192)	-	-	(134,192)
Total fund balances	26,155	(9,663)	692	23	8,677	-	(134,192)	20,308	-	(88,000)
Total liabilities and fund balances	$ 28,651	$ -	$ 692	$ 26,297	$ 8,677	$ 59,557	$ -	$ 20,308	$ -	$ 144,182

CITY OF KINGSLAND, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds						Capital Project Fund	Debt Services Fund		
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Multiple Grant Fund	Grant Fund	Hotel/Motel Tax Fund	Welcome Center Fund	Revenue Bond Fund	Debt Service Fund	Total
Revenues										
Taxes	$ -	$ -	$ -	$ -	$ -	$ 731,970	$ -	$ -	$ -	$ 731,970
Intergovernmental	-	-	-	37,290	529,582	-	-	-	-	566,872
Investment	101	-	5	-	-	-	-	-	-	106
Miscellaneous	3,413	9,958	-	-	-	-	-	-	-	13,371
Total revenues	3,514	9,958	5	37,290	529,582	731,970	-	-	-	1,312,319
Expenditures										
Current:										
Public safety	6,396	-	-	48,164	-	-	-	-	-	54,560
Intergovermental	-	19,621	-	-	330,905	322,067	-	-	-	672,593
Debt Service:										
Principal	-	-	-	-	-	-	-	17,848	222,913	240,761
Interest and other charges	-	-	-	-	-	-	-	114,152	95,158	209,310
Total expenditures	6,396	19,621	-	48,164	330,905	322,067	-	132,000	318,071	1,177,224
Excess (deficiency) of revenues over expenditures	(2,882)	(9,663)	5	(10,874)	198,677	409,903	-	(132,000)	(318,071)	135,095
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	123,474	10,874	-	-	-	124,435	318,071	576,854
Transfers out	(2,496)	-	(123,474)	-	(190,000)	(409,903)	-	-	-	(725,873)
Total other financing sources and uses	(2,496)	-	-	10,874	(190,000)	(409,903)	-	124,435	318,071	(149,019)
Net changes in fund balance	(5,378)	(9,663)	5	-	8,677	-	-	(7,565)	-	(13,924)
Fund balances - beginning	31,533	-	687	23	-	-	(134,192)	27,873	-	(74,076)
Fund balances - ending	$ 26,155	$ (9,663)	$ 692	$ 23	$ 8,677	$ -	$ (134,192)	$ 20,308	$ -	$ (88,000)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - DRUG FORFEITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 25,000	$ 25,000	$ 3,413	$ (21,587)
Interest income	-	-	101	101
TOTAL REVENUES	25,000	25,000	3,514	(21,486)
EXPENDITURES				
Current				
Public safety	25,000	25,000	6,396	18,604
TOTAL EXPENDITURES	25,000	25,000	6,396	18,604
Excess revenues over (under) expenditures	-	-	(2,882)	(2,882)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(2,496)	2,496
Total other financing (uses)	-	-	(2,496)	2,496
Net change in fund balance	-	-	(5,378)	(5,378)
Fund balance at beginning of year	31,533	31,533	31,533	-
Fund balance at end of year	$ 31,533	$ 31,533	$ 26,155	$ (5,378)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - REVOLVING LOAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Miscellaneous	$ 9,959	$ 9,959	$ 9,958	$ (1)
TOTAL REVENUES	9,959	9,959	9,958	(1)
EXPENDITURES				
Current				
Intergovernmental	6,485	6,485	19,621	(13,136)
TOTAL EXPENDITURES	6,485	6,485	19,621	(13,136)
Excess revenues over (under) expenditures	3,474	3,474	(9,663)	(13,137)
Total other financing (uses)	3,474	3,474	(9,663)	(13,137)
Net change in fund balance	3,474	3,474	(9,663)	(13,137)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ 3,474	$ 3,474	$ (9,663)	$ (13,137)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - KINGSLAND DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Interest income	$ -	$ -	$ 5	$ 5
TOTAL REVENUES	-	-	5	5
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
Excess revenues over (under) expenditures	-	-	5	5
OTHER FINANCING SOURCES (USES)				
Transfers out	(105,000)	(123,500)	(123,474)	(26)
Transfers in	105,000	123,500	123,474	(26)
Total other financing (uses)	-	-	-	-
Net change in fund balance	-	-	5	5
Fund balance at beginning of year	687	687	687	-
Fund balance at end of year	$ 687	$ 687	$ 692	$ 5

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - MULTIPLE GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 526,985	$ 41,162	$ 37,290	$ (3,872)
Miscellaneous	30,000	-	-	-
TOTAL REVENUES	556,985	41,162	37,290	(3,872)
EXPENDITURES				
Current				
Public safety	566,510	45,350	48,164	(2,814)
TOTAL EXPENDITURES	566,510	45,350	48,164	(2,814)
Excess revenues over (under) expenditures	(9,525)	(4,188)	(10,874)	(6,686)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,525	4,188	10,874	6,686
Total other financing (uses)	9,525	4,188	10,874	6,686
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	23	23	23	-
Fund balance at end of year	$ 23	$ 23	$ 23	$ -

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 661,510	$ 251,510	$ 529,582	$ 278,072
TOTAL REVENUES	661,510	251,510	529,582	278,072
EXPENDITURES				
Current				
Intergovernmental	661,510	251,510	330,905	(79,395)
TOTAL EXPENDITURES	661,510	251,510	330,905	(79,395)
Excess revenues over (under) expenditures	-	-	198,677	198,677
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(190,000)	190,000
Total other financing (uses)	-	-	(190,000)	190,000
Net change in fund balance	-	-	8,677	8,677
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ 8,677	$ 8,677

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - HOTEL/MOTEL TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 650,000	$ 725,000	$ 731,970	$ 6,970
TOTAL REVENUES	650,000	725,000	731,970	6,970
EXPENDITURES				
Current				
Intergovernmental	286,000	319,000	322,067	(3,067)
TOTAL EXPENDITURES	286,000	319,000	322,067	(3,067)
Excess revenues over (under) expenditures	364,000	406,000	409,903	3,903
OTHER FINANCING SOURCES (USES)				
Transfers Out	(364,000)	(406,000)	(409,903)	(3,903)
Total other financing (uses)	(364,000)	(406,000)	(409,903)	(3,903)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND - REVENUE BOND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Original	Final	Actual	Variance with Final Budget
REVENUES				
TOTAL REVENUES	$ 21,500	$ 8,750	$ -	$ (8,750)
EXPENDITURES				
Debt service				
Principal	19,873	19,873	17,848	2,025
Interest and other charges	112,127	112,127	114,152	(2,025)
TOTAL EXPENDITURES	132,000	132,000	132,000	-
Excess revenues over (under) expenditures	(110,500)	(123,250)	(132,000)	(8,750)
OTHER FINANCING SOURCES (USES)				
Transfers In	110,500	123,250	124,435	1,185
Total other financing sources	110,500	123,250	124,435	1,185
Net change in fund balance	-	-	(7,565)	(7,565)
Fund balance at beginning of year	27,873	27,873	27,873	-
Fund balance at end of year	$ 27,873	$ 27,873	$ 20,308	$ (7,565)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
TOTAL REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt service				
Principal	307,265	218,325	222,913	(4,588)
Interest and other charges	-	99,773	95,158	4,615
TOTAL EXPENDITURES	307,265	318,098	318,071	27
Excess revenues over (under) expenditures	(307,265)	(318,098)	(318,071)	27
OTHER FINANCING SOURCES (USES)				
Transfers In	307,265	318,098	318,071	(27)
Total other financing sources	307,265	318,098	318,071	(27)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT-
CONVENTION AND VISITOR'S BUREAU
SEPTEMBER 30, 2012

ASSETS	
Due from other governments	$ 26,205
Prepaid items	709
Total assets	$ 26,914
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 3,270
Accrued liabilities	3,578
Total liabilities	6,848
Fund balances:	
Unassigned	20,066
Total fund balances	20,066
Total liabilities and fund balances	$ 26,914
Total fund balance, descretely presented component unit	$ 20,066
Amounts reported for discretely presented component unit in the Statement of Net Assets are different because	
Some liabilities, (such as Compensated Absences), are not due and payable in the current period and are not included in the fund financial statement, but are included in the discretely presented component unit of the Statement of Net Assets. See the Long-Term debt note.	(16,613)
Net Assets of the Discretely Presented Component Unit in the Statement of Net Assets	$ 3,453

CITY OF KINGSLAND, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT-
CONVENTION AND VISITOR'S BUREAU
FOR THE YEAR ENDED SEPTEMBER 30, 2012

REVENUES	
Intergovernmental	$ 322,067
Miscellaneous	43,174
Total revenues	365,241
EXPENDITURES	
Current:	
Housing and development	322,323
Total expenditures	322,323
Excess (deficiency) of revenues over expenditures	42,918
Net change in fund balances	42,918
Fund balances - beginning	(22,852)
Fund balances - ending	$ 20,066
Net change in fund balance - discretely presented component unit:	42,918
Amounts reported for Discretely Presented Component Units in the Statement of Activities are different because:	
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in the discretely presented component unit fund:	
Compensated absences	(4,103)
Change in net assets of discretely presented component unit statement of activities	$ 38,815

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DISCRETELY PRESENTED COMPONENT UNIT-
CONVENTION AND VISITOR'S BUREAU
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 286,000	$ 319,000	$ 322,067	$ 3,067
Miscellaneous	42,857	42,857	43,174	317
TOTAL REVENUES	328,857	361,857	365,241	3,384
EXPENDITURES				
Current				
Housing and development	328,818	325,442	322,323	3,119
TOTAL EXPENDITURES	328,818	325,442	322,323	3,119
Excess revenues over (under) expenditures				
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net change in fund balance	39	36,415	42,918	6,503
Fund balance at beginning of year	(22,852)	(22,852)	(22,852)	-
Fund balance at end of year	$ (22,813)	$ 13,563	$ 20,066	$ 6,503



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COMMENT RELATIVE TO STATISTICAL SECTION

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



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CITY OF KINGSLAND, GEORGIA

STATISTICAL SECTION

This part of the City of Kingsland's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	79
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	87
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	92
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	98
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	101

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in FY2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year. The City implemented GASB 54 in FY2011.

Note: Unless otherwise noted, the financial information in these schedules do not include the City's discretely presented component units.

City of Kingsland, Georgia
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Years									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Governmental Activities[1,2]										
Invested in capital assets, net of related debt	$ -	$ 4,166,034	$ 5,371,343	$ 7,326,403	$ 11,534,744	$ 15,996,862	$ 16,852,160	$ 20,854,273	$ 21,866,711	$ 21,226,848
Restricted	-	-	-	14,127	14,127	14,127	-	-	70,440	157,415
Unrestricted	-	117,387	559,999	1,151,749	(201,551)	(445,218)	731,030	473,901	639,879	284,571
Total governmental activities net assets	$0	$4,283,421	$5,931,342	$8,492,279	$11,347,320	$15,565,771	$17,583,190	$21,328,174	$22,577,030	$21,668,834
Business-type activities										
Invested in capital assets, net of related debt	$ (535,754)	$ 2,924,537	$ 2,701,057	$ 3,026,506	$ 4,951,306	$ 13,269,838	$ 12,948,278	$ 14,644,306	$ 14,506,473	$ 12,257,452
Restricted	970,931	969,097	1,669,467	2,684,545	-	-	-	-	-	-
Unrestricted	5,203,375	1,958,602	2,417,301	2,691,991	5,642,765	(968,480)	1,119,640	938,136	1,292,093	3,428,480
Total business-type activities net assets	$5,638,552	$5,852,236	$6,787,825	$8,403,042	$10,594,071	$12,301,358	$14,067,918	$15,582,442	$15,798,566	$15,685,932
Primary government										
Invested in capital assets, net of related debt	$ (535,754)	$ 7,090,571	$ 8,072,400	$ 10,352,909	$ 16,486,050	$ 29,266,700	$ 29,800,438	$ 35,498,579	$ 36,373,184	$ 33,484,300
Restricted	970,931	969,097	1,669,467	2,698,672	14,127	14,127	-	-	70,440	157,415
Unrestricted	5,203,375	2,075,989	2,977,300	3,843,740	5,441,214	(1,413,698)	1,850,670	1,412,037	1,931,972	3,713,051
Total primary government net assets	$5,638,552	$10,135,657	$12,719,167	$16,895,321	$21,941,391	$27,867,129	$31,651,108	$36,910,616	$38,375,596	$37,354,766

[1] Governmental Activities were not available on the accrual basis until FY 2004 with the implementation of GASB 34.

[2] Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2009 as a blended component unit, beginning in FY 2010 and forward CVB is shown as a discretely presented component unit. A prior period adjustment was done in FY2010 reflecting the presentation change of the CVB. Therefore, beginning in FY10 CVB is not reflected in the statistical data.

CITY OF KINGSLAND, GEORGIA
CHANGE IN NET ASSETS
LAST TEN YEARS
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental Activities: [1]										
General government	$ -	$ 912,719	$ 1,076,474	$ 1,131,879	$ 1,374,233	$ 1,679,263	$ 1,536,012	$ 1,341,785	$ 1,392,414	$ 1,311,326
Judicial	-	299,996	290,431	409,137	502,505	433,491	468,914	586,457	720,472	593,966
Public Safety	-	3,417,634	3,407,182	3,837,977	4,194,251	4,693,818	4,998,687	4,923,349	5,232,678	5,234,857
Public Works	-	1,799,880	1,742,406	1,903,194	2,267,822	2,304,912	2,759,855	2,834,467	2,867,912	2,793,005
Culture and recreation [2]	-	-	-	226,909	-	-	-	-	-	-
Housing & development	-	433,372	495,873	336,617	712,478	1,012,135	1,112,641	764,028	725,654	730,052
Intergovernmental	-	-	-	-	-	-	-	294,782	292,298	632,291
Interest on LT debt	-	64,627	51,672	44,506	210,512	241,953	228,773	249,123	229,995	334,323
Total government activities expenses	$ -	$ 6,928,228	$ 7,064,038	$ 7,890,219	$ 9,261,801	$ 10,365,572	$ 11,104,882	$ 10,993,991	$ 11,461,423	$ 11,629,820
Business-type activities:										
Water and Sewer	2,918,866	3,583,319	3,847,788	5,583,697	4,919,199	5,225,681	5,504,659	5,601,873	5,884,614	5,640,757
Solid Waste	487,115	567,810	599,463	606,353	744,141	796,166	798,420	711,315	818,472	822,268
Total business-type activities expenses	$ 3,405,981	$ 4,151,129	$ 4,447,251	$ 6,190,050	$ 5,663,340	$ 6,021,847	$ 6,303,079	$ 6,313,188	$ 6,703,086	$ 6,463,025
Total primary government expenses	$ 3,405,981	$ 11,079,357	$ 11,511,289	$ 14,080,269	$ 14,925,141	$ 16,387,419	$ 17,407,961	$ 17,307,179	$ 18,164,509	$ 18,092,845
Program Revenues										
Governmental activities: [1]										
Charges for services:										
General government	$ -	$ 493,766	$ 672,407	$ 307,960	$ 274,278	$ 425,531	$ 491,971	$ 403,994	$ 465,758	$ 260,265
Judicial	-	824,415	673,474	1,004,019	1,161,617	983,624	933,788	1,425,213	1,540,533	1,430,229
Public Safety	-	210,792	217,582	242,744	186,041	188,477	188,772	38,196	122,751	44,476
Public Works	-	11,620	4,280	3,515	12,010	15,460	7,090	-	-	-
Housing & development	-	22,537	48,210	574,816	492,045	332,524	177,901	-	-	-
Operating grants & contr.	-	60,078	132,152	21,801	46,765	409,707	45,644	226,683	266,774	569,802
Capital grants & contr.	-	245,022	411,922	1,063,432	1,535,072	10,495	1,955,132	2,223,119	2,100,531	152,971
Total gov't activities program revenues	$ -	$ 1,868,230	$ 2,160,027	$ 3,218,287	$ 3,707,828	$ 2,365,818	$ 3,800,298	$ 4,317,205	$ 4,496,347	$ 2,457,743
Business-type activities:										
Charges for services:										
Water/Sewer	3,067,328	3,991,402	4,502,822	5,756,344	6,165,278	5,692,975	4,828,346	5,065,254	5,609,536	5,267,971
Solid Waste	510,830	543,781	627,212	665,205	816,014	865,576	854,220	863,611	862,256	874,997
Capital grants & contr.	-	-	-	1,270,474	617,744	-	2,251,972	1,779,465	383,000	-
Total business-type activities program revenues	$ 3,578,158	$ 4,535,183	$ 5,130,034	$ 7,692,023	$ 7,599,036	$ 6,558,551	$ 7,934,538	$ 7,708,330	$ 6,854,792	$ 6,142,968
Total primary government program revenues	$ 3,578,158	$ 6,403,413	$ 7,290,061	$ 10,910,310	$ 11,306,864	$ 8,924,369	$ 11,734,836	$ 12,025,535	$ 11,351,139	$ 8,600,711
Net (expense)/revenue										
Governmental activities	-	(5,059,998)	(4,904,011)	(4,671,932)	(5,553,973)	(7,999,754)	(7,304,584)	(6,676,786)	(6,965,076)	(9,172,077)
Business-type activities	172,177	384,054	682,783	1,501,973	1,935,696	536,704	1,631,459	1,395,142	151,706	(320,057)
Total primary government net expense	$ 172,177	$ (4,675,944)	$ (4,221,228)	$ (3,169,959)	$ (3,618,277)	$ (7,463,050)	$ (5,673,125)	$ (5,281,644)	$ (6,813,370)	$ (9,492,134)

CITY OF KINGSLAND, GEORGIA
CHANGE IN NET ASSETS
LAST TEN YEARS
(accrual basis of accounting)

General Revenues and Other											
Governmental activities:											
Taxes:											
Property taxes	$ -	$ 1,851,878	$ 2,126,596	$ 2,380,159	$ 4,000,895	$ 4,716,671	$ 5,280,865	$ 5,355,372	$ 5,400,913	$ 4,700,654	
Sales taxes	-	1,659,322	2,799,417	2,841,143	5,066,681	7,337,901	3,105,910	3,763,107	1,440,061	1,487,010	
Other taxes	-	1,681,471	1,782,066	1,930,362	807,080	828,086	828,240	901,410	930,582	1,839,115	
Unrestricted grants & contri.	-	-	-	-	12,350	86,686	20,815	329,193	325,411	120,202	
Unrestricted invest. earnings	-	8,069	18,393	80,442	156,778	95,647	7,155	1,331	984	1,328	
Miscellaneous	-	-	-	-	93,134	78,303	78,587	112,834	115,981	115,572	
Transfers	-	200,000	(174,540)	763	413	(925,089)	431	-	-	-	
Total governmental activities	$ -	$ 5,400,740	$ 6,551,932	$ 7,232,869	$ 10,137,331	$ 12,218,205	$ 9,322,003	$ 10,463,247	$ 8,213,932	$ 8,263,881	
Business-type activities:											
Investment earnings	35,978	29,630	78,266	114,007	255,746	241,933	108,377	65,948	32,522	23,328	
Investment expense	(360,143)	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	3,562	27,155	53,434	31,899	184,095	
Transfers	-	(200,000)	174,540	(763)	(413)	925,089	(431)	-	-	-	
Total business-type activiites	$ (324,165)	$ (170,370)	$ 252,806	$ 113,244	$ 255,333	$ 1,170,584	$ 135,101	$ 119,382	$ 64,421	$ 207,423	
Total primary government	$ (324,165)	$ 5,230,370	$ 6,804,738	$ 7,346,113	$ 10,392,664	$ 13,388,789	$ 9,457,104	$ 10,582,629	$ 8,278,353	$ 8,471,304	
Changes in Net Assets											
Governmental activiities	$ -	$ 340,742	$ 1,647,921	$ 2,560,937	$ 4,583,358	$ 4,218,451	$ 2,017,419	$ 3,786,461	$ 1,248,856	$ (908,196)	
Business-type activities	(151,988)	213,684	935,589	1,615,217	2,191,029	1,707,288	1,766,560	1,514,524	216,127	(112,634)	
Total primary government	$ (151,988)	$ 554,426	$ 2,583,510	$ 4,176,154	$ 6,774,387	$ 5,925,739	$ 3,783,979	$ 5,300,985	$ 1,464,983	$ (1,020,830)	

[1] Governmental Activities were not available on the accrual basis until FY 2004 with the implementation of GASB 34.

2 In FY 2006 Culture and recreation was shown separately; however, it is shown in Housing & Development in all other years.

Note: Beginning in FY 2010 Convention and Visitor's Bureau Fund (Tourism) is shown as a discretely presented Component Unit and is not presented in the statistical tables.

Note: Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2009 as a blended component unit, beginning in FY 2010 and forward CVB is shown as a discretely presented component unit. A prior period adjustment was done in FY2010 reflecting the presentation change of the CVB. Beginning in FY10 CVB is not reflected in the statistical data.



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City of Kingsland, Georgia
Program Revenues by Function/Program
Last Eight Fiscal Years[1]

(accrual basis of accounting)

Function/Program	Program Revenues 2004	2005	2006	2007	2008
Governmental activities:					
General government	$ 502,943	$ 1,038,907 [2]	$ 307,960 [2]	$ 274,278	$ 527,194
Judicial	824,415	673,474	1,004,019 [2]	1,161,617	983,624
Public Safety	328,120	355,336	573,861 [2]	207,806	198,019
Public Works	188,715	44,100	752,560 [2]	1,547,082	324,457
Housing and development	24,037	48,210	579,887 [2]	517,045	332,524
Subtotal governmental activities	1,868,230	2,160,027	3,218,287	3,707,828	2,365,818
Business-type activities:					
Water and sewer	3,991,402	4,502,822	7,026,818 [2]	6,783,022	5,692,975
Solid waste	543,781	627,212	665,205	816,014	865,576
Subtotal business-type activities	4,535,183	5,130,034	7,692,023	7,599,036	6,558,551
Total primary government	$ 6,403,413	$ 7,290,061	$ 10,910,310	$ 11,306,864	$ 8,924,369

Function/Program	Program Revenues 2009	2010	2011	2012
Governmental activities:				
General government	$ 511,348	$ 403,994	$ 587,259	$ 792,777
Judicial	933,788	1,425,213	1,540,533	1,430,229
Public Safety	215,039	232,123	268,024	81,766
Public Works	1,962,222	2,223,119	392,681	
Housing and development	177,901	32,756	-	-
Subtotal governmental activities	3,800,298	4,317,205	2,788,497	2,304,772
Business-type activities:				
Water and sewer	7,080,318	6,844,719	5,992,536	5,267,971
Solid waste	854,220	863,611	862,256	874,997
Subtotal business-type activities	7,934,538	7,708,330	6,854,792	6,142,968
Total primary government	$ 11,734,836	$ 12,025,535	$ 9,643,289	$ 8,447,740

[1] GASB 34 was implemented in FY 2004; therefore previous years are not shown here.

[2] The fluctuations in revenues are due to amounts related to operating and capital grants.

Note: Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2009 as a blended component unit, beginning in FY 2010 and forward CVB is shown as a discretely presented component unit. A prior period adjustment was done in FY2010 reflecting the presentation change of the CVB. Beginning in FY10 CVB is not reflected in the statistical data.

City of Kingsland, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Fund[3]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved[1]	(230,463)	223,838	668,508	1,467,745	1,812,415	1,353,608	669,333	635,933	-	-
Nonspendable									201,652	195,890
Restricted									70,440	70,879
Assigned									-	-
Unassigned	-	-	-	-	-	-	-	-	296,901	309,417
Total general fund	($230,463)	$223,838	$668,508	$1,467,745	$1,812,415	$1,353,608	$669,333	$635,933	$568,993	$576,186
All Other Governmental Funds[3]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved reported in:										
Special revenue funds[2]	37,801	(5,600)	(54,225)	(56,142)	(1,551,647)	(1,578,813)	90,122	46,795	-	-
Capital projects funds	210,657	(20,728)	36,608	(117,807)	53,204	(72,917)	(1,311,292)	(1,449,649)	-	-
Debt service funds	-	-	-	-	-	56,633	60,047	46,940	-	-
Restricted										
Special revenue funds									31,556	25,192
Capital projects funds									42,435	42,435
Assigned										
Special revenue funds									687	692
Debt service funds									27,873	20,308
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	-	(134,192)	(134,192)
Total all other governmental funds	$ 248,458	$ (26,328)	$ (17,617)	$ (173,949)	$ (1,498,443)	$ (1,595,097)	$ (1,161,123)	$ (1,355,914)	$ (31,641)	$ (45,565)

[1] The substantial increase in unreserved GF fund balance beginning in 2004 is mostly attributed to Other Financing Sources; such as, transfers and captial lease revenue. The remaining increase is attributed to a gradual increase in the excess of revenues under expenditures.

[2] The substantial decrease in Special Revenue unreserved fund balance in FY07 is attibuted to Kingsland Development Authority being classified as a Special Revenue fund. In previous years it was an enterprise fund until the golf course was sold.

3 Beginning in FY 2011, fund balance is presented under GASB 54 guidelines.

Note: Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2009 as a blended component unit, beginning in FY 2010 and forward CVB is shown as a discretely presented component unit. A prior period adjustment was done in FY2010 reflecting the presentation change of the CVB. Beginning in FY10 CVB is not reflected in the statistical data.

City of Kingsland, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Revenues										
Taxes	$ 1,602,881	$ 1,872,614	$ 2,148,132	$ 2,384,976	$ 2,658,410	$ 3,320,876	$ 3,372,885	$ 3,488,649	$ 3,571,344	$ 3,751,476
Sales taxes	1,842,700	$ 1,659,322	$ 2,799,417	$ 2,841,143	5,066,682	7,337,901	3,105,910	3,763,107	3,147,911	$ 1,639,980
Other taxes	1,617,398	1,681,471	1,773,991	1,930,362	2,139,301	2,226,571	2,664,753	2,549,291	2,575,359	2,897,149
Licenses and permits	300,923	383,451	542,845	667,877	577,916	492,631	347,070	279,963	331,208	$ 256,721
Intergovernmental	1,359,516	305,100	185,649	351,948	158,245	748,701	547,230	831,004	604,866	$ 687,074
Charges for services	329,756	361,465	326,905	353,473	262,299	154,983	174,975	55,432	148,999	$ 62,200
Fines and forfeitures	761,980	803,282	709,001	1,025,693	1,186,645	1,046,240	966,013	1,573,636	1,680,470	$ 1,426,817
Interest	5,032	8,069	18,393	80,442	156,778	95,647	7,155	1,331	984	$ 1,328
Miscellaneous	44,194	14,932	37,202	55,251	93,134	77,758	78,587	106,483	102,257	$ 110,137
Total revenues	7,864,380	7,089,706	8,541,535	9,691,165	12,299,409	15,501,308	11,264,578	12,648,896	12,163,398	10,832,882
Expenditures										
General government	$ 1,529,800	$ 879,066	$ 901,544	$ 1,033,884	$ 1,148,649	$ 1,250,800	$ 1,305,658	$ 1,261,296	$ 1,209,454	$ 1,206,542
Judicial	-	300,194	289,864	408,639	502,505	433,491	472,792	586,307	719,891	593,614
Public Safety	2,658,753	3,250,093	3,098,951	4,001,055	4,246,142	4,652,027	5,284,695	4,726,508	5,014,761	4,862,140
Public works	1,239,765	1,447,100	1,607,456	1,751,576	1,893,069	2,058,369	2,197,624	2,001,532	2,016,085	2,025,924
Housing & development	-	428,068	814,610	336,021	698,503	1,011,605	1,051,907	692,788	658,919	670,465
Culture and recreation	228,495	-	-	242,328	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	294,782	413,799	632,291
Capital outlay	1,807,509	648,233	1,021,496	1,189,852	5,443,979	5,309,793	3,423,522	2,508,604	140,113	579,164
Debt service:										
Principal	266,185	294,198	325,716	328,204	181,247	195,291	445,853	506,484	505,405	240,761
Interest	99,744	67,613	54,804	45,550	237,231	230,799	223,253	247,880	229,389	209,310
Total expenditures	7,830,251	7,314,565	8,114,441	9,337,109	14,351,325	15,142,175	14,405,304	12,826,181	10,907,816	11,020,211
Excess of revenues over (under) expenditures	34,129	(224,859)	427,094	354,056	(2,051,916)	359,133	(3,140,726)	(177,285)	1,255,582	(187,329)
Other Financing Sources (Uses):										
Capital lease proceeds	41,350	204,373	26,287	288,086	300,000	-	507,894	-	-	171,750
Long-term debt proceeds	-	-	-	-	2,500,000	-	2,382,100	-	-	-
Sale of capital assets	-	-	-	-	-	10,495	-	-	1,750	8,848
Transfers in	1,531,353	1,255,023	1,150,106	940,970	3,656,681	1,526,525	1,560,819	1,443,036	1,106,959	1,052,322
Transfers out	(1,531,353)	(1,055,023)	(1,150,106)	(940,207)	(3,656,268)	(2,451,614)	(1,560,388)	(1,443,036)	(1,106,959)	(1,052,322)
Total other financing sources (uses)	41,350	404,373	26,287	288,849	2,800,413	(914,594)	2,890,425	-	1,750	180,598
Net change in fund balance	$ 75,479	$ 179,514	$ 453,381	$ 642,905	$ 748,497	$ (555,461)	$ (250,301)	$ (177,285)	$ 1,257,332	$ (6,731)
Debt service as a percentage of non-capital expenditures	6.08%	5.45%	5.86%	4.95%	4.79%	4.38%	6.42%	7.68%	6.92%	4.31%

Note: Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2009 as a blended component unit, beginning in FY 2010 and forward CVB is shown as a discretely presented component unit. A prior period adjustment was done in FY2010 reflecting the presentation change of the CVB. Beginning in FY10 CVB is not reflected in the statistical data.



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City of Kingsland, Georgia
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property [1]	Sales Tax [2]	Occupancy	Other	Total
2003	1,602,881	1,842,700	552,584	1,064,814	5,062,979
2004	1,872,614	1,659,322	550,714	1,130,757	5,213,407
2005	2,148,132	2,799,417	573,220	1,200,771	6,721,540
2006	2,384,976	2,841,143	612,045	1,318,317	7,156,481
2007	2,658,410	5,066,682	724,940	1,414,361	9,864,392
2008	3,320,876	7,337,901	726,431	1,500,140	12,885,348
2009	3,372,885	3,105,910	728,905	1,935,848	9,143,548
2010	3,488,649	3,763,107	669,960	1,879,331	9,801,047
2011	3,571,344	3,147,911	664,313	1,911,046	9,294,614
2012	3,751,476	1,639,980	731,970	2,165,179	8,288,605
Change 2003-2012	122.8%	70.8%	20.2%	79.5%	83.6%

[1] The City was able to keep its property tax rates the same the last three years in light of the decling economy due to a slight growth averaging 2.50% over the last two years. (see Schedule on Assessed Value and Estimated Actual Value of Taxable Property). The City has also received more resources because of improvements in collection rates (see Schedule on Property Tax Levies and Collections).

[2] The decrease in sales tax in FY 2009 is attributed to a decrease in Special Purpose Local Option Tax and Local Option Sales Tax resulting from the declining economy.

Note: Convention and Visitor's Bureau (CVB) Fund is shown in Governmental Activities through FY 2008 as a blended component unit, beginning in FY 2009 and forward CVB is shown as a discretely presented component unit. Beginning in FY10 CVB is not reflected in the statistical data. However, for comparative purposes Occupancy Tax is shown here.

City of Kingsland, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended Sept 30th	Digest Tax Year	Real & Personal Property	Motor Vehicles	Mobile Home	Timber	Less: Tax-Exempt Real Property	Total Taxable Assessed Value		Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2003	02	179,068,670	18,280,448	4,360,986	4,207	1,897,124	199,817,187		8.50	499,542,968	40%
2004	03	193,799,296	19,098,450	3,668,454	45,303	3,036,255	213,575,248		8.50	533,938,120	40%
2005	04	223,179,134	20,192,180	3,493,756	476,846	3,792,492	243,549,424		8.50	608,873,560	40%
2006	05	239,346,242	20,333,750	3,162,647	5,208	4,731,377	258,116,470		8.45	645,291,175	40%
2007	06	266,791,445	21,310,370	3,062,643	30,067	5,906,866	285,287,659		8.40	713,219,148	40%
2008	07	378,348,869	25,936,340	3,156,720	361,488	7,212,103	400,591,314	[1]	8.00	1,001,478,285	40%
2009	08	447,215,075	28,660,160	2,959,583	221,534	7,991,248	471,065,104		8.00	1,177,662,760	40%
2010	09	475,765,358	30,146,770	3,046,515	1,094,861	10,586,857	499,466,647		8.00	1,248,666,618	40%
2011	10	477,566,899	29,547,380	3,046,515	238,349	71,050,371	439,348,772		8.00	1,098,371,930	40%
2012	11	465,813,927	28,296,740	2,625,875	385,288	11,597,463	485,524,367		8.00	1,213,810,918	40%

Source: Camden County Board of Equalization and Assessment.
Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per $1,000 of assessed value. Tax year levied fund the following fiscal year. I.e. taxes levied for 2011 are financial resources for fiscal year ended 2012.

Note:The millage rate was raised in FY 2002 to provide for the joint funding of the Public Service Authority that provides County-wide recreation.
1 The 40% increase in taxable assessed value from FY07 to FY08 is mainly due to reassessments.

City of Kingsland, Georgia
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

		City of Kingsland			Overlapping Rates[1]					
					Camden County			School Board		
Fiscal Year	Digest Tax Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage[2]	Operating Millage	Debt Service Millage	Total School Millage
2003	02	6.33	2.17	8.50	14.64	-	14.64	14.58	-	14.58
2004	03	6.51	1.99	8.50	12.50	-	12.50	14.58	-	14.58
2005	04	6.71	1.79	8.50	12.30	-	12.30	14.58	-	14.58
2006	05	7.22	1.23	8.45	12.25	-	12.25	14.75	-	14.75
2007	06	7.56	0.84	8.40	12.25	-	12.25	14.75	-	14.75
2008	07	7.35	0.65	8.00	12.00	-	12.00	14.75	-	14.75
2009	08	6.74	1.26	8.00	11.25	-	11.25	14.75	-	14.75
2010	09	6.77	1.23	8.00	11.95	-	11.95	15.00	-	15.00
2011	10	6.88	1.12	8.00	11.95	-	11.95	15.00	-	15.00
2012	11	6.94	1.06	8.00	11.90	-	11.90	15.50	-	15.50

Source: Camden County Board of Commissioners, School Board, and Kingsland Finance Department.

Note: The City's total property tax rate may be increased only by a majority vote of the City's elected council. Rates for debt service are set based on each year's requirements. Tax year levied fund the following fiscal year. I.e. taxes levied for 2011 are financial resources for fiscal year ended 2012.

[1]Overlapping rates are those of local and county governments that apply to property owners within the City of Kingsland.

2County millage rate includes .25 for State in previoius years and .20 for FY 2012.

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

	2012			2003		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value[1]**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value[1]**
Soncel Homes, Inc	$ 7,388,396	1	1.59%	$ 4,524,408	2	2.53%
Lowes Home Centers LLC	5,327,213	2	1.14%	-	—	0.00%
Georgia Power	3,605,732	3	0.77%	1,969,778	6	1.10%
CPF-FIA LLC	3,556,420	4	0.76%	-	—	0.00%
Ameris Bank	2,941,487	5	0.63%	-	—	0.00%
Kingsland Dev Co LP	2,857,508	6	0.61%	4,905,991	1	2.74%
A T Williams Oil Co	2,607,553	7	0.56%	-	—	0.00%
Redus Atlanta Subdivisions LLC	2,236,713	8	0.48%	-	—	0.00%
Sawyer & Associates INC	2,227,871	9	0.48%	2,078,202	5	1.16%
Royal Point Apartments LP	1,563,388	10	0.34%	1,855,924	7	1.04%
Laurel Island Country Club	-		—	2,793,006	3	1.56%
Camden Tele & Tele Co	-		—	2,521,860	4	1.41%
Ramsey John W	-		—	1,543,946	8	0.86%
Sterling (Camden) Ltd	-		—	1,495,966	9	0.84%
Mapco Express Inc	-		—	1,493,432	10	0.83%
Total	$ 34,312,281		7.37%	$ 25,182,513		11.54%

Source: County Board of Equalization and Assessment.

[1] See Schedule on Assessed Value and Estimated Actual Value of Taxable Property for Taxable Assessed Value. Percentage is based on Real & Personal Property Tax only.



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

Fiscal Year Ended Sept 30th	Digest Tax Year	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2003	02	1,432,493	1,349,218	94.19%	73,554	1,422,772	99.32%	9,721
2004	03	1,543,514	1,514,542	98.12%	24,695	1,539,237	99.72%	4,277
2005	04	1,809,671	1,765,184	97.54%	38,465	1,803,649	99.67%	6,022
2006	05	1,980,266	1,879,521	94.91%	94,132	1,973,653	99.67%	6,613
2007	06	2,197,481	2,123,110	96.62%	69,678	2,192,788	99.79%	4,693
2008	07	2,884,650	2,781,354	96.42%	80,967	2,862,321	99.23%	22,329
2009	08	3,392,106	3,238,208	95.46%	102,603	3,340,811	98.49%	51,295
2010	09	3,663,097	3,456,856	94.37%	116,708	3,573,564	97.56%	89,533
2011	10	3,747,656	3,495,919	93.28%	86,075	3,581,994	95.58%	165,662
2012	11	3,633,732	3,372,991	92.82%	-	3,372,991	92.82%	260,741
		$ 26,284,666	$ 24,976,902		$ 686,877	$ 25,663,780		$ 620,886

Sources: Camden County Board of Equalization and Assessment and Kingsland Department of Finance.

[1] Tax year levied fund the following fiscal year. I.e. taxes levied for 2011 are financial resources for fiscal year ended 2012.

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

	Governmental Activities				Business-Type Activities								
Fiscal Year	Revenue Bonds	Short-term Line of Credit	Note Payables	Capital Leases	Water Revenue Bonds	Note Payables	Short-term Line of Credit	Capital Leases	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property[1]	Per Capita[2]	Percentage of Personal Income[2]	**Population[a]**
2003	215,000	-	638,956	427,363	4,618,398	2,040,826	-	100,400	8,040,943	1.61%	719.23	0.77%	11,180
2004	150,000	-	609,612	423,172	8,599,942	1,922,874	-	280,206	11,985,806	2.24%	1,034.33	1.10%	11,588
2005	80,000	-	586,359	216,996	8,502,583	1,784,478	-	212,681	11,383,096	1.87%	948.59	0.96%	12,000
2006	-	-	561,977	281,260	8,080,000	1,641,852	-	107,584	10,672,673	1.65%	775.35	0.84%	13,765
2007	2,492,052	1,750,000	536,411	433,527	7,615,000	1,477,141	-	324,394	14,628,525	2.05%	1,054.69	1.10%	13,870
2008	2,488,079	1,750,000	509,604	269,017	7,135,000	1,325,264	1,300,000	561,681	15,338,644	1.53%	1,055.07	1.05%	14,538
2009	2,483,723	1,383,227	2,618,509	610,633	13,165,763	4,380,591	-	408,050	25,050,495	2.13%	1,705.74	1.71%	14,686
2010	2,472,563	1,191,227	2,317,440	414,529	12,055,914	4,882,222	-	275,221	23,609,116	1.89%	1,475.02	1.55%	16,006
2011	2,455,518	-	2,015,191	228,053	15,360,000	-	-	137,590	20,196,352	1.84%	1,269.17	1.25%	15,913
2012	2,437,669	-	1,927,233	264,846	14,115,001	-	-	259,922	19,004,671	1.57%	N/A	N/A	16,000

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

[1] See Schedule on Assessed Value and Estimated Actual Value of Taxable Property for property values.
[2] See Schedule on Demographic and Economic Statistics for Personal Income and population amounts.
* Information not available.

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

Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Less: Amounts Avail. in Debt Service Fund	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value of Property[1]	Per Capita[2]
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-

Note: The City has had no General Bonded Debt Issued or Outstanding for the last ten years.

[1] See Schedule on Assessed Value and Estimated Actual Value of Taxable Property for property values.

[2] See Schedule on Demographic and Economic Statistics for Personal Income and population amounts.

City of Kingsland, Georgia
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

Jurisdiction	New Debt Outstanding	Percentage Applicable to City of Kingsland[1]	Amount Applicable to City of Kingsland
Camden County, Georgia- Overlapping Debt			
	$0	27.64%	$0
Subtotal Overlapping Debt			$0
City of Kingsland, Georgia- Direct Debt			$4,698,762
Total Direct and overlapping debt			$4,698,762

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding provided by the County and City Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that could place burden on the residents and businesses of the City of Kingsland. This process recognizes that, when considering the government's abilitiy to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

[1]The percentage of overlapping debt applicable is estimated using the assessed gross digest. Applicable percentages were estimated by determining the portion of the City's assessed taxable value that is within the County's boundaries and dividing it by the County's total gross digest.

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

	Fiscal Years[1]									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 19,981,719	$ 21,357,525	$ 24,354,942	$ 25,811,647	$ 28,528,766	$ 40,059,131	$ 47,106,510	$ 49,946,665	$ 43,934,877	$ 48,552,437
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 19,981,719	$ 21,357,525	$ 24,354,942	$ 25,811,647	$ 28,528,766	$ 40,059,131	$ 47,106,510	$ 49,946,665	$ 43,934,877	$ 48,552,437
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2012

Total assessed value	$ 497,121,830
Less Exempt:	11,597,463
Total taxable assessed value:	$ 485,524,367
Debt limit (10% of total taxable assessed value)	48,552,437
Debt applicable to limit:	-
Legal debt margin	$ 48,552,437

Note: Under state finance law, the City'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.

[1]Tax year levied fund the following fiscal year. I.e. taxes levied for 2011 are financial resources for fiscal year ended 2012.

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

	Water Revenue Bonds					
Fiscal Year	Utility Service Charges[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service[3] Principal	Debt Service[3] Interest	Coverage Ratio
2003	3,067,328	1,276,574	1,790,754	310,000	257,092	3.16
2004	3,991,402	2,204,145	1,787,257	325,000	242,797	3.15
2005	4,502,822	2,252,080	2,250,742	100,000	245,719	6.51
2006	5,756,344	3,848,335	1,908,009	460,000	289,763	2.54
2007	6,165,278	3,109,746	3,055,532	465,000	278,188	4.11
2008	5,692,975	3,484,344	2,208,631	480,000	264,013	2.97
2009	4,828,346	3,516,832	1,311,514	769,237	423,382	1.10
2010	5,065,254	3,459,217	1,606,037	1,109,849	531,182	0.98
2011	5,609,536	3,489,473	2,120,063	525,000	374,972	2.36
2012	5,267,971	3,433,439	1,834,532	1,245,000	530,122	1.03

[1] Operating revenues do not include interest and capital contributions.

[2] Operating expenses do not include interest, loss on disposal, depreciation, and amortization expenses.

[3]Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

Calendar Year	Kingsland Population[1]	County Population[1]	Personal Income[2] (in thousands of dollars)	Per Capita[2] Personal Income	Labor Force	School Enrollment[3]	Unemployment Rate[4]
2003	11,180	45,220	1,044,198	23,493	18,585	9,603	5.5%
2004	11,588	44,368	1,090,287	24,129	19,230	9,613	4.5%
2005	12,000	45,082	1,180,883	25,805	19,501	9,585	4.3%
2006	13,765	45,759	1,266,660	27,913	20,978	9,674	4.0%
2007	13,870	45,118	1,332,634	28,288	22,010	9,624	3.6%
2008	14,538 [5]	48,689	1,454,331	30,642	21,332	9,614	6.9%
2009	14,686 [5]	48,277	1,464,733	30,340	20,189	9,594	9.4%
2010	16,006 [5]	50,693	1,518,815	29,961	19,903	9,409	9.9%
2011	15,913 [5]	50,410	1,616,052	32,058	20,339	9,360	9.5%
2012	16,000 [5]	51,402	*	*	20,949	9,267	8.9%

Sources: Population information provided by the Bureau of Labor Statistics and the US Census Bureau. Personal incomeand Per Capita Personal Income provided by Bureau of Economic Analysis. Labor force and unemployment data provided by the Georgia Department of Labor. School enrollment data provided by Camden County School.

Note: Population is for Kingsland and Camden County. All other statistics are based on the County; information based solely on Kingsland is not available.

* Information not available.

[1] Population is an estimate based on surveys. Source: US Census Bureau

[2] Personal income information is a total for the year. Source: Bureau of Economic Analysis, www.bea.gov/regional

[3] School enrollment is obtained from the School Board (Jane Tarter), 912-729-5687. Data is on December 2012.

[4] Unemployment rate information is an adjusted yearly average, 2012 rate is for December 2012. Source: Georgia Department of Labor,www.dol.state.ga.us/pr/laborforce.htm

[5] Source: U.S Census & Kingsland Planning & Zoning Department

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

	2012			2003		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Kings Bay Naval Submarine Base	8,979	1	42.86%	8,936	1	48.08%
Camden County School System	1,241	2	5.92%	1,200	2	6.46%
Express Scripts	625	3	2.98%	—	—	—
Lockheed Missiles & Space	479	4	2.29%	460	4	2.48%
Southeast Georgia Health Systems	450	5	2.15%	260	8	1.40%
Camden County Government	404	6	1.93%	356	7	1.92%
Wal-Mart Supercenter[1]	350	7	1.67%	459	5	2.47%
Kings Bay Support Services	290	8	1.38%	—	—	—
City of Kingsland Government	188	9	0.90%	—	—	—
City of St Marys Government	176	10	0.84%	—	—	—
Publix Supermarkets	—	—	—	125	9	0.67%
Durango Paper Company[2]	—	—	—	855	3	4.60%
J. A. Jones, Inc.[3]	—	—	—	396	6	2.13%
Bayer Crop Science	—	—	—	118	10	0.63%
Total	13,182		62.92%	13,165		70.84%

Source: Kings Bay Area Chamber of Commerce, Georgia Department of Labor.

Note: Due to the close proximity of the Cities within the County, information is based on County data. Information based solely on Kingsland is not available.

[1]Wal-Mart became a Supercenter in 2004.

[2]Gilman Paper Company became Georgia Durango Paper Company and then closed at the end of 2002.

[3]J.A. Jones, Inc. was the Navy Base's main contractor. Now the Base allocates its contract work to several different companies.

City of Kingsland, Georgia
Full-time Equivalent City Government Employees
By Function
Last Ten Fiscal Years

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government										
Administration	4	4	4	5.5	6	6	6	4.5	4.5	4.5
Finance	3	3	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5
Municipal Court	1.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3
Police	36.5	34	38	40	44	47	48	46	47	49
Fire	19	20	20	23	24	29	30	27	29	30
Public Works	18.5	22.5	22.5	27	27	30	30	26	26	27
Planning & Zoning	3	4	4	5	6	9	9	8	8	8
Economic Development[1]	—	—	—	2	2	2	2	2	2	3
Fleet Services	3.5	3.5	4.5	4	5	6	6	6	5	5
Tourism (CVB Fund)	2	2	2	3	4	6.5	6.5	6	6	5
Water/Sewer Fund										
Administration	7	7	5	5.5	6	7	7	6.5	6.5	5.5
Information Technology[2]	—	—	2	2	2	3	3	3	3	3
Finance	5	4.5	4.5	4.5	6.5	6.5	6.5	6.5	6.5	6.5
Operations	18	19	20	24	25	29	29	25	25	26
Sanitation										
Operations	5	5	4	5	6	7	7	8	8	8
Total	126	130	136.5	156.5	169.5	195	195	181.5	183.5	188

Source: City Finance Department

[1] The Economic Development Department was created in FY 2006, this department was previously accounted for in Planning and Zoning.

[2] The Information Technology Department was created in FY 2005, this department was previously accounted for in adminstration.

CITY OF KINGSLAND, GEORGIA
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Years 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Administration										
Number of Council meetings	24	25	22	23	20	21	21	21	21	18
Number of Ordinances adopted	25	21	16	21	18	27	11	8	10	8
Number of new employees processed	30	31	30	45	57	54	39	20	24	40
Finance										
Total Receipts	$ 10,236,604	$ 10,877,399	$ 12,462,172	$ 15,814,139	$ 19,032,110	$ 21,909,860	$ 16,444,911	$ 17,293,226	$ 17,725,533	$ 16,342,796
Cash Receipts	$ 876,502	$ 943,411	$ 875,876	$ 919,941	$ 896,999	$ 898,072	$ 933,682	$ 982,031	$ 1,053,302	$ 1,000,055
Check Receipts	$ 9,360,102	$ 8,422,137	$ 9,854,579	$ 12,644,446	$ 15,129,478	$ 18,123,910	$ 13,287,578	$ 13,786,024	$ 13,947,960	$ 12,454,349
Credit Card Receipts[1]	$ -	$ 118,541	$ 179,549	$ 439,161	$ 585,153	$ 637,832	$ 668,542	$ 1,095,368	$ 1,293,824	$ 1,422,291
Electronic Funds Processed[1]	$ -	$ 1,393,310	$ 1,552,168	$ 1,810,591	$ 2,420,480	$ 2,250,046	$ 1,555,109	$ 1,429,803	$ 1,430,447	$ 1,466,101
Employees on Direct Deposit[2]	68%	73%	76%	83%	85%	83%	89%	89%	91%	90%
Accounts payable checks issued	4,208	3,611	3,877	5,357	5,800	5,499	5,404	4,911	4,612	4,048
Court										
Cases/ Citations processed	5,293	4,528	4,632	7260	7700	7085	7861	12,019	12,240	10,199
Failure to Appear warrants issued	32	58	47	59	51	67	24	42	18	51
Suspension notices issued	349	826	606	797	1129	1143	1210	2,039	2,230	2,057
Police										
Average response time (in minutes)	3:30	5:30	5:35	2:38	2:08	2:20	1:00	4:00	4:00	3:00
Violent crimes/ assaults	116	127	97	208	125	229	225	184	48	202
Fire										
Average response time										
(Fire)	3:23	4:00	4:00	5:07	4:23	5:00	4:33	4:42	5:05	4:14
(EMS)	4:14	3:35	3:45	4:42	4:14	5:00	4:49	5:00	6:14	4:19
Firefighters per call	11	11	12	7	9	11	11	10	11	13
Number of new hydrants	27	33	23	50	73	86	182	61	38	38
Public Works										
Ditches cleaned (miles)[3]	7.47	11.79	11.97	17.00	3.80	7.06	70.50	15.00	1.11	14.39
Sidewalk repair (feet)	310	1,300	1,000	0	120	706	465	410	485	2123
Pot-hole/ Wash-out repair	154	132	126	83	61	54	79	56	47	113
Planning and Zoning										
* Residential Permits issued										
Single Family	132	145	179	223	179	109	103	46	51	19
Multi-family	60	140	246	104	31	12	0	12	0	0
* New Business License issued	201	212	211	213	188	191	159	174	134	126
Fleet										
Number of tires replaced	167	150	150	187	225	401	326	349	451	444
Number of preventive maint. procedures performed	213	190	200	274	261	279	308	290	306	377
Vehicle Alignments performed	27	24	35	36	37	19	24	30	46	41

CITY OF KINGSLAND, GEORGIA
Operating Indicators by Function
Last Ten Fiscal Years

CVB Fund										
Tourism										
Memberships	11	11	18	16	17	20	22	20	25	28
Travel Shows attended	7	12	9	12	15	23	22	27	35	53
Advertisement/ Print Media	20	20	48	24	43	66	50	29	154	100
Training/ Meetings	11	12	10	39	59	71	107	63	100	149
Water Fund										
Administration										
Average monthly water bills sent	5,278	5,650	6,114	6,278	6,724	6,828	6,874	6,902	6,878	6,975
Information Technology[4]										
Average monthly visitors to website	n/a	*	1,500	2,100	2,365	3,127	5,767	6,852	7,103	16,887
Operations										
Drinking water (millions of gallons)	312.681	561.076	532.080	552.469	614.602	685.640	670.877	655.339	645.153	609.599
Wastewater										
Wastewater treated (million of gallons)	557.710	586.051	704.311	629.52	697.595	677.422	697.383	589.259	594.200	575.539
Solid Waste Fund										
Refuse collected (in tons)	*	4,517	6,922	5,225	5,486	5,782	5,811	6,118	5,969	5,528
Average numbers of customers served	5,312	4,029	4,323	4793	4,827	5,063	5,053	5,158	5,151	5,254

Sources: Various City departments.

[1] Credit Cards and Electronic Funds were not accepted as a form of payment until FY 2004.

[2] Direct Deposit for payroll was not available for employees until 2001.

[3] The large number is attributed to equipment being purchased to clean ditches, which had previously not been done for several years.

[4] The Information Technology was created in FY 2005 as a separate department.

* Information not available

City of Kingsland, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Years									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Police										
Stations	1	1	1	1	1	2	2	2	2	2
Patrol units	*	*	39	39	35	40	40	42	46	36
Firing range	1	1	1	1	0	0	0	0	0	0
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks										
Engine	4	4	4	5	5	5	6	6	6	6
Ladder	2	2	2	2	2	2	2	2	2	2
Tanker	1	1	1	1	1	1	1	1	1	1
Rescue	1	1	1	1	1	1	1	1	1	1
Ambulances	3	3	3	3	3	3	3	3	3	3
Public works										
Streets owned (miles)[4]	*	*	127.69	131.03	131.03	131.03	131.78	98.0	98.0	98.0
Streets maintained (miles)[1]	*	*	*	*	*	*	*	115.5	115.5	115.5
Service trucks	*	*	14	14	15	15	15	15	16	15
Tourism										
Welcome Centers	1	1	1	1	1	1	1	1	1	2
Water										
Service trucks	*	*	15	16	20	19	19	19	20	19
Fire hydrants	886	919	942	992	1,065	1,151	1,333	1,394	1,432	1,470
Storage capacity (thousands of gallons)[2]	1,250	1,250	1,250	1,250	1,750	1,750	1,750	1,750	1,750	1,750
Wastewater										
Treatment capacity per day (millions of gallons)	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	4.4	4.4
Solid Waste										
Garbage can collection trucks	4	4	4	4	5	6	6	5	6	6
Other collection trucks[3]	3	4	4	5	6	4	5	5	4	4

Sources: Various City departments.

Note: No capital asset indicators are available for the general government functions.

* Information not available

[1] The City was not required to track this asset until the implementation of GASB 34 in FY 2004.

[2] Water storage is available in three city-owned water towers.

[3] Other collection trucks include limbwagons and trucks to dispose of white goods or bulky items.

4Owned corrected to reflect that state owns U.S.17, S. R. 40 and Laurel Island Parkway.

COMPLIANCE SECTION





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STATE MANDATED PROGRAM INFORMATION

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CITY OF KINGSLAND, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2008 ISSUE
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads/Streets, Bridges & Drainage Projects	$ 3,540,000	$ 3,540,000	$ 4,134,483	$ 45,859	$ 4,180,342
Buildings	$ 2,700,000	$ 2,700,000	$ 2,868,820	$ 297,111	$ 3,165,931
Kingsland Waterfront Park	$ 2,500,000	$ 2,500,000			$ -
Water/Sewer Line Extensions	$ 7,500,000	$ 7,500,000	$ 926,917		$ 926,917
Equipment & Technology	$ 560,000	$ 560,000	$ 88,165		$ 88,165
Total	$ 16,800,000	$ 16,800,000	$ 8,018,385	$ 342,970	$ 8,361,355

This is the annual report on spending for fiscal year 2011-2012 of the Special Purpose Local Option Sales Tax for the City of Kingsland, Georgia. The Train Depot and various Road Paving Projects were completed in fiscal year 2011-2012.

CITY OF KINGSLAND, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY THE HOTEL/MOTEL TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Revenue:	
Hotel/Motel Taxes	$ 731,970
Expenditures:	
Tourism expenditures	322,067
Visitor center debt service	124,435
General government	285,468
Total expenditures	$ 731,970
Percentage of expenditures to revenues	100%

Baird & Company *CPAs, LLC*
CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA, PFS
Rep E. Whiddon, CPA, CVA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of City Council
City of Kingsland, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Kingsland, Georgia, as of and for the year ended September 30, 2012, which collectively comprise the City of Kingsland, Georgia's basic financial statements and have issued our report thereon dated March 19, 2013. We conducted our audits 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.

Internal Control Over Financial Reporting

Management of Kingsland, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered Kingsland, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kingsland, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Kingsland, Georgia's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting, 2012-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kingsland, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2012-1.

We noted certain matters that we reported to management of Kingsland, Georgia, in a separate letter dated March 19, 2013.

Kingsland, Georgia's response to the findings identified in our audits are described in the accompanying schedule of findings and responses. We did not audit Kingsland, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 19, 2013

CITY OF KINGSLAND, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

I. SUMMARY OF AUDIT FINDINGS

A. An unqualified opinion was issued on the financial statements of the City of Kingsland, Georgia.

B. Our audit of the financial statements disclosed no material weaknesses in internal controls over financial reporting.

C. Our audit of the financial statements disclosed one instance of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the basic financial statements.

II. FINDINGS RELATED TO THE AUDIT OF THE FINANCIAL STATEMENTS OF THE CITY OF KINGSLAND, GEORGIA

Audit findings reported for the year ended September 30, 2012:

Finding: 2012-1

Criteria:
To comply with bond debt requirements, the City should have on deposit and amount equal to 1/12 of the subsequent annual bond principal and interest payments.

Condition:
The City is not in compliance with the bond provisions regarding having on deposit an amount equal to 1/12 of the subsequent annual bond principal and interest payments.

Cause:
Due to a clerical error, funds were not transferred in a timely manner to meet the September debt service deposit requirement.

Effect:
The City's Bond debt service account did not comply with bond covenants.

Recommendation:
To improve internal control and operating efficiency, the City should establish policies and procedure for deposits to be made into the sinking fund account to cover 1/12 of subsequent year's bond principal and interest payments.

Management's Response:
The City concurs that the City was underfunded by one month. The shortfall has been corrected.

Auditors' Comment:
The shortfall has been corrected.