COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

For the Fiscal Year Ended

September 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

Post Office Box 250, Kingsland, Georgia 31548

For the Fiscal Year Ended

September 30, 2013

Prepared by:
City Finance Department

Filiz Morrow, CPA, MPA
Director of Finance



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CITY OF KINGSLAND, GEORGIA
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YEAR ENDED SEPTEMBER 30, 2013
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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

Filiz Morrow, CPA, MPA
Director of Finance

March 26, 2014

Honorable Mayor Smith,
Distinguished Council Members,
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, 2013. 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 Government Finance Officers Association's (GFOA) guidelines. We prepared the report by these stringent guidelines to provide the City Council, City Staff, our Citizens, and other readers with detailed information concerning the financial position and activities of the City.

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. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City.

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, 2013. This report can be found at the front of the financial section of the CAFR beginning on page 1 of this report.

The 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

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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 complement 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.

The CAFR is presented in three sections:

- The introductory section that includes this letter of transmittal, the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting, a list of principal officials and department heads, and the City's organizational structure.
- The financial section presents the independent auditor's report, Management's Discussion and Analysis, the basic financial statements, combining and individual fund statements and schedules, and required supplemental information.
- The statistical section includes relevant financial, economic, and demographic data for the past ten years to facilitate trend analysis.

City Profile

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 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.

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 serves a population of 16,285 and encompasses 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.

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 budgetary process begins in July of each year and cumulates with council adopting the budget at the last held meeting in September. The annual budget serves as 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. Department heads may transfer budget amounts within their departments, as the legal level of budgetary control is approved at each department level. Any increase in total department expenditures requires Council approval. 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.

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 vehicles exit off of I-95 yearly at Kingsland's exit 3.

Although we are beginning to show signs of growth slightly as evidenced by 25 building permits being issued already at the midpoint of the current fiscal year compared to 11 total for FY 2013, we are still nowhere near the 327 residential permits issued in 2006 prior to the recession. 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.

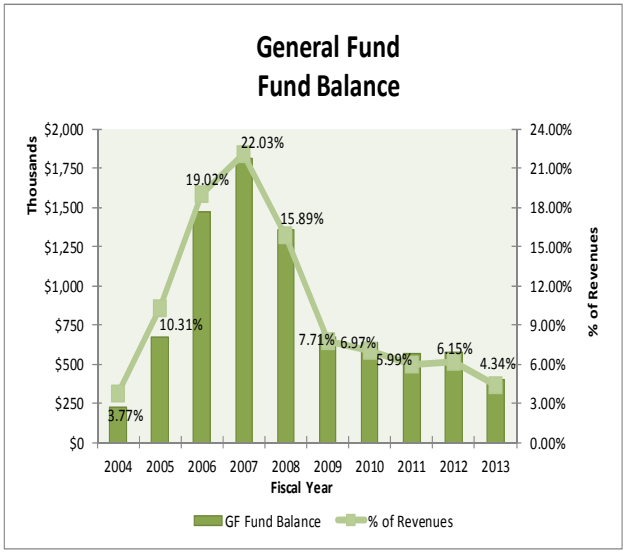
The City's population more than doubled from the 1990 population of 4,699 to the population in 2000 of 10,506. The 2010 census of 15,946 is evidence of the continued growth. The growth began with the construction of Kings Bay Naval Submarine Base in the mid 80's. However, it is now attributed to many 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.

Camden County increased its population from 30,164 in 1990 to 43,664 in 2000 and an estimated 50,513 currently. With the County passing the estimated population mark of 50,000, more major companies are beginning to take interest in locating in the area. A 500 acre area near Kingsland's exit 3 has been selected as a possible site for a future resort destination. The resort would encompass several components; such as, entertainment, amusement, water adventure, hospitality and conference, events, sporting complex, and retail. The economic impact of this project to Camden County over 10 years is estimated at $1.9 billion. The project is currently in the preconstruction phase with ground breaking estimated to take place in early 2015.

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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 gradually increase the general fund's FY 2004 fund balance peaking at 22% of revenues in FY 2007 just prior to the recession. With the recession beginning in FY 2008, the fund balance plummeted to 7.71% of revenues in FY 2009 and held steady the next 3 years around 6%. In this fiscal year the fund balance dropped to $401,318 (4.34% of revenues) mainly due to new allocation methods for support services shared between the general fund and water and sewer fund along with a decline in revenues. 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.



This graph displays the cumulative result of excess (shortage of) General Fund Revenues over expenditures and total fund balance as a percentage of General Fund revenues. Data is based on actual audited numbers. Percentage of revenue is based on operating revenues only, other financing sources are not included.

Major Initiatives

In the current year Council is implementing a voluntary separation incentive plan for those employees eligible for early retirement. If all eligible employees take the incentive plan the City has the potential to save approximately one million dollars in salaries and benefits. This savings will also help offset the City's unfunded pension liability. The Council implemented another cost saving measure in the current year by an agreement with the County for City employees to utilize the County Clinic. Employees will be able to use the clinic for free primary care with a small cost to the City. In turn, the reduction in visits to outside primary care doctors will help reduce rising insurance premiums for the City and the employee.

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, 2012. 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, 2012. This was the fourteenth time the government has received the award, the last eleven 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.

I appreciate the cooperation of each City department as we work together to provide quality, efficient services to the Citizens of Kingsland. 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. Tamra Edwards and Ms. Cindy McCollough's assistance.

I thank management and the governing board for their continued support in maintaining the highest standards of professionalism while conducting the financial affairs of the City of Kingsland.

Respectfully submitted,



Filiz Morrow, CPA, MPA
Director of Finance

Government Finance Officers Association

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, 2012

Executive Director/CEO

City Officials and Department Heads
As of 9/30/2013



Mayor Kenneth E. Smith Sr.



Councilman
Alex Blount



Councilman
Jim McClain



Councilman
Grayson Day

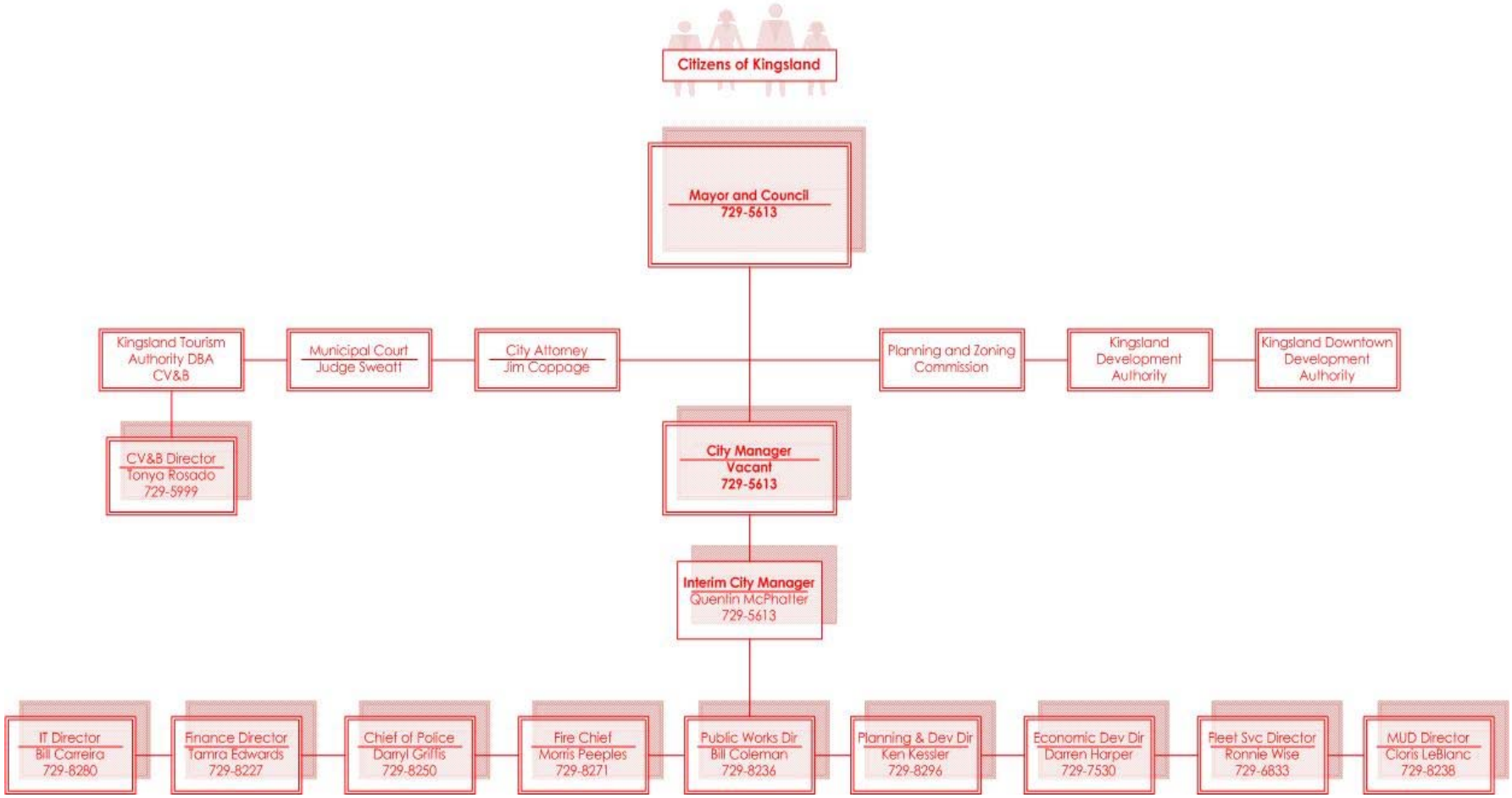


Councilman,
Mayor Pro Tem
Don Mounsey

Department Heads

Quentin McPhatter.....Interim 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

City of Kingsland



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®
Rep E. Whiddon, CPA, CVA
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA, PFS

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our 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 performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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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, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 17 and 55 through 57, and the schedule of funding progress on page 59 be presented to supplement the basic financial statements. Such information, although no a part of the basic financial statements, is required 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kingsland, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues, expenses and changes in net position – budget and actual, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of revenues, expenses, and changes in net position – budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the schedule of revenues, expenses, and changes in net position – budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014, 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* in considering the City of Kingsland, Georgia's internal control over financial reporting and compliance.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
March 26, 2014

CITY OF KINGSLAND, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2013. 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 page i.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $39,994,282 (*net position*). Of this amount, $3,814,821 (unrestricted net position), may be used to meet the City's obligations to citizens and creditors.
- The total net position of the City increased by $2,639,516 due to an increase in investment in capital assets and a reduction in debt outstanding.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $340,533, a decrease of $190,088 over the prior year. The Capital Projects Fund has a deficit fund balance due to expenditures being made against a grant that was awarded, but not allocated. This deficit will be eliminated in the future when revenues return to pre-recession levels.
- The City's total long-term debt decreased by $1,289,702 during the fiscal year due to resources paying down debt and no new debt being issued.
- At the end of the fiscal year, unrestricted fund balance for the general fund was $100,293, or approximately 1% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are 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.

This report also includes supplementary information intended to provide additional detail to support the basic financial statements.

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

- ***Statement of Activities.*** The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of 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; such as, uncollected taxes and earned 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 Bureau (CVB) is included in the financial statement as a discretely 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.*

The City maintains thirteen (13) individual governmental funds to account for the following activities:

- General
- Special Revenues
    - Multiple Grant
    - Drug Forfeiture
    - Revolving Loan
    - Kingsland Development Authority
    - DOT Grant
    - GEFA EEC Grant
    - Transportation Enhancement Grant
    - Hotel/Motel Tax
- Capital Projects
    - Special Purpose Local Option Sales Tax (SPLOST)
    - Welcome Center Capital Projects
- Debt Service
    - Revenue Bond
    - Debt Service

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, multiple grant fund, and SPLOST because they are considered to be major funds. SPLOST is major in most years and this year multiple grant fund was calculated as a major fund also. Data from the other ten (10) 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.

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. The water and sewer fund is the only fund calculated to be a major fund, but for presentation purposes the solid waste fund is also presented as 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 gain 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 for the City's pension obligation as required supplementary information beginning on page 55 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Following combining statements is the fund financial statements of the City's discretely presented component unit. These can be found beginning on page 64 of this report. Also included in the compliance section is the State mandated program information beginning on 110.

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 82 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $39,994,282 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (90%) 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 position* ($3,814,821) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the City was able to report positive balances for the government as a whole. Prior year was able to report the same. A summary of the statement of net assets for the fiscal years ending September 30, 2013 and 2012 are presented below:

City of Kingsland's Net Position
As of September 30, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	$ 1,380,961	$ 1,595,568	$ 4,820,787	$ 4,923,761	$ 6,201,748	$ 6,519,329
Capital assets	26,894,855	25,835,828	26,444,717	26,419,682	53,339,572	52,255,510
Total assets	28,275,816	27,431,396	31,265,504	31,343,443	59,541,320	58,774,839
Liabilities:						
Other liabilities	1,093,293	1,160,879	2,522,461	2,614,747	3,615,754	3,775,626
Non-current liabilities	4,357,557	4,601,683	11,573,727	13,042,764	15,931,284	17,644,447
Total liabilities	5,450,850	5,762,562	14,096,188	15,657,511	19,547,038	21,420,073
Net position:						
Invested in capital assets, net of related debt	22,519,089	21,226,848	13,502,957	12,257,452	36,022,046	33,484,300
Restricted for:						
Public Safety	61,644	61,644	-	-	61,644	61,644
Debt Service	95,771	95,771	-	-	95,771	95,771
Unrestricted	148,462	284,571	3,666,359	3,428,480	3,814,821	3,713,051
Total net position	$22,824,966	$21,668,834	$17,169,316	$15,685,932	$39,994,282	$37,354,766

Governmental Activities. During the fiscal year ended September 30, 2013, governmental activities increased the City of Kingsland's net position by $1,177,092. This is primarily due to an increase of contributed capital assets.

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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 Position
September 30, 2013 and 2012

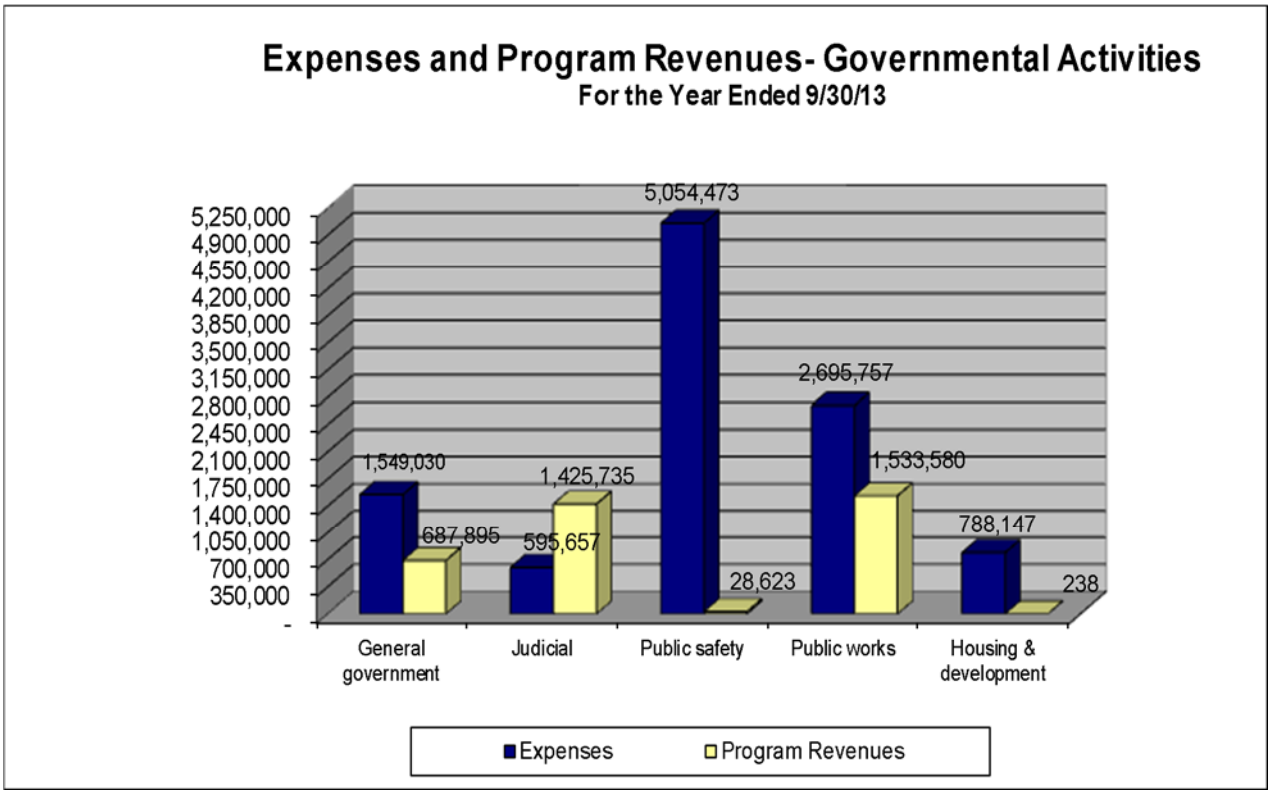
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for services	$ 1,687,503	$ 1,734,970	$ 6,040,278	$ 6,142,968	$ 7,727,781	$ 7,877,938
Operating grants and contributions	94,922	569,802	-		94,922	569,802
Capital grants and contributions	2,772,578	152,971	1,621,375	-	4,393,953	152,971
General revenues:						
Property taxes	4,442,953	4,700,654			4,442,953	4,700,654
Sales taxes	1,504,631	1,487,010			1,504,631	1,487,010
selective taxes	921,849	954,464			921,849	
Other taxes	911,261	884,651			911,261	884,651
Grants & contributions	5,000	120,202			5,000	120,202
Unrestricted investment earnings	1,563	1,328	17,686	23,328	19,249	24,656
Miscellaneous	108,194	115,572	21,054	184,095	129,248	299,667
Gain(loss) on disposition of capital assets	20,069		(1,680)		18,389	-
Total Revenues	12,470,523	10,721,624	7,698,713	6,350,391	20,169,236	16,117,551
Expenses:						
General government	1,549,030	1,332,286			1,549,030	1,332,286
Judicial	595,657	593,966			595,657	593,966
Public safety	5,054,473	5,234,857			5,054,473	5,234,857
Public works	2,695,757	2,793,005			2,695,757	2,793,005
Housing and development	788,147	730,052			788,147	730,052
Intergovernmental	312,217	632,291			312,217	632,291
Interest on long-term debt	102,952	334,323			102,952	334,323
Water and sewer			5,321,171	5,901,602	5,321,171	5,901,602
Solid waste			828,511	822,268	828,511	822,268
Total expenses	11,098,233	11,650,780	6,149,682	6,723,870	17,247,915	18,374,650
Increase in net assets before transfers	1,372,290	(929,156)	1,549,031	(373,479)	2,921,321	(1,302,635)
Transfers	(195,198)	-	195,198	-	-	-
Increase in net position	1,177,092	(929,156)	1,744,229	(373,479)	2,921,321	(1,302,635)
Net position, beginning of year, restated	21,647,874	22,577,030	15,425,087	15,798,566	37,072,961	38,375,596
Net position, end of year	$22,824,966	$21,647,874	$17,169,316	$15,425,087	$39,994,282	$37,072,961

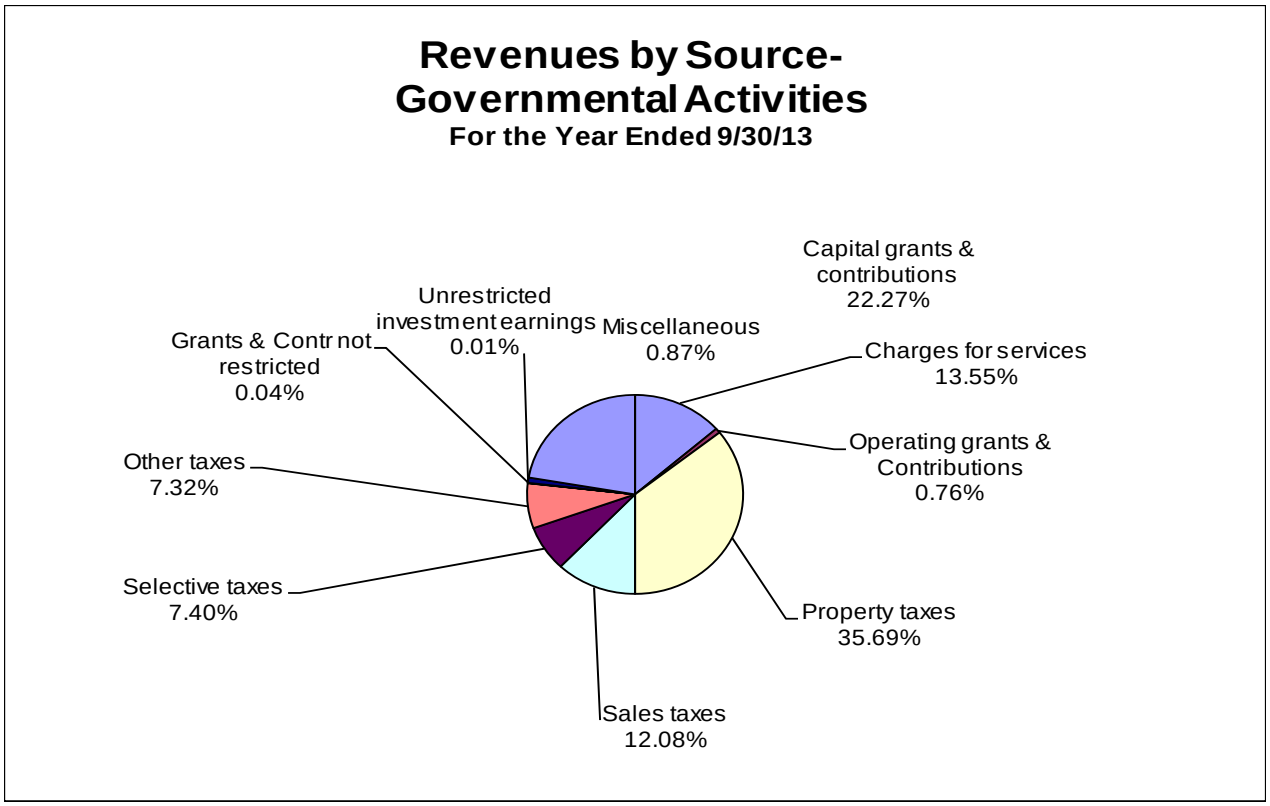
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The following graphs present the cost of each of the City's governmental functions programs – general government, judicial, public safety, public works, and housing and development – as well as the program revenues generated by these activities.

- The cost of all governmental activities this year was $11,098,233.
- However, the amount that our taxpayers paid for these activities through City taxes was $7,780,694. Some of the cost was paid by :
    - Those who directly benefited from the programs ($1,687,503) or
    - Other governmental and organizations that subsidized certain programs with grants and contributions ($2,867,500).
- Public safety required the largest net amount of funds after subtracting program revenue, grants, and contributions. The total subsidy was $5,025,850 in fiscal year 2013. Public safety comprised 45.2% of total governmental expenses in 2013. Public Safety subsidized expense decreased by 2.4%. This decrease was due to a decrease in expenditures..
- Public works comprised 10.4% of total governmental expenses. This is a 13.6% decrease over last year due to capital contributions received from developers.
- General government comprised 13.9% of total governmental expenses. For every one dollar of the total governmental activities in fiscal year 2013, $.15 came from charges for services.

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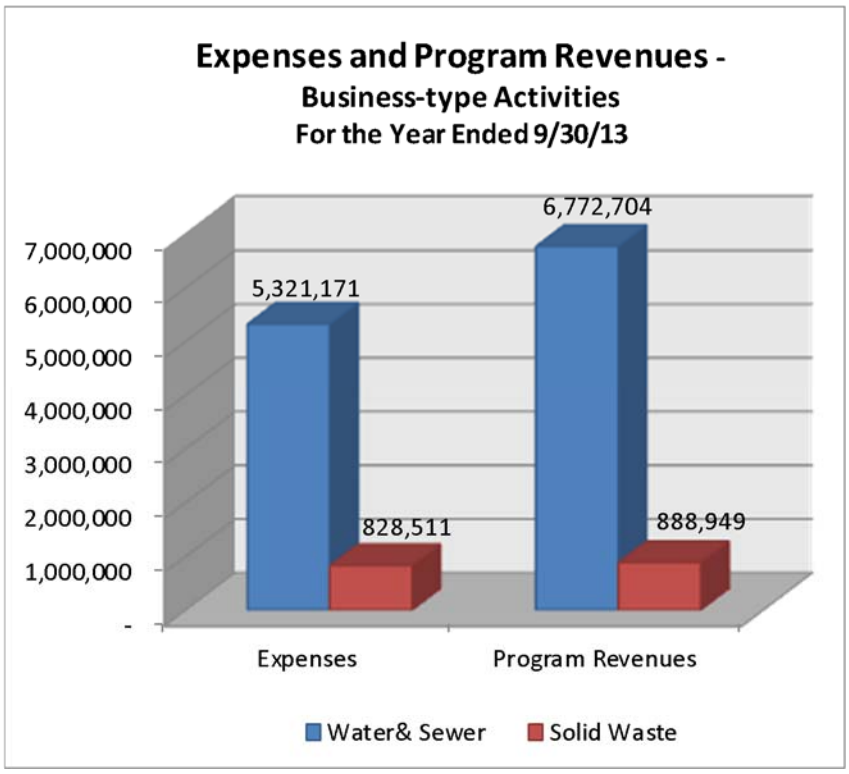
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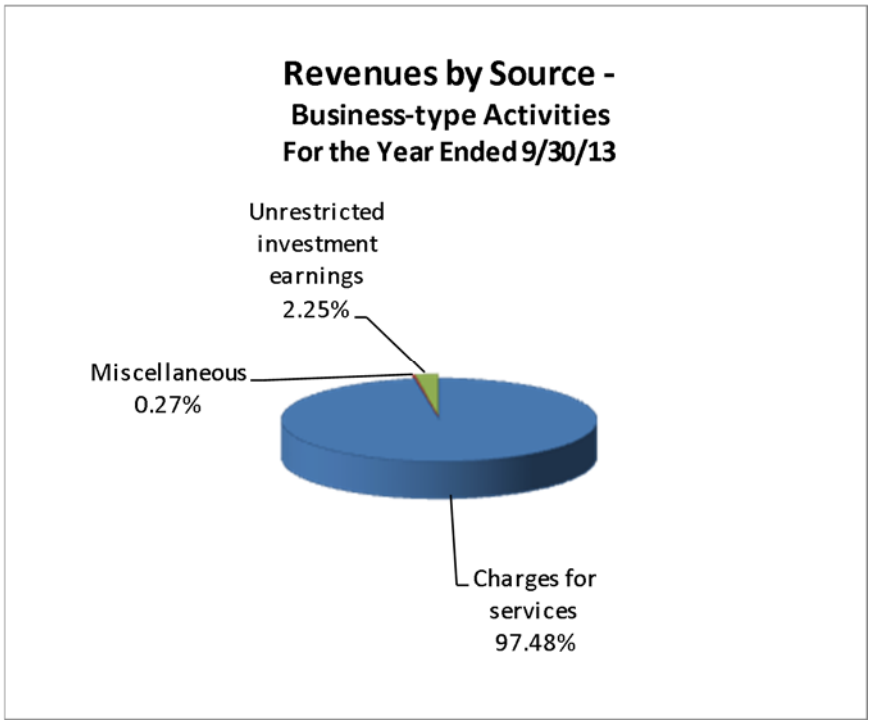
Business-type Activities. Business-type activities during the same period increased net position by $1,744,229. Increase in business-type activities resulted from contributed water and sewer lines from developers. Net operating income for the water/sewer fund resulted in a gain of $302,7335 before non-operating revenues/expenses were added. Non-operating expenses were primarily the net of interest revenue and expense ($454,995), miscellaneous $21,054, and loss on disposition of capital assets ($1,680).

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 $6,149,682. This reflects a 4.8% decrease from prior year. Due to the economy, costs were kept at a minimum.
- Business-type activities increased the City of Kingsland's net position by $1,744,229, or 59.7% of the City's total increase in net position.
- Charges for services accounts for 97.5% of the business-type revenues, with the water sewer fund generating 88.30% 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.

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 2013 the General Fund had a fund balance of $401,318. This is a decrease of $174,868 from the beginning fund balance. Of this amount, $100,293, constitutes "unassigned fund balance" which is available for spending at the government's discretion.

The SPLOST fund is presented as a 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. The fund balance of $42,435 is restricted for SPLOST projects.

The multiple grant fund is also presented as a major fund. This fund is usually not a major fund, but this year it was calculated to be one. Grants classified in this fund do not meet the 2% rule to be classified in a separate grant fund. The fund balance of $24 is restricted for grants.

The fund balances for the other governmental funds decreased by $15,221 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 $3,075,547 and those for the non-major solid waste fund amounted to $590,812. 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 decreased by $105,220 or 1% 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 decreased by $16,096 or .1% from the original budget due to a change in allocation methods for support services shared between general fund and water/sewer fund. All departments were cost conscience and aware of decreased revenues over prior years.

Capital Asset and Debt Administration

Capital Assets. As of September 30, 2013, governmental activities and business-type activities had capital assets of $53,339,571 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities. This represents a $1,084,061 or 2% overall increase. The governmental capital activities increased by 3.7%. The increases are due to capital contributions from developers. Major capital asset events during the current period include the following:

- Developer capital contributions of land and street infrastructure valued at $1,462,546 for governmental funds and $1,621,375 for water and sewer infrastructure.
- Machinery, equipment, and vehicles purchased at a cost of $246,267 for governmental funds and $14,437 for enterprise funds.
- Various projects related to streets and sewer service (construction in progress as of the close of the fiscal year) had reached $589,177. Included in this are sidewalk improvements (through the Local Maintenance and Improvement grant) at $39,116.

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, 2013 and 2012

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 1,762,747	$ 1,527,843	$ 58,892	$ 58,892	$ 1,821,639	$ 1,586,735
Buildings	2,479,058	2,631,162	1,055,019	1,137,845	3,534,077	3,769,007
Land and building improvements	2,801,231	3,005,037			2,801,231	3,005,037
Infrastructure	17,979,756	17,583,874	-	-	17,979,756	17,583,874
System Improvements			24,760,111	24,516,229	24,760,111	24,516,229
Machinery and equipment	744,299	536,488	349,509	498,606	1,093,808	1,035,094
Construction in progress	1,127,764	551,424	221,185	208,110	1,348,949	759,534
Total	$26,894,855	$25,835,828	$26,444,716	$26,419,682	$53,339,571	$52,255,510

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, 2013, the City had $4,808,977 of outstanding long-term debt related to governmental activities and $13,026,183 of long-term liabilities related to business-type activities for a total of $17,835,160. The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

At the end of 2013, the governmental activity had bonded debt outstanding of $2,411,765 and the business-type had $12,744,844 for a total of $15,156,609. 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 "AA+" 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 $43,548,825 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 Factors and Next Year's Budget and Rates

The outlook for FY 2014 is positive. The economy is showing steady signs of recovery through an increase in the housing market and a decreasing unemployment rate. A major pending development will have a significant positive impact on the future of the City of Kingsland.

The FY 2013-14 city wide budget increased 4.53% partly due to increases in grants, SPLOST funding, and solid waste fund capital outlay. The total city wide budget was set at $21,119,154 and the millage rate was set at the same 8 mills as the prior year. The City tax digest decreased 10.31 % prior year and 4.12% in the current year. These decreases are attributed to reassessments. Declines in the taxable assessed value from decreases in property assessments will continue to affect the City's real property tax base.

The Mayor and Council of the City of Kingsland considered many factors when approving the City's FY 2014 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 been slow. We hope this growth will increase in the near future. For the first time since the recession we are seeing an increase in our building permit fees and tap fees in the water/sewer fund. This growth has to be planned for and we strive to be proactive as we plan our future budgets. This is extremely difficult with revenues not increasing at the same rate as expenses.

In the current year, Mayor and Council have plans to implement a voluntary early retirement incentive plan. The purpose of this plan is to facilitate reductions to the City's current budget by providing incentives to retirement-eligible employees. The current proposed plan will save the City approximately one million dollars if all retirement-eligible employees participate in the incentive plan. This potential savings will help offset the unfunded pension liability that will affect the financial statement position when GASB 67 and 68 are implemented.

The unemployment rate for the County in which the City of Kingsland resides is at 7.4%. This is a decrease over prior year by 1.5%. This is the largest decline in unemployment rate since pre-recession time which is a good indicator leading to a stable economy. A major development is also projected to take place in the near future that would bring in about 800 jobs.

With rising insurance costs year after year, the Mayor and Council took action to help reduce future costs by joining the County administered health clinic. This clinic provides primary health care to all employees of the County. The City will pay a cost share of the operations of the clinic based on employee utilization. Employees on the City's health plan will be able to utilize the clinic for free. By employees using the clinic instead of primary care doctors and facilities, the desired outcome is to see a significant reduction in claims; thus, resulting in decreased health insurance premiums for the City and employees.

In an effort to keep user fees from increasing in the enterprise funds, Mayor and Council evaluated several options. The most feasible option was to refund two of the City's water and sewer bonds. Bond refunding took place in the current year and produced a debt service savings of $1,556,498 with a net cash savings of $562,848. With this in place the City feels it will not have to increase water and sewer rates in the near future.

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 Naval Base and Naval Air Station (NAS) in Jacksonville, Florida all form a "fleet concentration area" in the southeast. Kings Bay is also the only nuclear powered submarine base on the east coast; therefore, it is home to a certain class of subs that other bases do not have. 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 is starting to move forward now. 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.

Request 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 Filiz Morrow, Director of Finance, City of Kingsland, PO Box 250, 105 W. William Avenue, Kingsland, Georgia 31548.

GOVERNMENT - WIDE FINANCIAL STATEMENTS



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CITY OF KINGSLAND, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	Kingsland Area Convention & Visitor's Bureau
Assets				
Cash and investments	$ 236,814	$ 486,025	$ 722,839	$ 32,111
Receivables	1,107,708	755,103	1,862,811	-
Internal balances	(264,586)	264,586	-	-
Prepaid	41,508	42,668	84,176	611
Due from other governments	-	-	-	21,991
Inventories	177,178	104,298	281,476	-
Restricted assets				
Cash and investments	82,339	3,168,107	3,250,446	-
Capital assets				
Non-depreciable assets	2,890,511	280,077	3,170,588	-
Depreciable assets, net of accumulated depreciation	24,004,344	26,164,640	50,168,984	-
Total assets	28,275,816	31,265,504	59,541,320	54,713
Liabilities				
Accounts payable	368,419	111,726	480,145	3,532
Accrued liabilities	128,743	31,801	160,544	4,470
Due to other governments	21,991	-	21,991	-
Unearned revenues	122,720	-	122,720	-
Liabilities payable from restricted assets	-	926,478	926,478	-
Long-term liabilities				
Due within one year	451,420	1,452,456	1,903,876	4,830
Due in more than one year	4,357,557	11,573,727	15,931,284	10,474
Total liabilities	5,450,850	14,096,188	19,547,038	23,306
Net Position				
Invested in capital assets, net of related debt	22,519,089	13,502,957	36,022,046	-
Restricted for:				
Public safety	61,644	-	61,644	-
Debt service	95,771	-	95,771	-
Unrestricted	148,462	3,666,359	3,814,821	31,407
Total net position	$ 22,824,966	$ 17,169,316	$ 39,994,282	$ 31,407

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

CITY OF KINGSLAND, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-type Activities	Net Revenue (Expense) and Changes in Net Position: Total	Discretely Presented Component unit
Primary government:								
Governmental activities:								
General government	$ 1,549,030	$ 256,795	$ -	$ 431,100	$ (861,135)	$	$ (861,135)	$
Judicial	595,657	1,425,735	-	-	830,078		830,078	
Public safety	5,054,473	4,973	23,650	-	(5,025,850)		(5,025,850)	
Public works	2,695,757	-	71,034	1,462,546	(1,162,177)		(1,162,177)	
Housing and development	788,147	-	238	-	(787,909)		(787,909)	
Intergovernmental	312,217	-	-	878,932	566,715		566,715	
Interest on long-term debt	102,952	-	-	-	(102,952)		(102,952)	
Total governmental activities	11,098,233	1,687,503	94,922	2,772,578	(6,543,230)		(6,543,230)	
Business-type activities:								
Water and Sewer	5,321,171	5,151,329	-	1,621,375	-	1,451,533	1,451,533	
Solid Waste	828,511	888,949	-	-	-	60,438	60,438	
Total business-type activities	6,149,682	6,040,278	-	1,621,375	-	1,511,971	1,511,971	
Total primary government	$ 17,247,915	$ 7,727,781	$ 94,922	$ 4,393,953	(6,543,230)	1,511,971	(5,031,259)	
Component units:								
Kingsland Area Convention & Visitor's Bureau	$ 304,702	$ 23,407	$ 309,249	$ -				27,954
Total component units	$ 304,702	$ 23,407	$ 309,249	$ -				27,954
General revenues:								
Taxes:								
Property taxes, levied for general purposes					4,442,953	-	4,442,953	-
Sales taxes for general purposes					1,504,631	-	1,504,631	-
Selective taxes					921,849	-	921,849	-
Other taxes					911,261	-	911,261	-
Grants and contributions not restricted to specific programs					5,000	-	5,000	-
Unrestricted investment earnings					1,563	17,686	19,249	-
Miscellaneous					108,194	21,054	129,248	-
Gain (loss) on disposition of capital asseets					20,069	(1,680)	18,389	-
Total general revenues					7,915,520	37,060	7,952,580	-
Transfers					(195,198)	195,198	-	
Total general revenues and transfers					7,720,322	232,258	2,921,321	-
Change in net position					1,177,092	1,744,229	2,921,321	27,954
Net position, beginning of year, as restated					21,647,874	15,425,087	37,072,961	3,453
Net position, end of year					$ 22,824,966	$ 17,169,316	$ 39,994,282	$ 31,407



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FUND FINANCIAL STATEMENTS

CITY OF KINGSLAND, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General Fund	SPLOST	Multiple Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 4,782	$ 7,589	$ 121,368	$ 103,075	$ 236,814
Receivables	906,250	142,622	3,413	55,423	1,107,708
Due from other funds	32,210	-	-	290	32,500
Prepaid items	41,508	-	-	-	41,508
Inventories	177,178	-	-	-	177,178
Restricted cash and investments	82,339	-	-	-	82,339
Total assets	$ 1,244,267	$ 150,211	$ 124,781	$ 158,788	$ 1,678,047
LIABILITIES					
Liabilities					
Accounts payable	$ 185,363	$ 107,776	$ 2,280	$ 73,000	$ 368,419
Due to other funds	108,054	-	-	189,032	297,086
Accrued liabilities	113,866	-	-	-	113,866
Due to other governments	21,991	-	-	-	21,991
Unearned revenue	242	-	122,478	-	122,720
Total liabilities	429,516	107,776	124,758	262,032	924,082
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	413,433	-	-	-	413,433
FUND BALANCES					
Nonspendable	218,686	-	-	-	218,686
Restricted	82,339	42,435	24	30,256	155,054
Committed	-	-	-	-	-
Assigned	-	-	-	692	692
Unassigned	100,293	-	-	(134,192)	(33,899)
Total fund balances	401,318	42,435	24	(103,244)	340,533
Total liabilities, deferred inflows of resources and fund balances	$ 1,244,267	$ 150,211	$ 124,782	$ 158,788	$ 1,678,048

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 POSITION
SEPTEMBER 30, 2013

Total fund balances - governmental funds	$ 340,533
Amounts reported for governmental activities in the Statement of Net Position 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 Position.	26,894,855
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 Position.	413,433
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 Position. See Long-term debt note.	(4,808,977)
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 Position.	(14,878)
Net position of governmental activities in the Statement of Net Position	$ 22,824,966

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, 2013

	General Fund	SPLOST	Multiple Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 7,073,548	$ -	$ -	$ 702,838	$ 7,776,386
Licenses and permits	272,159	-	-	-	272,159
Intergovernmental	333,620	878,932	70,679	70,841	1,354,072
Charges for services	45,774	-	-	-	45,774
Fines and forfeitures	1,425,735	-	-	-	1,425,735
Investment	1,563	-	-	126	1,689
Miscellaneous	98,393	-	5,000	14,936	118,329
Total revenues	9,250,792	878,932	75,679	788,741	10,994,144
EXPENDITURES					
Current:					
General government	1,333,809	-	-	-	1,333,809
Judicial	593,925	-	-	-	593,925
Public safety	4,820,247	-	24,695	1,588	4,846,530
Public works	1,954,267	-	-	-	1,954,267
Housing and development	665,278	-	-	-	665,278
Intergovernmental	-	-	-	312,217	312,217
Capital outlay					
General government	4,537	-	5,000	-	9,537
Judicial	8,276	-	-	-	8,276
Public safety	5,000	-	8,443	-	13,443
Public works	22,666	754,575	39,116	-	816,357
Debt service:			-		
Principal	-	-	-	254,174	254,174
Interest and other charges	-	-	-	201,290	201,290
Total expenditures	9,408,005	754,575	77,254	769,269	11,009,103
Excess (Deficiency) of revenues over expenditures	(157,213)	124,357	(1,575)	19,472	(14,959)
OTHER FINANCING SOURCES (USES)					
Transfer in	279,815	70,841	1,576	566,298	918,530
Transfer out	(317,539)	(195,198)	-	(600,991)	(1,113,728)
Sale of capital assets	20,069	-	-	-	20,069
Total other financing sources & (uses)	(17,655)	(124,357)	1,576	(34,693)	(175,129)
Net change in fund balances	(174,868)	-	1	(15,221)	(190,088)
Fund balances - beginning	576,186	42,435	23	(88,023)	530,621
Fund balances - ending	$ 401,318	$ 42,435	$ 24	$ (103,244)	$ 340,533

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, 2013

Net change in fund balances - governmental funds		$ (190,088)
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	847,613	
Less: depreciation expense	(1,251,133)	(403,520)
Governmental funds do not present non cash donations to capital assets. The effect of capital assets donations is to increase net position.		1,462,546
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.		
Unavailable revenues - property taxes	413,433	
Less unavailable revenues September 30, 2012	(419,669)	(6,236)
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		254,174
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:		
Compensated absences	(38,122)	
Accrued interest	98,338	60,216
Change in net assets of governmental activities		$ 1,177,092

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

CITY OF KINGSLAND, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE
SEPTEMBER 30, 2013

	Water & Sewer Fund	Solid Waste Fund	Totals
ASSETS			
Current assets:			
Cash and investments	$ 238,015	$ 248,010	$ 486,025
Receivables	645,560	109,543	755,103
Due from other funds	34,251	277,304	311,555
Prepaid items	40,661	2,007	42,668
Inventory	104,298	-	104,298
Restricted cash and investments	3,137,888	30,219	3,168,107
Total current assets	4,200,673	667,083	4,867,756
Non-current assets:			
Capital assets:			
Non-depreciable assets	280,077	-	280,077
Depreciable assets, net of accumulated depreciation	25,911,994	252,646	26,164,640
Total non-current assets	26,192,071	252,646	26,444,717
Total assets	30,392,744	919,729	31,312,473
LIABILITIES			
Current liabilities:			
Accounts payable	87,997	23,729	111,726
Accrued liabilities	26,482	5,319	31,801
Due to other funds	12,718	34,251	46,969
Current portion of debt	59,879	57,577	117,456
Payable from restricted assets:			
Accrued interest	153,644	31	153,675
Customer deposits	772,803	-	772,803
Current portion of bonds	1,335,000	-	1,335,000
Total current liabilities	2,448,523	120,907	2,569,430
Non-current liabilities	11,451,446	122,281	11,573,727
Total non-current liabilities	11,451,446	122,281	11,573,727
Total liabilities	13,899,969	243,188	14,143,157
Net position			
Invested in capital assets, net of related debt	13,417,228	85,729	13,502,957
Unrestricted	3,075,547	590,812	3,666,359
Total net position	$ 16,492,775	$ 676,541	$ 17,169,316

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

CITY OF KINGSLAND, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Water & Sewer Fund	Solid Waste Fund	Total
Operating Revenues			
Water sales	$ 2,649,076	$ -	$ 2,649,076
Sewer sales	2,122,542	-	2,122,542
Water and wastewater tap fees	72,968	-	72,968
Capital recovery fees	95,982	-	95,982
Garbage fees	68,025	888,949	956,974
Other	142,736	-	142,736
Total operating revenues	5,151,329	888,949	6,040,278
Operating Expenses			
Salaries and benefits	1,871,725	321,343	2,193,068
Contracted services	508,663	202,749	711,412
Supplies	703,595	198,538	902,133
Other operating expenses	200,177	-	200,177
Depreciation and amortization	1,564,434	101,454	1,665,888
Total operating expenses	4,848,594	824,084	5,672,678
Operating income	302,735	64,865	367,600
Nonoperating Revenues (Expenses)			
Investment income	17,582	104	17,686
Interest expenses	(472,577)	(4,427)	(477,004)
Loss on disposition of capital assets	(1,680)	-	(1,680)
Miscellaneous	21,054	-	21,054
Total non-operating revenues (expenses)	(435,621)	(4,323)	(439,944)
Income (loss) before contributions and transfers	(132,886)	60,542	(72,344)
Capital contributions	1,621,375	-	1,621,375
Transfers in	195,198	-	195,198
Change in net position	1,683,687	60,542	1,744,229
Total net position - beginning	15,069,933	615,999	15,685,932
Prior-Period Adjustment	(260,845)	-	(260,845)
Total net position - ending	$ 16,492,775	$ 676,541	$ 17,169,316

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, 2013

	Water & Sewer Fund	Solid Waste Fund	Total
Cash flows from operating activities:			
Cash received from customers	$ 5,111,608	$ 882,117	$ 5,993,725
Cash payments to suppliers for goods and services	(1,491,002)	(394,508)	(1,885,510)
Cash payments to employees for services	(2,063,672)	(317,954)	(2,381,626)
Net cash provided by operating activities	1,556,934	169,655	1,726,589
Cash flows from noncapital financial activities:			
Miscellaneous revenues	21,054	-	21,054
Transfers to other funds	-	(236,018)	(236,018)
Net cash provided by noncapital financing activities	21,054	(236,018)	(236,018)
Cash flows from capital and related financing activities:			
Transfer in from SPLOST	195,198	-	195,198
Acquisitions and construction of capital assets	(27,512)	-	(27,512)
Principal payments on debt	(1,290,000)	(61,203)	(1,351,203)
Interest payments on debt	(472,577)	(4,396)	(476,973)
Net cash (used) by capital and related financing activities	(1,594,891)	(65,599)	(1,660,490)
Cash flows from investing activities:			
Interest earned on cash and investments	17,582	104	17,686
Net cash provided by investing activities	17,582	104	17,686
Net increase in cash and cash equivalents	679	(131,858)	(152,233)
Cash and cash equivalents, beginning of year	3,375,224	410,087	3,785,311
Cash and cash equivalents, end of year	$ 3,375,903	$ 278,229	$ 3,633,078

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, 2013

Operating income	$ 302,735	$ 64,865	$ 367,600
Adjustments to reconcile operating income			
to net cash provided by operating activities:			
Depreciation and amortization	1,564,434	101,454	1,665,888
Loss on disposition of capital assets	(1,680)		
Change in assets and liabilities:			
Decrease (increase) in other/accounts receivables	(44,390)	(6,832)	(51,222)
(Increase) decrease in prepaid items	(2,971)	839	(2,132)
Decrease in inventory	321	-	321
(Decrease) in accrued liabilities	(6,115)	705	(5,410)
(Decrease) in accounts payable	(90,587)	5,937	(84,650)
(Decrease) in deferred charges	-	-	-
Increase in customer deposits	6,349	-	6,349
(Increase) decrease in compensated absences	(171,162)	2,687	(168,475)
Total adjustments	1,254,199	104,790	1,358,989
Net cash provided by operating activities	$ 1,556,934	$ 169,655	$ 1,726,589

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, 2013, 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 position 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 and major individual 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 Multiple Grant Fund was established to account for various grant proceeds as well as the expenditures associated with the grants.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to the residents of the City.

The **Solid Waste Fund** accounts for the collection of solid waste for the residents of the City.

All activities necessary to provide such services are accounted for in these funds, 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 **Debt 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 States, 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 the State Treasurer.

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 are valued at average cost using the first in/first out (FIFO) method in the governmental funds. The cost of such inventories is recorded as expenses when consumed rather than when purchased. 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, 2013, 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, equipment's, 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not report any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

K. 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.

L. 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 position. 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.

M. 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 position".

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.
f)

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 position 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 position** consist of net position 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 position** consists of all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

N. 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, 2013, 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, 2013, and none were recorded.

B. Deficit Fund Equity

The following funds reported deficits in fund balances at September 30, 2013:

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.

NOTE 3: Deposits and Investments

Total deposits and investments as of September 30, 2013, are summarized as follows:

Account Balances		Ownership of Funds	
		Governmental Funds:	
Petty cash/cash on hand	$ 950	Cash and investments	$ 436,708
Demand deposits	1,972,344	Restricted cash and investments	81,400
Certificates of deposits	1,812,989	Enterprise Funds:	
Investments	425,654	Cash and investments	526,319
		Restricted cash and investments	3,167,510
	$ 4,211,937		
			$ 4,211,937

Credit Risk

As of September 30, 2013, 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	$ 425,654

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 and 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, 2013, 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	$ 532,605	$ 241,082	$ 338,415	$ 1,112,102	$ (205,852)	$ 906,250
SPLOST	-	142,622	-	142,622	-	142,622
Multiple Grant	-	3,413	-	3,413	-	3,413
Non-major government	49,977	-	5,446	55,423	-	55,423
Water and Sewer	-	20,519	634,379	654,898	(9,338)	645,560
Solid Waste	-	-	109,543	109,543	-	109,543
Total	$ 582,582	$ 407,636	$ 1,087,783	$ 2,078,001	$ (215,190)	$ 1,862,811

Property taxes are attached as an enforceable lien on property as of January 1. Taxes were levied on October 2, 2012 and payable on or before December 9, 2012. Penalties were applied on all unpaid taxes as of March 9, 2013. The City bills and collects its own property taxes. Property taxes levied for the year ending September 30, 2013, are recorded as receivable, net of the estimated uncollectible amount.

NOTE 5: Capital Assets

Capital asset activity for the fiscal year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-Depreciable Assets:				
Land	$ 1,527,843	$ 234,904	$ -	$ 1,762,747
Construction in progress	551,424	637,830	(61,490)	1,127,764
	2,079,267	872,734	(61,490)	2,890,511
Depreciable Assets:				
Buildings	4,271,711	5,885	-	4,277,596
Land and building improvements	5,185,304	19,122	-	5,204,426
Infrastructure	20,324,854	1,227,642	-	21,552,496
Machinery and equipment	6,588,985	246,267	(149,070)	6,686,182
	36,370,854	1,498,916	(149,070)	37,720,700
Accumulated Deprecitation:				
Buildings	(1,640,549)	(157,989)	-	(1,798,538)
Land and building improvements	(2,180,267)	(222,928)	-	(2,403,195)
Infrastructure	(2,740,980)	(831,760)	-	(3,572,740)
Machinery and equipment	(6,052,497)	(38,456)	149,070	(5,941,883)
	(12,614,293)	(1,251,133)	149,070	(13,716,356)
Total Governmental Activities:	25,835,828	1,120,517	(61,490)	26,894,855
Business-Type Activities:				
Non-Depreciable Assets:				
Land	58,892	-	-	58,892
Construction in progress	208,110	13,075	-	221,185
	267,002	13,075	-	280,077
Depreciable Assets:				
Building and improvements	2,822,061	-	-	2,822,061
System improvements	46,636,343	1,621,375	-	48,257,718
Machinery and equipment	3,263,697	14,437	(23,000)	3,255,134
	52,722,101	1,635,812	(23,000)	54,334,913
Accumulated Depreciation:				
Buildings and improvements	(1,684,216)	(82,826)	-	(1,767,042)
System improvements	(22,120,114)	(1,377,493)	-	(23,497,607)
Machinery and equipment	(2,765,091)	(163,534)	23,000	(2,905,625)
	(26,569,421)	(1,623,853)	23,000	(28,170,274)
Total Business-Type Activities	26,419,682	25,034	-	26,444,716
Total Capital Assets	$ 52,255,510	$ 1,145,551	$ (61,490)	$ 53,339,571

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

Governmental activities:	
General government	$ 177,099
Judiciary	1,732
Public safety	207,943
Public works	741,490
Housing and development	122,869
Total depreciation expense - governmental activities	$ 1,251,133

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, 2013, 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	$ 2,411,765

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

Year Ending September 30,	Principal	Interest
2014	33,774	110,226
2015	35,360	108,640
2016	37,022	106,978
2017	38,761	105,239
2018	40,582	103,418
2019-2023	233,366	486,634
2024-2028	293,586	426,414
2029-2032	1,699,314	287,457
Total	$ 2,411,765	$ 1,735,006

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	$ 4,510,000
Refunding 2008 Series Bonds and GEFA loans	9,755,000	3.47%	2021	8,315,000
				$ 12,825,000

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

Year Ending September 30,	Principal	Interest
2014	1,335,000	441,193
2015	1,380,000	393,061
2016	1,435,000	342,494
2017	1,485,000	289,433
2018	1,540,000	233,811
2019-2021	5,650,000	375,098
Total	$ 12,825,000	$ 2,075,090

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, 2013 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, 2013, are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2014	$ 52,210	$ 50,795
2015	36,119	51,878
2016	36,936	53,007
2017	3,729	17,958
Total minimum lease payments	128,994	173,638
Less amount representing interest	(8,122)	(6,721)
present value of future minimum lease payments	$ 120,872	$ 166,917

Note Payable:

Governmental Funds

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, 2013, is $354,736. 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, 2013, is $1,472,501. 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
2014	35,627	16,081
2015	37,356	14,352
2016	39,170	12,538
2017	41,072	10,636
2019	43,066	8,642
2020-2022	158,445	13,124
Total	$ 354,736	$ 75,373

Year Ending September 30,	Principal	Interest
2014	$ 68,537	$ 62,313
2015	1,403,964	26,212
Total	$ 1,472,501	$ 88,525

Long-Term liability activity for the year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Revenue bonds payable	$ 2,437,859	$ -	$ (26,094)	$ 2,411,765	$ 33,774
Less deferred amounts:					
For issuance costs	(20,960)	-	20,960	-	-
Total bonds payable	2,416,899	-	(5,134)	2,411,765	33,774
Notes Payable	1,927,233	-	(99,996)	1,827,237	104,164
Capital Leases	264,848	-	(128,084)	136,764	52,210
Compensated absences	395,090	191,568	(153,447)	433,211	261,272
Total Governmental Activities	$ 5,004,070	$ 191,568	$ (386,661)	$ 4,808,977	$ 451,420
Business-Type Activities					
Bonds Payable	$ 14,115,000	$ -	$ (1,290,000)	$ 12,825,000	$ 1,335,000
Less deferred amounts:					
For issuance costs	(260,845)	-	260,845	-	-
For loss on early retirement	(103,263)	-	39,394	(63,869)	-
For issuance discounts	(18,928)	-	2,641	(16,287)	-
Total bonds payable	13,731,964	-	(987,120)	12,744,844	1,335,000
Capital leases	259,922	-	(93,005)	166,917	48,774
Compensated absences	128,906	63,574	(78,058)	114,422	68,682
Total Business-Type Activities	$ 14,120,792	$ 63,574	$ (1,158,183)	$ 13,026,183	$ 1,452,456

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, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Discretely Presented Component Unit					
Compensated absences	$ 16,613	$ 4,677	$ (5,986)	$ 15,304	$ 4,830
Total Discretely Presented Component Unit	$ 16,613	$ 4,677	$ (5,986)	$ 15,304	$ 4,830

NOTE 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2013, is as follows:

	Payable Fund				
Receivable Funds	General Fund	Nonmajor Governmental Fund	Water and Sewer Fund	Nonmajor Business-Type Funds	Total
General Fund	$ -	$ 19,491	$ 12,718	$ 30,486	$ 62,695
Water and Sewer Fund	-	-	-	34,251	34,251
Nonmajor Business-type Funds	102	-	-	-	102
	$ 102	$ 19,491	$ 12,718	$ 64,737	$ 97,048

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, 2013, is as follows:

	Transfers Out		
Transfer In	Genral Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 279,815	$ 279,815
SPLOST Fund	70,841	-	70,841
Nonmajor Governmental Funds	317,540	559,583	877,123
Water/Sewer fund	-	150,879	150,879
	$ 388,381	$ 990,277	$ 1,378,658

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, 2013, fund balances for all the major and non-major funds were distributed as follows:

	General Fund	SPLOST	Multiple Grant Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories and prepaids	$ 218,686	$ -	$ -	$ -	$ 218,686
Restricted for:					
Drug forfeiture	-	-	-	29,966	29,966
Grant purposes	-	-	24	-	24
Debt reserve requirements	82,339	-	-	290	82,629
Construction and capital outlay	-	42,435	-	-	42,435
Assigned to:					
Kingsland Development Authority	-	-	-	692	692
Revenue bond	-	-	-	-	-
Unassigned:	100,293	-	-	(134,192)	(33,899)
Total Fund Balances	$ 401,318	$ 42,435	$ 24	$ (103,244)	$ 340,533

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 county 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 Commissions (RC) that cover the State of Georgia. During its year ended September 30, 2013, the City paid $15,946 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provided for the organizational structure of the RC in Georgia. The RC 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 RC. 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, 2013, 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 2013 and 2012 are shown below:

	2013	2012
Normal Costs		
Plan Benefits	$ 460,115	$ 456,052
Administrative Expenses	21,085	20,191
Amortization of the Unfunded Actuarial Accrued Liability	238,904	228,104
Covered Payroll	761,567	744,903
Recommended Contribution as a Percentage of Covered Payroll	11.83%	11.55%

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, 2013, the City's annual pension cost and actual contribution was $744,903. Recommended contributions of $ 761,567 and $ 744,903 were determined as part of the January 1, 2013 and 2013 actuarial valuations, respectively. The January 1, 2013 actuarial required contribution payments will be funded during the City's fiscal year 2014.

Valuation Date	January 1, 2013
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.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the 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 the 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	3.5% 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:

Period Ending	Annual Cost	Percentage of Annual Pension Cost Contributed	Obligation
9/30/2011	$ 705,288	100%	-
9/30/2012	$ 741,873	100%	-
9/30/2013	$ 744,903	100%	-

E. Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 80.27% funded. The actuarial accrued liability for benefits was $8,530,043 and the actuarial value of the assets was $6,847,087 resulting in an unfunded actuarial liability (UAAL) of $1,682,956. The covered payroll (annual payroll of active employees covered by the plan was $6,272,838, and the ratio of the UAAL to the covered payroll was 26.83%).

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 $702,838 in hotel/motel tax for the year ending September 30, 2013. Of the total amount collected, the City expended $309,249 or 44% for the promotion of tourism, $119,482 or 17% for the construction of a facility for visitor center purposes and $274,107, or 39% for general government needs.

Revenue:	
Hotel/Motel Taxes	$ 702,838
Expenditures:	
Tourism expenditures	309,249
Visitor center debt service	119,482
General government	274,107
Total expenditures	$ 702,838
Percentage of expenditures to revenues	100%

NOTE 17: Prior Period Adjustment

Early application of GASB-65 which changed the method of accounting for bond issue costs from amortizing them over the life of the related bond to treating them as a current expenditure.

	Government-wide	Proprietary fund
Beginning net position	$ 21,668,834	$ 15,685,932
Prior period adjustment	(20,960)	(260,845)
Beginning net position, restated	$ 21,647,874	$ 15,425,087

NOTE 18: 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 position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the net position date require disclosure in the accompanying notes. Management evaluated the activity of the City through March 26, 2014 and concluded that the following subsequent events need to be disclosed:

On February 10, 2014 City Council approved the refunding of all the Series 2004 bonds ($3,935,000) and the Series 2010 bonds ($5,955,000). Closing took place on March 14, 2014. The City will realize total debt service savings of $1,629,555.

In relation to the EPIC Adventures Resorts anticipated arrival to Kingsland, the City created a Community Improvement District called Georgia Gateway CID. This will be a component unit for the City.



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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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Taxes	$ 7,090,000	$ 7,147,074	$ 7,073,548	$ (73,526)
License and permits	276,000	278,600	272,159	(6,441)
Intergovernmental	319,500	329,500	333,620	4,120
Charges for services	55,000	43,000	45,774	2,774
Fines and forfeitures	1,755,000	1,581,000	1,425,735	(155,265)
Investment	1,000	1,000	1,563	563
Miscellaneous	81,000	98,000	98,393	393
Total revenues	9,577,500	9,478,174	9,250,792	(227,382)
Expenditures				
Current:				
General government				
Administration	911,550	1,060,637	1,057,090	3,547
Finance	253,003	279,519	276,719	2,800
Total general government	1,164,553	1,340,156	1,333,809	6,347
Judicial				
Municipal Court	638,044	601,644	593,925	7,719
Total judicial	638,044	601,644	593,925	7,719
Public safety:				
Police deparment	2,950,462	2,954,712	2,933,988	20,724
Fire department	1,951,997	1,884,207	1,886,259	(2,052)
Total public safety	4,902,459	4,838,919	4,820,247	18,672
Public works:				
Public works	1,667,008	1,654,439	1,658,817	(4,378)
Fleet services	347,839	301,132	295,450	5,682
Total public works	2,014,847	1,955,571	1,954,267	1,304

CITY OF KINGSLAND, GEORGIA
BUDEGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 284,500	$ 176,504	$ 70,679	$ (105,825)
Miscellaneous	5,000	5,000	5,000	-
TOTAL REVENUES	289,500	181,504	75,679	(105,825)
EXPENDITURES				
Current				
Public safety	301,750	46,306	24,695	21,611
Capital outlay				
General government	-	10,000	5,000	5,000
Public safety	-	15,000	8,443	6,557
Public works	-	111,798	39,116	72,682
TOTAL EXPENDITURES	301,750	183,104	77,254	105,850
Excess revenues over (under) expenditures	(12,250)	(1,600)	(1,575)	25
OTHER FINANCING SOURCES (USES)				
Transfers in	12,250	1,600	1,576	24
Total other financing (uses)	12,250	1,600	1,576	24
Net change in fund balance	-	-	1	1
Fund balance at beginning of year	23	23	23	-
Fund balance at end of year	$ 23	$ 23	$ 24	$ 1

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
MULTIPLE GRANT FUND
SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 284,500	$ 176,504	$ 70,679	$ (105,825)
Miscellaneous	5,000	5,000	5,000	-
TOTAL REVENUES	289,500	181,504	75,679	(105,825)
EXPENDITURES				
Current				
Public safety	301,750	46,306	24,695	21,611
Capital outlay				
General government	-	10,000	5,000	5,000
Public safety	-	15,000	8,443	6,557
Public works	-	111,798	39,116	72,682
TOTAL EXPENDITURES	301,750	183,104	77,254	105,850
Excess revenues over (under) expenditures	(12,250)	(1,600)	(1,575)	25
OTHER FINANCING SOURCES (USES)				
Transfers in	12,250	1,600	1,576	24
Total other financing (uses)	12,250	1,600	1,576	24
Net change in fund balance	-	-	1	1
Fund balance at beginning of year	23	23	23	-
Fund balance at end of year	$ 23	$ 23	$ 24	$ 1

CITY OF KINGSLAND, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013

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, 2013, the following supplemental appropriations and decreases were approved.

Fund Type	Original Appropriations	Supplemental Appropriations	Supplemental Decreases	Final Appropriations
General Fund	$ 9,783,335	$ -	$ (16,096)	$ 9,767,239

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	78.73%	6,285,312	25.82%
1/1/2013	6,847,087	8,530,043	1,682,956	80.27%	6,272,838	26.83%



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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 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, 2013

	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	DOT Grant Fund	GEFA EEC Grant Fund	TE Grant Fund	Hotel/Motel Tax Fund	Welcome Center Fund	Revenue Bond Fund	Debt Service Fund	Total
Assets											
Cash and investments	$ 102,383	$ -	$ 692	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 103,075
Receivables	-	5,446	-	-	-	-	49,977	-	-	-	55,423
Due from other funds	-	-	-	-	-	-	-	-	290	-	290
Total assets	102,383	5,446	692	-	-	-	49,977	-	290	-	158,788
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	73,000	-	-	-	-	-	-	-	-	-	73,000
Due to other funds	-	4,863	-	-	-	-	49,977	134,192	-	-	189,032
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	73,000	4,863	-	-	-	-	49,977	134,192	-	-	262,032
Fund balances:											
Restricted	29,383	583	-	-	-	-	-	-	290	-	30,256
Assigned	-	-	692	-	-	-	-	-	-	-	692
Unassigned	-	-	-	-	-	-	-	(134,192)	-	-	(134,192)
Total fund balances	29,383	583	692	-	-	-	-	(134,192)	290	-	(103,244)
Total liabilities and fund balances	$ 102,383	$ 5,446	$ 692	$ -	$ -	$ -	$ 49,977	$ -	$ 290	$ -	$ 158,788

CITY OF KINGSLAND, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds							Capital Project Fund	Debt Services Fund		
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	DOT Grant Fund	GEFA EEC Grant Fund	TE Grant Fund	Hotel/Motel Tax Fund	Welcome Center Fund	Revenue Bond Fund	Debt Service Fund	Total
Revenues											
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 702,838	$ -	$ -	$ -	$ 702,838
Intergovernmental	-	-	-	60,841	-	10,000	-	-	-	-	70,841
Investment	126	-	-	-	-	-	-	-	-	-	126
Miscellaneous	4,690	10,246	-	-	-	-	-	-	-	-	14,936
Total revenues	4,816	10,246	-	60,841	-	10,000	702,838	-	-	-	788,741
Expenditures											
Current:											
Public safety	1,588	-	-	-	-	-	-	-	-	-	1,588
Intergovermental	-	-	-	-	2,969	-	309,248	-	-	-	312,217
Capital outlay:											
Public safety	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	26,094	228,080	254,174
Interest and other charges	-	-	-	-	-	-	-	-	113,406	87,884	201,290
Total expenditures	1,588	-	-	-	2,969	-	309,248	-	139,500	315,964	769,269
Excess (deficiency) of revenues over expenditures	3,228	10,246	-	60,841	(2,969)	10,000	393,590	-	(139,500)	(315,964)	19,472
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	130,852	-	-	-	-	-	119,482	315,964	566,298
Transfers out	-	-	(130,852)	(60,841)	(5,708)	(10,000)	(393,590)	-	-	-	(600,991)
Total other financing sources and uses	-	-	-	(60,841)	(5,708)	(10,000)	(393,590)	-	119,482	315,964	(34,693)
Net changes in fund balance	3,228	10,246	-	-	(8,677)	-	-	-	(20,018)	-	(15,221)
Fund balances - beginning	26,155	(9,663)	692	-	8,677	-	-	(134,192)	20,308	-	(88,023)
Fund balances - ending	$ 29,383	$ 583	$ 692	$ -	$ -	$ -	$ -	$ (134,192)	$ 290	$ -	$ (103,244)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - DRUG FORFEITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 25,000	$ 135,036	$ 4,690	$ (130,346)
Interest income	-	-	126	126
TOTAL REVENUES	25,000	135,036	4,816	(130,220)
EXPENDITURES				
Current				
Public safety	25,000	135,036	1,588	133,448
TOTAL EXPENDITURES	25,000	135,036	1,588	133,448
Excess revenues over (under) expenditures	-	-	3,228	3,228
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing (uses)	-	-	-	-
Net change in fund balance	-	-	3,228	3,228
Fund balance at beginning of year	31,533	31,533	26,155	-
Fund balance at end of year	$ 31,533	$ 31,533	$ 29,383	$ (2,150)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - REVOLVING LOAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Miscellaneous	$ 2,843	$ 10,245	$ 10,246	$ 1
TOTAL REVENUES	2,843	10,245	10,246	1
EXPENDITURES				
Current				
Intergovernmental	2,843	-	-	-
TOTAL EXPENDITURES	2,843	-	-	-
Excess revenues over (under) expenditures	-	10,245	10,246	1
Net change in fund balance	-	10,245	10,246	1
Fund balance at beginning of year	3,474	3,474	(9,663)	-
Fund balance at end of year	$ 3,474	$ 13,719	$ 583	$ 1

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - KINGSLAND DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Interest income	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
Excess revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(105,000)	(123,500)	(130,852)	7,352
Transfers in	105,000	123,500	130,852	7,352
Total other financing (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	687	687	692	5
Fund balance at end of year	$ 687	$ 687	$ 692	$ 5

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND – DOT GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ 60,841	$ 60,841	$ -
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	60,841	60,841	-
EXPENDITURES				
Current				
Public safety	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess revenues over (under) expenditures	-	60,841	60,841	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(60,841)	(60,841)	-
Total other financing (uses)	-	(60,841)	(60,841)	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ 2,969	$ -	$ (2,969)
TOTAL REVENUES	-	2,969	-	(2,969)
EXPENDITURES				
Current				
Intergovernmental	-	2,969	2,969	-
TOTAL EXPENDITURES	-	2,969	2,969	-
Excess revenues over (under) expenditures	-	-	(2,969)	(2,969)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(5,708)	5,708
Total other financing (uses)	-	-	(5,708)	5,708
Net change in fund balance	-	-	(8,677)	(8,677)
Fund balance at beginning of year	-	-	8,677	8,677
Fund balance at end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND – TE GRANT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ 10,000	$ 10,000
TOTAL REVENUES	-	-	10,000	10,000
EXPENDITURES				
Current				
Intergovernmental	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess revenues over (under) expenditures	-	-	10,000	10,000
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(10,000)	10,000
Total other financing (uses)	-	-	(10,000)	10,000
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - HOTEL/MOTEL TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 700,000	$ 702,836	$ 702,838	$ 2
TOTAL REVENUES	700,000	702,836	702,838	2
EXPENDITURES				
Current				
Intergovernmental	308,000	309,248	309,248	-
TOTAL EXPENDITURES	308,000	309,248	309,248	-
Excess revenues over (under) expenditures	392,000	393,588	393,590	2
OTHER FINANCING SOURCES (USES)				
Transfers Out	(392,000)	(393,588)	(393,590)	(2)
Total other financing (uses)	(392,000)	(393,588)	(393,590)	(2)
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, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
TOTAL REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt service				
Principal	27,888	27,888	26,094	1,794
Interest and other charges	111,112	111,112	113,406	(2,294)
TOTAL EXPENDITURES	139,000	139,000	139,500	(500)
Excess revenues over (under) expenditures	(139,000)	(139,000)	(139,500)	(500)
OTHER FINANCING SOURCES (USES)				
Transfers In	119,000	119,482	119,482	-
Total other financing sources	119,000	119,482	119,482	-
Net change in fund balance	(20,000)	(19,518)	(20,018)	(500)
Fund balance at beginning of year	27,873	27,873	20,308	-
Fund balance at end of year	$ 7,873	$ 8,355	$ 290	$ (8,065)

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
TOTAL REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Debt service				
Principal	226,900	226,900	228,080	(1,180)
Interest and other charges	89,064	89,064	87,884	1,180
TOTAL EXPENDITURES	315,964	315,964	315,964	-
Excess revenues over (under) expenditures	(315,964)	(315,964)	(315,964)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	315,964	315,964	315,964	-
Total other financing sources	315,964	315,964	315,964	-
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, 2013

ASSETS	
Cash	$ 32,111
Due from other governments	21,991
Prepaid items	611
Total assets	$ 54,713
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 3,532
Accrued liabilities	4,470
Total liabilities	8,002
Fund balances:	
Unassigned	46,711
Total fund balances	46,711
Total liabilities and fund balances	$ 54,713
Total fund balance, descretely presented component unit	$ 46,711
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.	(15,304)
Net Assets of the Discretely Presented Component Unit in the Statement of Net Assets	$ 31,407

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, 2013

REVENUES	
Intergovernmental	$ 309,249
Miscellaneous	23,407
Total revenues	332,656
EXPENDITURES	
Current:	
Housing and development	306,011
Total expenditures	306,011
Excess (deficiency) of revenues over expenditures	26,645
Net change in fund balances	26,645
Fund balances - beginning	20,066
Fund balances - ending	$ 46,711
Net change in fund balance - discretely presented component unit:	26,645
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	1,309
Change in net assets of discretely presented component unit statement of activities	$ 27,954

CITY OF KINGSLAND, GEORGIA
BUDGETARY COMPARISON SCHEDULE
DISCRETELY PRESENTED COMPONENT UNIT-
CONVENTION AND VISITOR'S BUREAU
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 108,000	$ 309,248	$ 309,249	$ 1
Miscellaneous	42,760	20,244	23,407	3,163
TOTAL REVENUES	150,760	329,492	332,656	3,164
EXPENDITURES				
Current				
Housing and development	350,760	327,516	306,011	21,505
TOTAL EXPENDITURES	350,760	327,516	306,011	21,505
Excess revenues over (under) expenditures				
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net change in fund balance	(200,000)	1,976	26,645	24,669
Fund balance at beginning of year	(22,813)	13,563	20,066	6,503
Fund balance at end of year	$ (222,813)	$ 15,539	$ 46,711	$ 31,172



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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

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.	82
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	90
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.	95
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.	101
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.	104

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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Years									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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	$22,519,089
Restricted	-	-	14,127	14,127	14,127	-	-	70,440	157,415	157,415
Unrestricted	117,387	559,999	1,151,749	(201,551)	(445,218)	731,030	473,901	639,879	284,571	148,462
Total governmental activities net assets	$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	$22,824,966
Business-type activities										
Invested in capital assets, net of related debt	$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	$13,502,957
Restricted	969,097	1,669,467	2,684,545	-	-	-	-	-	-	
Unrestricted	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	3,666,359
Total business-type activities net assets	$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	$17,169,316
Primary government										
Invested in capital assets, net of related debt	$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	$36,022,046
Restricted	969,097	1,669,467	2,698,672	14,127	14,127	-	-	70,440	157,415	157,415
Unrestricted	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	3,814,821
Total primary government net assets	$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	$39,994,282

[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 POSITION
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Years									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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	$ 1,549,030
Judicial	299,996	290,431	409,137	502,505	433,491	468,914	586,457	720,472	593,966	595,657
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	5,054,473
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	2,695,757
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	788,147
Intergovernmental	-	-	-	-	-	-	294,782	292,298	632,291	312,217
Interest on LT debt	64,627	51,672	44,506	210,512	241,953	228,773	249,123	229,995	334,323	102,952
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	$11,098,233
Business-type activities:										
Water and Sewer	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	5,321,171
Solid Waste	567,810	599,463	606,353	744,141	796,166	798,420	711,315	818,472	822,268	828,511
Total business-type activities expenses	$ 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	$ 6,149,682
Total primary government expenses	$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	$17,247,915
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	$ 256,795
Judicial	824,415	673,474	1,004,019	1,161,617	983,624	933,788	1,425,213	1,540,533	1,430,229	1,425,735
Public Safety	210,792	217,582	242,744	186,041	188,477	188,772	38,196	122,751	44,476	4,973
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	94,922
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	2,772,578
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	$ 4,555,003

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

Business-type activities	384,054	682,783	1,501,973	1,935,696	536,704	1,631,459	1,395,142	151,706	(320,057)	1,511,971
Total primary government net expense	$ (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)	$ (5,031,259)
Other Changes in Net										
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	$ 4,442,953
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	1,504,631
Other taxes	1,681,471	1,782,066	1,930,362	807,080	828,086	828,240	901,410	930,582	1,839,115	1,833,110
Unrestricted grants & contri.	-	-	-	12,350	86,686	20,815	329,193	325,411	120,202	5,000
Unrestricted invest. earnings	8,069	18,393	80,442	156,778	95,647	7,155	1,331	984	1,328	1,563
Miscellaneous	-	-	-	93,134	78,303	78,587	112,834	115,981	115,572	128,263
Transfers	200,000	(174,540)	763	413	(925,089)	431	-	-	-	(195,198)
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	$ 7,720,322
Business-type activities:										
Investment earnings	29,630	78,266	114,007	255,746	241,933	108,377	65,948	32,522	23,328	17,686
Investment expense	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	3,562	27,155	53,434	31,899	184,095	19,374
Transfers	(200,000)	174,540	(763)	(413)	925,089	(431)	-	-	-	195,198
Total business-type activiites	$ (170,370)	$ 252,806	$ 113,244	$ 255,333	$ 1,170,584	$ 135,101	$ 119,382	$ 64,421	$ 207,423	$ 232,258
Total primary government	$ 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	$ 7,952,580
Changes in Net Position										
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)	$ 1,177,092
Business-type activities	213,684	935,589	1,615,217	2,191,029	1,707,288	1,766,560	1,514,524	216,127	(112,634)	1,744,229
Total primary government	$ 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)	$ 2,921,321

[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 Ten Fiscal Years

(accrual basis of accounting)

Function/Program	Program Revenues 2004	2005	2006	2007	2008
Governmental activities:					
General government	$ 502,943	$ 1,038,907 [1]	$ 307,960 [1]	$ 274,278	$ 527,194
Judicial	824,415	673,474	1,004,019 [1]	1,161,617	983,624
Public safety	328,120	355,336	573,861 [1]	207,806	198,019
Public works	188,715	44,100	752,560 [1]	1,547,082	324,457
Housing and development	24,037	48,210	579,887 [1]	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 [1]	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	2013
Governmental activities:					
General government	$ 511,348	$ 403,994	$ 587,259	$ 792,777	$ 687,895
Judicial	933,788	1,425,213	1,540,533	1,430,229	1,425,735
Public Safety	215,039	232,123	268,024	81,766	28,623
Public Works	1,962,222	2,223,119	392,681		1,533,580
Housing and development	177,901	32,756	-	-	238
Intergovernmental					878,932
Subtotal governmental activities	3,800,298	4,317,205	2,788,497	2,304,772	4,555,003
Business-type activities:					
Water and sewer	7,080,318	6,844,719	5,992,536	5,267,971	6,772,704
Solid waste	854,220	863,611	862,256	874,997	888,949
Subtotal business-type activities	7,934,538	7,708,330	6,854,792	6,142,968	7,661,653
Total primary government	$11,734,836	$12,025,535	$ 9,643,289	$ 8,447,740	$12,216,656

[1] 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund[3]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved[1]	223,838	668,508	1,467,745	1,812,415	1,353,608	669,333	635,933	-	-	-
Nonspendable								201,652	195,890	218,686
Restricted								70,440	70,879	82,339
Assigned								-	-	
Unassigned	-	-	-	-	-	-	-	296,901	309,417	100,293
Total general fund	$223,838	$668,508	$1,467,745	$1,812,415	$1,353,608	$669,333	$635,933	$568,993	$576,186	$401,318
All Other Governmental Funds[3]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved reported in:										
Special revenue funds[2]	(5,600)	(54,225)	(56,142)	(1,551,647)	(1,578,813)	90,122	46,795	-	-	-
Capital projects funds	(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	30,256
Grant fund										24
Capital projects funds								42,435	42,435	42,435
Assigned										
Special revenue funds								687	692	692
Debt service funds								27,873	20,308	
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	(134,192)	(134,192)	(134,192)
Total all other governmental funds	$ (26,328)	$ (17,617)	$ (173,949)	$(1,498,443)	$ (1,595,097)	$ (1,161,123)	$ (1,355,914)	$ (31,641)	$ (45,565)	$ (60,785)

[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									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Revenues										
Taxes	$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	$ 3,210,275
Sales taxes	$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	2,383,563
Other taxes	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	3,061,480
Licenses and permits	383,451	542,845	667,877	577,916	492,631	347,070	279,963	331,208	256,721	272,159
Intergovernmental	305,100	185,649	351,948	158,245	748,701	547,230	831,004	604,866	687,074	475,140
Charges for services	361,465	326,905	353,473	262,299	154,983	174,975	55,432	148,999	62,200	45,774
Fines and forfeitures	803,282	709,001	1,025,693	1,186,645	1,046,240	966,013	1,573,636	1,680,470	1,426,817	1,425,735
Interest	8,069	18,393	80,442	156,778	95,647	7,155	1,331	984	1,328	1,689
Miscellaneous	14,932	37,202	55,251	93,134	77,758	78,587	106,483	102,257	110,137	118,329
Total revenues	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	10,994,144
Expenditures										
General government	$ 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	$ 1,333,809
Judicial	300,194	289,864	408,639	502,505	433,491	472,792	586,307	719,891	593,614	593,925
Public safety	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	4,846,530
Public works	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	1,954,267
Housing & development	428,068	814,610	336,021	698,503	1,011,605	1,051,907	692,788	658,919	670,465	665,278
Culture and recreation	-	-	242,328	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	294,782	413,799	632,291	312,217
Capital outlay	648,233	1,021,496	1,189,852	5,443,979	5,309,793	3,423,522	2,508,604	140,113	579,164	847,613
Debt service:										
Principal	294,198	325,716	328,204	181,247	195,291	445,853	506,484	505,405	240,761	254,174
Interest	67,613	54,804	45,550	237,231	230,799	223,253	247,880	229,389	209,310	201,290
Total expenditures	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	11,009,103
Excess of revenues over (under) expenditures	(224,859)	427,094	354,056	(2,051,916)	359,133	(3,140,726)	(177,285)	1,255,582	(187,329)	(14,959)
Other Financing Sources (Uses):										
Capital lease proceeds	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	20,069
Transfers in	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	918,530
Transfers out	(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)	(1,113,728)
Total other financing sources (uses)	404,373	26,287	288,849	2,800,413	(914,594)	2,890,425	-	1,750	180,598	(175,129)
Net change in fund balance	$ 179,514	$ 453,381	$ 642,905	$ 748,497	$ (555,461)	$ (250,301)	$ (177,285)	$ 1,257,332	$ (6,731)	$ (190,088)
Debt service as a percentage of non-capital expenditures	5.45%	5.86%	4.95%	4.79%	4.38%	6.42%	7.68%	6.92%	4.31%	4.48%

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	Sales Tax[1]	Occupancy	Other	Total
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
2013	3,210,275	2,383,563	702,838	2,358,642	8,655,318
Change 2004-2013	71.4%	43.6%	27.6%	108.6%	66.0%

[1] 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 Ta 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
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%
2013	12	415,397,412	28,801,860	2,749,522	32,241	11,525,024	435,488,252		8.00	1,088,720,630	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 2012 are financial resources for fiscal year ended 2013.

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
2004	03	6.33	2.17	8.50	14.64	-	14.64	14.58	-	14.58
2005	04	6.51	1.99	8.50	12.50	-	12.50	14.58	-	14.58
2006	05	6.71	1.79	8.50	12.30	-	12.30	14.58	-	14.58
2007	06	7.22	1.23	8.45	12.25	-	12.25	14.75	-	14.75
2008	07	7.56	0.84	8.40	12.25	-	12.25	14.75	-	14.75
2009	08	7.35	0.65	8.00	12.00	-	12.00	14.75	-	14.75
2010	09	6.74	1.26	8.00	11.25	-	11.25	14.75	-	14.75
2011	10	6.71	1.29	8.00	11.95	-	11.95	15.00	-	15.00
2012	11	7.32	0.68	8.00	11.95	-	11.95	15.00	-	15.00
2013	12	7.21	0.79	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.

[2]County 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

	2013			2004		
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]**
Lowes Home Centers LLC	$5,121,230	1	1.23%			
Soncel Homes, Inc	4,229,014	2	1.02%	$ 2,823,036	2	1.26%
Georgia Power	3,625,248	3	0.87%	2,107,337	6	0.94%
CPF-FIA LLC	3,022,958	4	0.87%	-	—	0.00%
Kingsland Dev Co LP	2,900,969	5	0.70%	3,196,558	1	1.43%
A T Williams Oil Co	2,607,553	6	0.63%	4,905,991	—	2.20%
Ameris Bank	2,267,371	7	0.55%	-	—	0.00%
Royal Point Apartments LP	15,181,317	8	3.65%	1,847,655	7	0.83%
Ashton Cove LP	1,568,606	9	0.38%	1,387,790	10	0.62%
Camden Tele & Tele Co	1,511,471	10	0.36%	2,310,318	4	1.04%
Sawyer & Associates INC				2,563,151	3	1.15%
The Neighborhoods of Laurel				1,752,419	8	0.79%
Pilot Travel Center				1,677,776	9	0.75%
Soncel Inc				2,149,073	5	0.96%
Total	$36,914,507		9.03%	$ 26,721,104		10.71%

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 Ta 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	
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%	94,271	1,973,792	99.67%	6,474
2007	06	2,197,481	2,123,110	96.62%	69,954	2,193,064	99.80%	4,417
2008	07	2,884,650	2,781,354	96.42%	90,719	2,872,073	99.56%	12,577
2009	08	3,392,106	3,238,208	95.46%	125,432	3,363,640	99.16%	28,461
2010	09	3,663,097	3,456,856	94.37%	149,102	3,605,958	98.44%	57,139
2011	10	3,747,656	3,495,919	93.28%	138,032	3,633,951	96.97%	113,705
2012	11	3,633,732	3,372,991	92.82%	118,509	3,491,500	96.09%	142,232
2013	12	3,187,450	3,036,593	95.27%		3,036,593	95.27%	150,857
		$ 29,472,116	$28,013,495		$ 922,733	$28,936,228		$ 535,882

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]**
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%	1,187.79	1.11%	16,000
2013	2,411,576	-	1,827,237	136,764	12,825,001	-	-	166,915	17,367,493	1.60%	N/A	N/A	16,285

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]
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%	-
2013	-	-	-	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, 2013

Jurisdiction	New Debt Outstanding	Percentage Applicable to City of Kingsland[1]	Amount Applicable to City of Kingsland
Camden County, Georgia- Overlapping Debt			
	$0	27.24%	$0
Subtotal Overlapping Debt			$0
City of Kingsland, Georgia- Direct Debt			$4,375,577
Total Direct and overlapping debt			$4,375,577

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]									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Debt limit	$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	$ 43,548,825
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$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	$ 43,548,825
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	$447,013,276
Less Exempt:	11,525,024
Total taxable assessed value:	$435,488,252
Debt limit (10% of total taxable assessed value)	43,548,825
Debt applicable to limit:	-
Legal debt margin	$ 43,548,825

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					
	Utility	Less:	Net			
Fiscal	Service	Operating	Available	Debt Service[3]		Coverage
Year	Charges[1]	Expenses[2]	Revenue	Principal	Interest	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
2013	5,383,587	3,284,160	2,099,427	1,290,000	486,928	1.18

[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]
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	1,712,549	33,317	20,949	9,267	8.9%
2013	16,285		51,402	*	*	20,382	9,112	7.4%

Sources: Population information provided by the Bureau of Labor Statistics and the US Census Bureau. Personal income and 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 November 2013.

[4] Unemployment rate information is an adjusted yearly average, 2013 rate is for December 2013. 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

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Kings Bay Naval Submarine Base	8,979	1	44.05%	9,987	1	51.93%
Camden County School System	1,241	2	6.09%	1,200	2	6.24%
Express Scripts	625	3	3.07%	—	—	—
Lockheed Missiles & Space	516	4	2.53%	495	3	2.57%
Southeast Georgia Health Systems	450	5	2.21%	257	7	1.34%
Camden County Government	373	6	1.83%	305	6	1.59%
Wal-Mart Supercenter[1]	350	7	1.72%	425	4	2.21%
Kings Bay Support Services	350	8	1.72%	—	—	—
City of Kingsland Government	186	9	0.91%	135	9	—
City of St Marys Government	176	10	0.86%	—	—	—
Publix Supermarkets	—	—	—	155	8	0.81%
J. A. Jones, Inc.[2]	—	—	—	396	5	2.06%
Bayer Crop Science	—	—	—	130	10	0.68%
Total	13,246		64.99%	13,485		69.42%

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]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**	**2013**
Function											
General government											
Administration	4	4	4	5.5	6	6	6	4.5	4.5	4.5	5.4
Information Technology	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.7
Finance	3	3	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4.5	7.15
Municipal Court	1.5	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3	3
Police	36.5	34	38	40	44	47	48	46	47	49	46
Fire	19	20	20	23	24	29	30	27	29	30	30
Public Works	18.5	22.5	22.5	27	27	30	30	26	26	27	27
Planning & Zoning	3	4	4	5	6	9	9	8	8	8	8
Economic Development[1]	—	—	—	2	2	2	2	2	2	3	2
Fleet Services	3.5	3.5	4.5	4	5	6	6	6	5	5	3.75
Tourism (CVB Fund)	2	2	2	3	4	6.5	6.5	6	6	5	5.5
Water/Sewer Fund											
Administration	7	7	5	5.5	6	7	7	6.5	6.5	5.5	4.6
Information Technology[2]	—	—	2	2	2	3	3	3	3	3	0.3
Finance	5	4.5	4.5	4.5	6.5	6.5	6.5	6.5	6.5	6.5	3.85
Fleet Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.25
Operations	18	19	20	24	25	29	29	25	25	26	26
Sanitation											
Operations	5	5	4	5	6	7	7	8	8	8	8
Total	126	130	136.5	156.5	169.5	195	195	181.5	183.5	188	184.5

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.

Note: FTE counts are based on actual budgeted positions. New budget allocations implemented for FY 12/13 are as follows: City Manager & Human Resource Director - 80% General Fund & 20% Water Fund, Finance - 65% General Fund & 35% Water Fund, Fleet Services - 75% General Fund & 25% Water Fund, Information Technology - 90% General Fund & 10% Water Fund.

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

	Fiscal Years										
Function / Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
General Fund											
Administration											
Number of Council Meetings	24	25	22	23	20	21	21	21	21	18	20
Number of Ordinances Adopted	25	21	16	21	18	27	11	8	10	8	9
Number of New Employees Processed	30	31	30	45	57	54	39	20	24	40	24
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	$16,479,111	$15,565,877
Cash Receipts	$ 876,502	$ 943,411	$ 875,876	$ 919,941	$ 896,999	$ 898,072	$ 933,682	$ 982,031	$ 1,053,302	$ 1,006,365	$ 1,083,399
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	$12,618,427	$11,503,480
Credit Card Receipts[1]	$ -	$ 118,541	$ 179,549	$ 439,161	$ 585,153	$ 637,832	$ 668,542	$ 1,095,368	$ 1,293,824	$ 1,397,220	$ 1,459,469
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	$ 1,457,099	$ 1,519,529
Employees on Direct Deposit	68%	73%	76%	83%	85%	83%	89%	89%	91%	90%	92%
Accounts Payable Checks Issued	4,208	3,611	3,877	5,357	5,800	5,499	5,404	4,911	4,612	4,189	4,493
Court											
Cases/ Citations Processed	5,293	4,528	4,632	7260	7700	7085	7861	12,019	12,240	10,199	8,946
Failure to Appear Warrants Issued	32	58	47	59	51	67	24	42	18	51	90
Suspension Notices Issued	349	826	606	797	1129	1143	1210	2,039	2,230	2,057	1,619
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	4:00
Violent Crimes/Assaults	116	127	97	208	125	229	225	184	48	202	219
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	5:29
(EMS)	4:14	3:35	3:45	4:42	4:14	5:00	4:49	5:00	6:14	4:19	4:20
Firefighters per Call	11	11	12	7	9	11	11	10	11	13	8
Number of New Hydrants	27	33	23	50	73	86	182	61	38	38	11
Public Works											
Ditches Cleaned (miles)[2]	7.47	11.79	11.97	17.00	3.80	7.06	70.50	15.00	1.11	14.39	101.86
Sidewalk Repair (feet)	310	1,300	1,000	0	120	706	465	410	485	2123	0
Pot-hole/ Wash-out Repair	154	132	126	83	61	54	79	56	47	113	208

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

Planning and Zoning											
* Residential Permits Issued											
Single Family	132	145	179	223	179	109	103	46	51	19	11
Multi-Family	60	140	246	104	31	12	0	12	0	0	0
* New Business License Issued	201	212	211	213	188	191	159	174	134	126	105
Fleet											
Number of Tires Replaced	167	150	150	187	225	401	326	349	451	444	382
Number of Preventive Maint. Procedures Performed	213	190	200	274	261	279	308	290	306	377	322
Vehicle Alignments Performed	27	24	35	36	37	19	24	30	46	41	24
CVB Fund											
Tourism											
Memberships	11	11	18	16	17	20	22	20	25	28	18
Travel Shows Attended	7	12	9	12	15	23	22	27	35	53	46
Advertisement/ Print Media	20	20	48	24	43	66	50	29	154	100	360
Training/ Meetings	11	12	10	39	59	71	107	63	100	149	69
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	6,959	7,068
Information Technology[3]											
Average Monthly Visitors to Website	n/a	*	1,500	2,100	2,365	3,127	5,767	6,852	7,103	16,887	18,780
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	586.147
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	610.958
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	5,977
Average Number of Customers	5,312	4,029	4,323	4793	4,827	5,063	5,053	5,158	5,151	5,254	5,348

Sources: Various City departments.

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

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

[3] 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	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Police										
Stations	1	1	1	1	2	2	2	2	2	2
Patrol Units	*	39	39	35	40	40	42	46	36	41
Firing Range	1	1	1	0	0	0	0	0	0	0
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks										
Engine	4	4	5	5	5	6	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	99.9
Streets Maintained (miles)[1]	*	*	*	*	*	*	115.5	115.5	115.5	117.41
Service Trucks	*	14	14	15	15	15	15	16	15	17
Tourism										
Welcome Centers	1	1	1	1	1	1	1	1	2	2
Water										
Service Trucks	*	15	16	20	19	19	19	20	19	16
Fire Hydrants	919	942	992	1,065	1,151	1,333	1,394	1,432	1,470	1,481
Storage Capacity (thousands of gallons)[2]	1,250	1,250	1,250	1,750	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	4.4	4.4	4.4
Solid Waste										
Garbage Can CollectionTrucks	4	4	4	5	6	6	5	6	6	6
Other Collection Trucks[3]	4	4	5	6	4	5	5	4	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.

[4] Streets owned 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

CITY OF KINGSLAND, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2008 ISSUE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Project	Original Estimated Cost	Current Estimated Cost	Amount Expended		Other Financing Sources*	Total SPLOST Funds Expended
			Prior Years	Current Year		
Roads/Streets, Bridges & Drainage Projects	$ 3,540,000	$ 4,550,000	$ 4,180,342	$ 396,420	$ (361,516)	$ 4,215,246
Buildings	2,700,000	3,100,000	3,165,931	5,885	(200,000)	2,971,816
Kingsland Waterfront Park	2,500,000	-	-	-	-	-
Water/Sewer Line Extensions	7,500,000	3,000,000	926,917	387,954	-	1,314,871
Equipment & Technology	560,000	710,387	88,165	159,514	-	247,679
Total	$ 16,800,000	$ 11,360,387	$ 8,361,355	$ 949,773	$ (561,516)	$ 8,749,612

This is the annual report on spending for fiscal year 2012-2013 of the Special Purpose Local Option Sales Tax for the City of Kingsland, Georgia. Projects not funded or underfunded are a result of a decrease in SPLOST revenue actually received.

CITY OF KINGSLAND, GEORGIA
SCHEDULE OF REQUIRED EXPENDITURES
GENERATED BY THE HOTEL/MOTEL TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 700,000	$ 702,836	$ 702,838	$ 2
TOTAL REVENUES	700,000	702,836	702,838	2
EXPENDITURES				
Current				
Intergovernmental	308,000	309,248	309,248	-
TOTAL EXPENDITURES	308,000	309,248	309,248	-
Excess revenues over (under) expenditures	392,000	393,588	393,590	2
OTHER FINANCING SOURCES (USES)				
Transfers Out	(392,000)	(393,588)	(393,590)	(2)
Total other financing (uses)	(392,000)	(393,588)	(393,590)	(2)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

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, 2013, which collectively comprise the City of Kingsland, Georgia's basic financial statements and have issued our report thereon dated March XX, 2014. 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, 2013-1. 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.

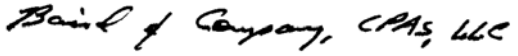
4210 Columbia Road, Building 10, Augusta, Georgia 30907 / Telephone (706) 855-9500 / Telefax (706) 855-2900 (www.bairdcpas.com)

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 2013-1.

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
Certified Public Accountants

Augusta, Georgia
March 19, 2013

CITY OF KINGSLAND, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

I. SUMMARY OF AUDIT FINDINGS

A. An unmodified 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, however our audit did disclose one significant deficiency that we feel needs to be disclosed.

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, 2013:

Finding: 2013-1

Significant Deficiency and Issue of Noncompliance

Criteria:
To comply with financial accountability and records regulations, the recipient must have a financial management system that provides adequate accounting records for the Federal Equitable Sharing Fund receipts and disbursements. This includes accounting records in the system that readily identifies federal receipts and expenditures.

Condition:
The financial management system did not separately identify Federal Equitable Sharing Funds receitps and disbursements causing federal funds to be misclassified as state funds.

Cause:
Management did not have a financial management system in place to segregate Federal Equitable Sharing Funds from other confiscated assets.

Effect:
Costs attributed to federal grants were not adequately segregated from other reeipts and disbursements and City was not in compliance with Federal Equitable Sharing Funds requirements.

Recommendation:
To improve internal control and operating efficiency, management should set up a financial management system that provides accurate, current, and complete disclosure of the status of these Federal Equitable Sharing Funds.

Management's Response:
One deposit of confiscated cash was deposited into the State Shared Asset Account instead of the Federal Shared Asset Account due to a clerical error. The error was discovered in the next month and funds were forwarded to the U.S. Marshal. Management now has access to the Federal Equitable Sharing Funds online account and management reviews this account monthly to ensure all federal funds are accounted for.