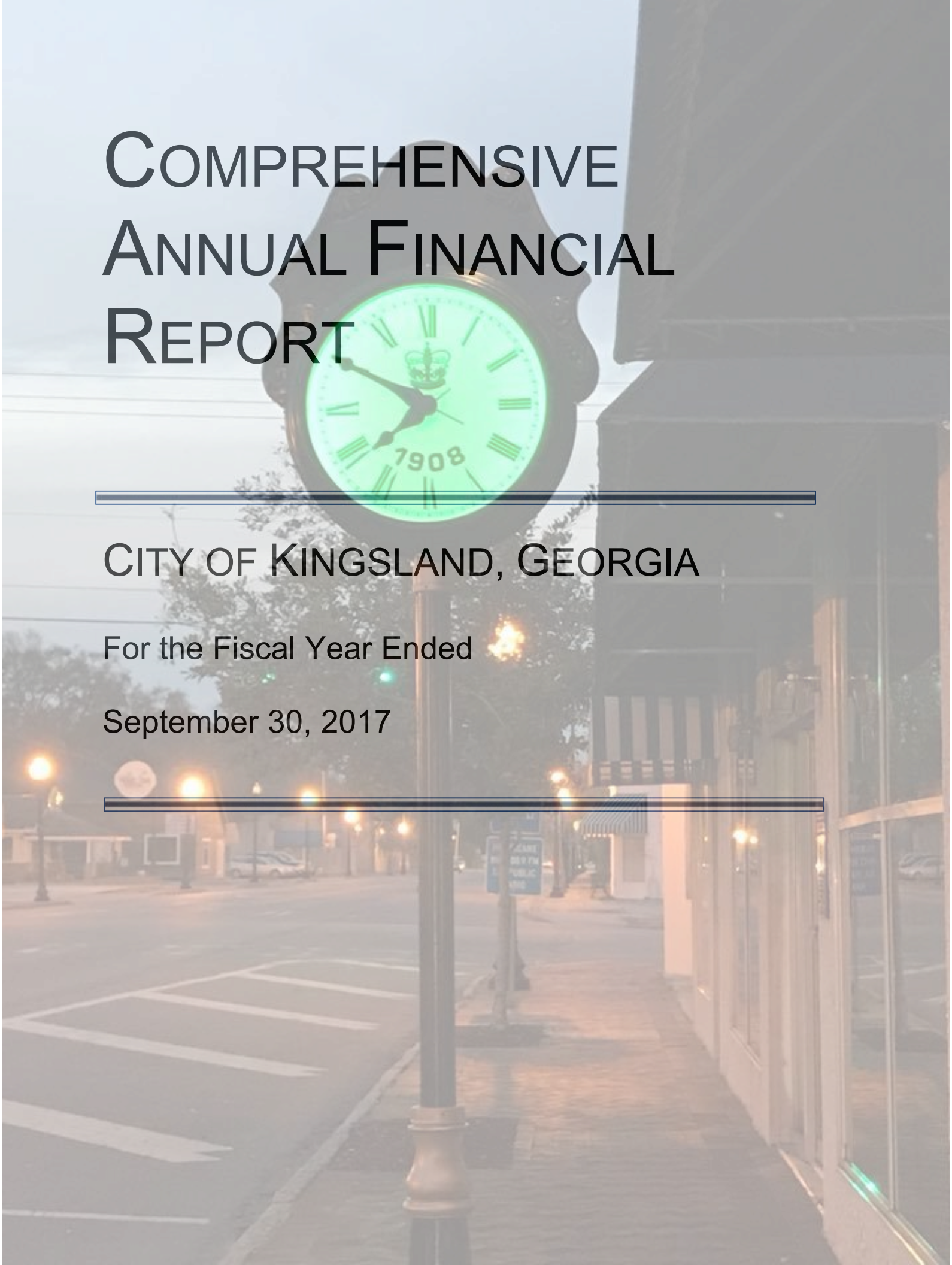


COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

For the Fiscal Year Ended

September 30, 2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

Post Office Box 250, Kingsland, Georgia 31548

For the Fiscal Year Ended

September 30, 2017

Prepared by:
City Finance Department

Filiz Morrow, CPA, MPA
Director of Finance

CITY OF KINGSLAND, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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CITY OF KINGSLAND, GEORGIA

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CITY OF KINGSLAND, GEORGIA

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INTRODUCTORY SECTION

CITY OF KINGSLAND
FINANCE DEPARTMENT

Kenneth E. Smith, Sr.
Mayor

Filiz Morrow, CPA, MPA
Finance Director

March 29, 2018

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

Ladies and Gentlemen:

I am pleased to submit the City of Kingsland's Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2017. 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.

Mauldin & Jenkins, LLC, 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, 2017. 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

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 4.

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 and notes, 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, sewer, and sanitation services.

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 16,720 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) and the Kingsland Downtown Development Authority (KDDA) are reported as blended component units and the Kingsland Area Convention and Visitors Bureau Authority (C&VB) and the Georgia Gateway Community Improvement District (GGCID) are reported as discretely presented component units. 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 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 salaries and/or 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 Interstate 95 (I-95). Per Georgia Department of Transportation, over 2,150,000 vehicles exit off of I-95 yearly at Kingsland's exit 3.

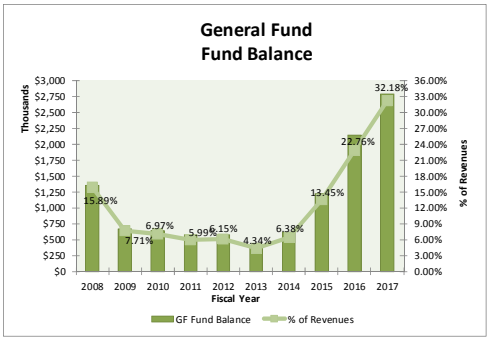
Although we are maintaining continued signs of growth as evidenced by 130 building permits being issued in FY17 and 125 in FY16 compared to 59 in FY 2015, we are still nowhere near the 327 residential permits issued in 2006 prior to the recession. While our economic base is stronger than most, our recovery from past declining resources is a slow process. Our sales tax and property tax digest have not fully recovered.

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 and current 16,720 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 here is one of the largest and is the east coast home of the nation's Trident nuclear powered submarines. Many retirees from the base choose to stay and retire here.

Camden County increased its population from 30,164 in 1990 to 43,664 in 2000 and an estimated 53,008 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 retail development opened in September 2016 with Tractor Supply being the anchor tenant. Once all parcels are fully developed and occupied, the development is expected to provide 40-45 jobs, increase county wide sales tax revenue annually by $500 thousand, and increase the tax digest by $3.5 million. Near Kingsland's exit 3 a 500 acre site has been selected for a sports complex and resort entertainment destination. The economic impact of this project to our county over 10 years is estimated at $1.9 billion. A development agreement for the project was approved in FY 2017. Additionally, the county is on its way to becoming Georgia's Space Coast by working on initiatives to develop a site off of exit 7 on Interstate 95 for a commercial spaceport. Camden County will be well positioned to capitalize on the global $304 billion space industry.

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 in the early '80s and the years following the 2008 recession took a toll on the City's reserves. 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 fund balance to the recommended level. 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% with a decline to 4.34% in FY 2013. In this fiscal year the fund balance increased to $2,788,176 (32.18% of revenues) mainly due to realizing the benefits of prior year's early retirement plan and innovative cost sharing plans with the county. Mayor, Council, and management have taken the stance of protecting the fund balance. The unrestricted portion of the fund balance of 20% has been assigned to reserve for emergencies based on financial policy. Financial policy requires reserves to be between a lower limit of 10% and an upper limit of 20% of the operating budget. To continue to build a secure budget and adequate reserves, capital outlays expenditures were kept at a minimum. For the coming year, only two new positions were approved in planning & zoning and one new position in the solid waste fund. All three of these new positions are funded from revenues generated with the increased residential and commercial growth. Other departments with any vacant positions are only being filled based on critical need.

Major Initiatives

In the last few of years the Cities and County have been sharing services, personnel, and equipment where feasible through intergovernmental agreements. These efforts continue to show savings in various departments; such as, economic development, planning and zoning, fire, and grant management. Council continues to strive in implementing cost saving initiatives to benefit Taxpayers County wide.

As the General Fund fund balance finally exceeded recommended levels since the recession, the City was able to pay down $400,000 debt related to the previously owned municipal golf course. Council is working diligently to pay off additional debt in the current year as well. Overall debt of the City decreased by $314K in the General Fund, $86K in the Revenue Bond Fund, and $9K in Enterprise Funds.

SPLOST funding and projects remain on track. The City completed several resurfacing projects utility relocations for road widening, road construction, water/sewer projects, and engineering work on upcoming drainage projects.

Signs of growth continue to reflect in building permits. In addition to completion of a shopping center with one unit occupied as a fitness center and four additional store fronts available, the City more than double its residential permits from two years ago by issuing 130 in FY 2017.

In FY 2017, Council voted to apply for financing under the Georgia Environmental Finance Authority (GEFA) Drinking Water Program for needed water infrastructure projects. This program awards partial principal forgiveness and provides low interest loans. This loan will provide funding to change out phase II of the City's water meters with an automatic meter reading system and make improvements to two of the clear wells at the water plant.

The City held several work sessions with elected officials and employees to review and update the City's 2008 Comprehensive Plan for the upcoming years of 2018-2022. Several items were discussed; such as, capital outlay replacement plans and conditions assessment, ordinance updates, multi-use paths, economic development, public safety, and Exit 3 Redevelopment Plan. The Coastal Regional Commission will be assisting the City in finalizing the Comprehensive Plan in the coming year.

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, 2016. 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, 2016. This was the seventeenth time the City has received the award. 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 imitative and cooperation of Mayor and Council and 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. Cindy McCollough's assistance and the finance department staff.

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.

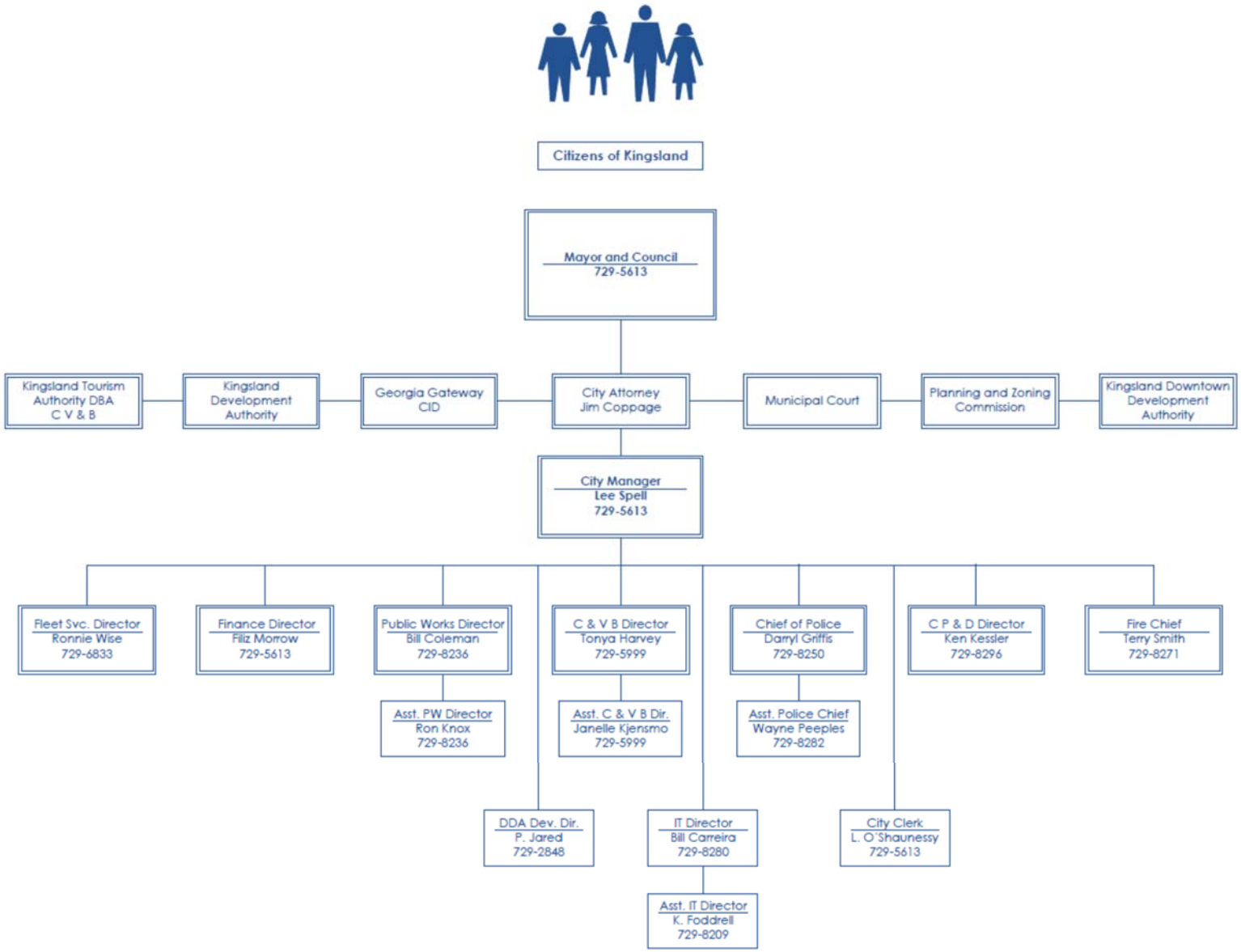
Respectfully submitted,



Filiz Morrow, CPA, MPA
Finance Director

CITY OF KINGSLAND, GEORGIA

ORGANIZATIONAL CHART
SEPTEMBER 30, 2017



CITY OF KINGSLAND, GEORGIA

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2017

City Officials and Department Heads



Mayor Kenneth E. Smith Sr.



Mayor Pro Tem
Grayson Day



Councilman
James Ham



Councilman
Jim McClain



Councilman
Rick Winters

Department Heads

Lee Spell..... City Manager
Filiz Morrow .....Finance Director
Darryl Griffis..... Police Chief
Terry Smith..... Fire Chief
Bill Coleman ..... Public Works Director
Ken Kessler ..... Community Planning & Development Director
Ronnie Wise ..... Fleet Services Director
Bill Carreira.....Information Technology Director
Tonya Harvey .....Convention & Visitors Bureau Director

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, 2016

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 the **City of Kingsland, Georgia** (the "City"), as of and for the year ended September 30, 2017, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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 as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the Multiple Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 62), and the Schedule of City Contributions (on page 63) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the City.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2018

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, 2017. 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.

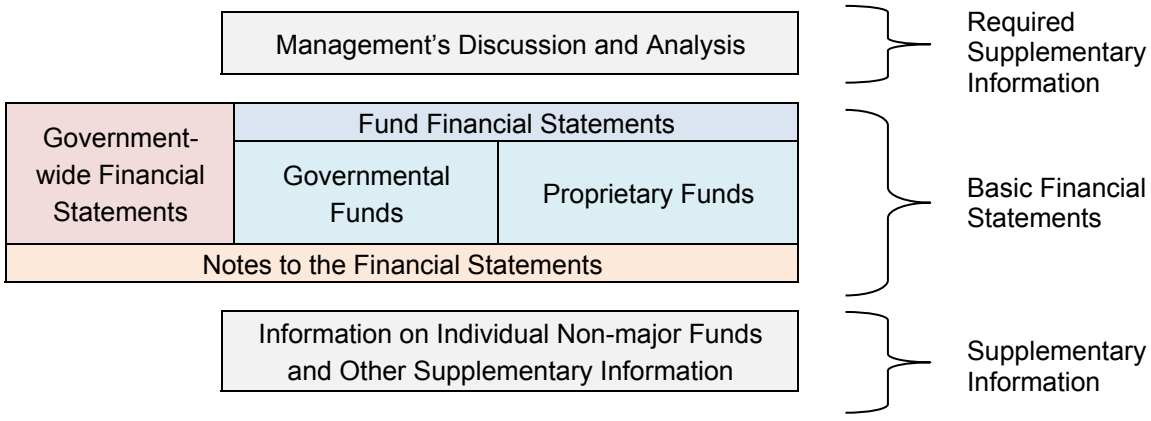
Financial Highlights

Key financial highlights for FY 2016-17 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $55,059,764 (*net position*). Of this amount, $8,568,575 (unrestricted net position), may be used to meet the City's obligations to citizens and creditors. Investment in capital assets totaled $44,776,868 and restricted funds for various projects and programs totaled $1,714,321.
- The City's total long-term debt decreased by $196,729 during the fiscal year due to resources paying down debt and only one new lease for $341,447 and one GEFA loan for $1,309,604 being issued.
- Combined revenue totaled $20,007,688 of which $12,343,692 belonged to governmental activities and $7,663,996 was business-type activities.
- Combined expenses were $16,020,613 of which governmental activities totaled $10,739,324 and business-type activities totaled $5,281,289.
- At the end of the fiscal year, assigned fund balance for general fund reserve was $1,898,954, or 20% of total general fund revenues. In order to offset possible future funding deficiencies and for emergencies, the City sets a reserve at an upper limit of 20 percent and a lower limit of 10 percent of actual revenues. The undesignated portion of fund balance may be used for one time capital outlay or debt retirement.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4,458,083, an increase of $16,023 over the prior year.

Overview of the Financial Statements

The following illustration is provided as an overview of the financial statements:



The discussion and analysis provided here is intended to serve as an introduction to the City of Kingsland's basic 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 are the Kingsland Development Authority (KDA) and Kingsland Downtown Development Authority (KDDA). These authorities are blended into the governmental funds as if its transactions were that of the primary government. The Convention and Visitors Bureau (CVB) and the Georgia Gateway Community Improvement District (GGCID) are 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 18 and 19 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 ten (10) individual governmental funds to account for the following activities:

- General
- Special Revenues
    - Multiple Grant
    - Drug Forfeiture
    - Revolving Loan
    - Kingsland Development Authority
    - Kingsland Downtown Development Authority
    - Hotel/Motel Tax
- Capital Projects
    - Special Purpose Local Option Sales Tax (SPLOST) VII
- 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, debt service fund, and SPLOST VII because they are considered to be major funds. Also, the multiple grant fund will be shown as a major fund for comparative purposes. Data from the other six (6) 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 nonmajor 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 20 through 23 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. This year both enterprise funds calculated to be a major fund. However, even in years when the solid waste fund does not calculate to be a major fund, for presentation purposes this fund is also presented as a major fund.

The basic proprietary fund financial statements can be found on pages 26 through 29 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 30 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 62 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 page 73.

***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 76 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 $55,059,764 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (81.32%) 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* of $8,568,575 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, 2017 and 2016 are presented following:

City of Kingsland's Net Position

As of September 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Assets						
Current and other assets	**$ 5,383,577**	$ 5,543,571	**$ 8,497,542**	$ 7,208,453	**$ 13,881,119**	$ 12,752,024
Capital assets	**26,999,656**	29,351,524	**29,456,140**	28,550,942	**56,455,796**	57,902,466
Total assets	**32,383,233**	34,895,095	**37,953,682**	35,759,395	**70,336,915**	70,654,490
Deferred outflows of resources	**448,239**	324,341	**-**	-	**448,239**	324,341
Liabilities						
Other liabilities	**829,862**	1,001,658	**810,621**	873,085	**1,640,483**	1,874,743
Non-current liabilities	**5,702,909**	7,396,759	**7,893,613**	8,283,930	**13,596,522**	15,680,689
Total liabilities	**6,532,771**	8,398,417	**8,704,234**	9,157,015	**15,237,005**	17,555,432
Deferred inflows of resources	**488,385**	657,075	**-**	-	**488,385**	657,075
Net position:						
Net investment in capital assets	**23,121,079**	24,318,855	**21,655,789**	20,351,879	**44,776,868**	44,670,734
Restricted for:						
Capital projects	**1,648,059**	2,185,821	**-**	-	**1,648,059**	2,185,821
Public safety	**25,417**	21,142	**-**	-	**25,417**	21,142
Economic development	**40,845**	-	**-**	-	**40,845**	-
Debt service	**-**	79,242	**-**	-	**-**	79,242
Unrestricted (deficit)	**974,916**	(441,116)	**7,593,659**	6,250,501	**8,568,575**	5,809,385
Total net position	**$ 25,810,316**	$ 26,163,944	**$ 29,249,448**	$ 26,602,380	**$ 55,059,764**	$ 52,766,324

Changes in Net Position. Governmental and business-type activities increased the City's net position by $3,987,075 in FY 2017. The following table shows the revenue and expenses by activity and changes in net position for governmental and business-type activities in FY 2017 and FY 2016:

City of Kingsland's Changes in Net Position

September 30, 2017 and 2016

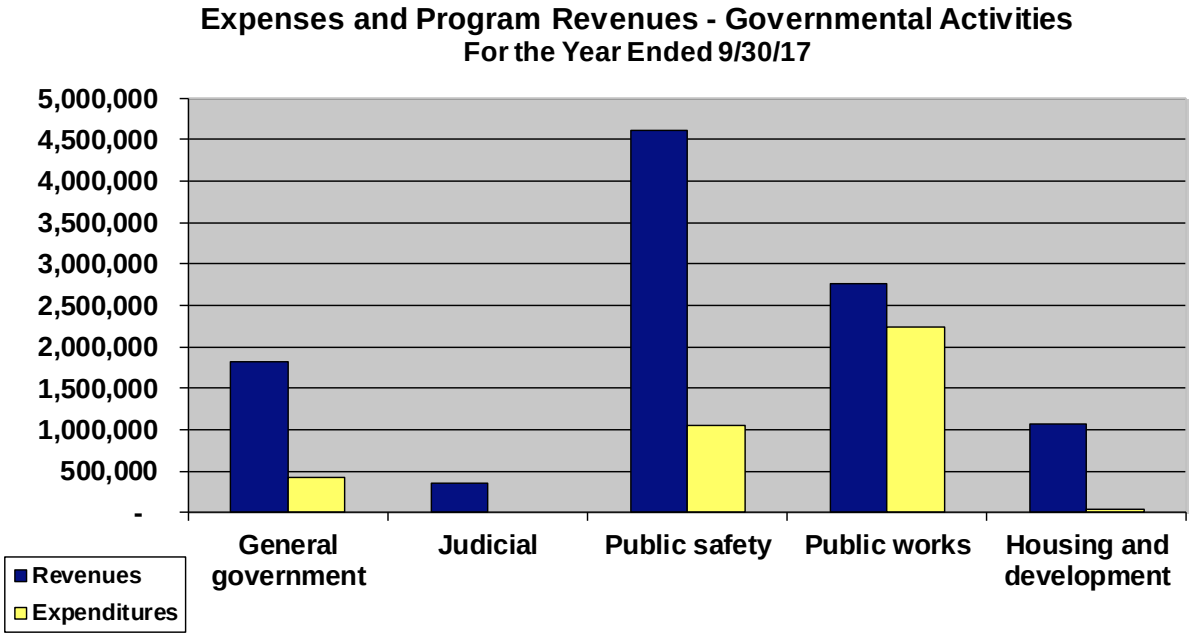
	Governmental Activities		Business-type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Revenues:						
Program revenues:						
Charges for services	**$ 1,378,470**	$ 1,626,973	**$ 7,206,897**	$ 6,956,884	**$ 8,585,367**	$ 8,583,857
Operating grants	**139,073**	848,854	**-**	-	**139,073**	848,854
Capital grants	**2,245,070**	2,903,340	**429,789**	689,153	**2,674,859**	3,592,493
General revenues:						
Property taxes	**3,148,909**	3,175,480	**-**	-	**3,148,909**	3,175,480
Franchise taxes	**874,827**	899,256	**-**	-	**874,827**	899,256
Other taxes	**4,496,942**	4,281,530	**-**	-	**4,496,942**	4,281,530
Unrestricted investment earnings	**46,059**	16,783	**24,063**	10,493	**70,122**	27,276
Penalties and fees		-	**-**	95,769	**-**	95,769
Miscellaneous	**-**	105,484	**-**	15,569	**-**	121,053
Gain on disposition of capital assets	**14,342**	-	**3,247**	1,400	**17,589**	1,400
Total revenues	**12,343,692**	13,857,700	**7,663,996**	7,769,268	**20,007,688**	21,626,968
Program expenses:						
General government	**1,817,292**	3,844,564	**-**	-	**1,817,292**	3,844,564
Judicial	**361,302**	486,418	**-**	-	**361,302**	486,418
Public safety	**4,618,724**	3,526,083	**-**	-	**4,618,724**	3,526,083
Public works	**2,764,885**	2,280,206	**-**	-	**2,764,885**	2,280,206
Housing and development	**1,073,496**	580,202	**-**	-	**1,073,496**	580,202
Interest on long-term debt	**103,626**	118,055	**-**	-	**103,626**	118,055
Water and sewer	**-**	-	**4,480,201**	4,587,476	**4,480,201**	4,587,476
Solid waste	**-**	-	**801,088**	774,541	**801,088**	774,541
Total expenses	**10,739,324**	10,835,528	**5,281,289**	5,362,017	**16,020,613**	16,197,545
Excess (deficiency)	**1,604,368**	3,022,172	**2,382,707**	2,407,251	**3,987,075**	5,429,423
Transfers	**(264,361)**	(417,556)	**264,361**	417,556	**-**	-
Changes in net position	**1,340,007**	2,604,616	**2,647,068**	2,824,807	**3,987,075**	5,429,423
Net position beginning of the year	**26,163,944**	23,559,328	**26,602,380**	23,777,573	**52,766,324**	47,336,901
Prior period adjustment	**(1,693,635)**	-	**-**	-	**-**	-
Net position beginning of the year, restated	**24,470,309**	-	**-**	-	**-**	-
Net position - end of year	**$ 25,810,316**	$ 26,163,944	**$ 29,249,448**	$ 26,602,380	**$ 55,059,764**	$ 52,766,324

Note: The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined. Note 16 in the Notes to the Financial Statements provides additional information concerning the restatement.

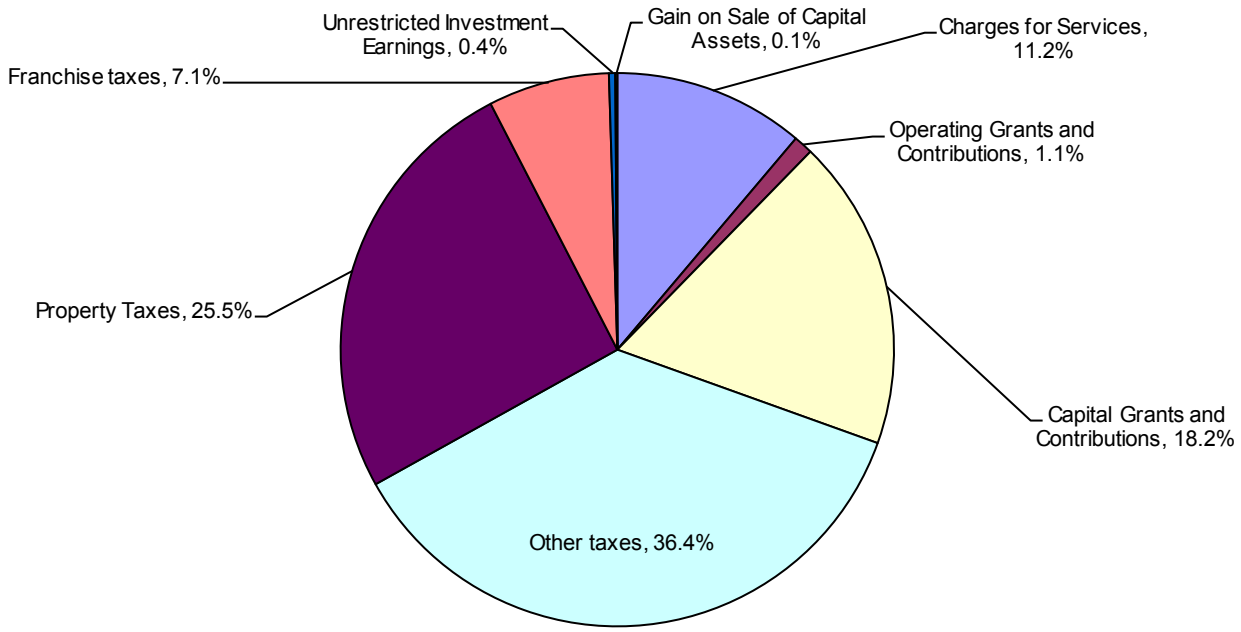
Governmental Activities. During the fiscal year ended September 30, 2017, governmental activities increased the City of Kingsland's net position by $1,340,007 accounting for 33.61% of the total growth in net position. This is primarily due to maintaining revenues and expenses consistent with prior year.

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 $10,739,324.
- However, the amount that our taxpayers paid for these activities through property, sales, franchise and other taxes was $8,520,678. The remaining cost was paid by :
  - Those who directly benefited from the programs and paid $1,378,470 in user charges, or
  - Other governmental and organizations that subsidized certain programs with grants and contributions paid $2,384,143.
- Public safety required the largest net amount of funds after subtracting program revenue, grants, and contributions. The total subsidy was $3,565,595. Public safety comprised 43.01% of total governmental expenses. Public Safety subsidized expense increased by 2.69%. This increase was due to increase in expenditures related to new hires.
- Public works comprised 25.75% of total governmental expenses. This is a 21.26% increase over last year due to an increase in expenditures related to purchased/contracted services.
- General government comprised 16.92% of total governmental expenses. For every one dollar of the total governmental activities in fiscal year 2017, $.13 came from charges for services.



Revenues by Source - Governmental Activities
For the Year Ended 9/30/2017

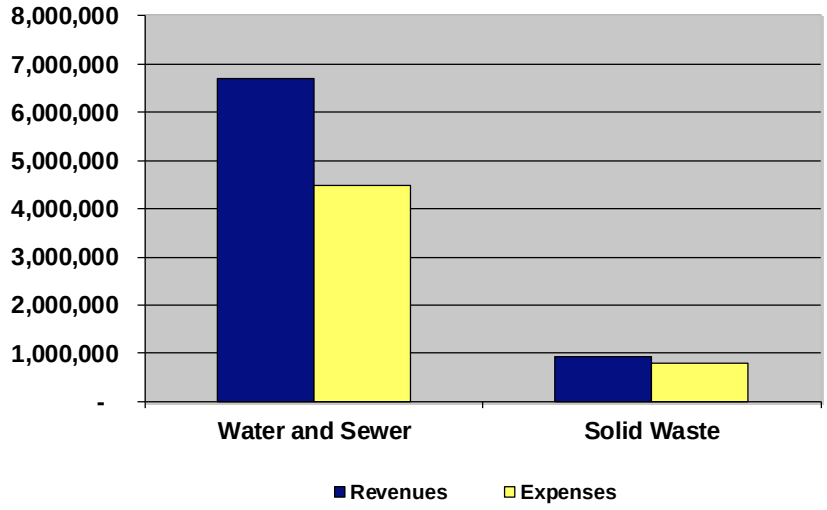


Business-type Activities. Business-type activities during the same period increased net position by $2,647,068 accounting for 66.39% of the total growth in net position. Increase in business-type activities resulted from increases in operating revenue and contributed water and sewer lines from developers. Net operating income for the water/sewer fund resulted in a gain of $1,932,698 before non-operating revenues/expenses were added. Non-operating expenses were primarily the net of interest revenue and expense ($115,097), gain on disposition of capital contributions of $429,789 and net transfers of $264,361.

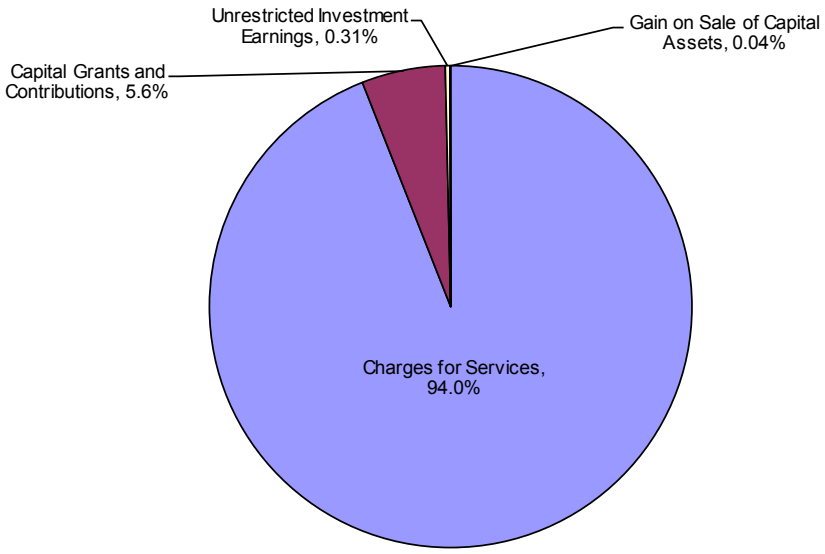
Business-type Activities – by Revenue Source. The following graphs present the cost of each of the City's business-type activities - the water and sewer fund and the solid waste fund – as well as the program revenues generated by these activities.

- The cost of all business-type activities this year was $5,281,289. This reflects a 1.51% decrease from prior year. Operating costs were kept at a minimum as we continue to invest in improving our infrastructure by replacing outdated systems through the funding of GEFA loans with 20%-30% loan forgiveness incentives.
- Business-type activities increased the City of Kingsland's net position by $2,647,068, or 66.39% of the City's total increase in net position.
- Charges for services accounts for 90.90% of the business-type revenues, with the water sewer fund generating 79.13% of total revenues.

Expenses and Program Revenues
Business-type Activities
For the Year Ended 9/30/17



Revenues by Source -
Business-type Activities
For the Year Ended 9/30/2017



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 three 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 2017 the General Fund had a fund balance of $2,788,176. This is an increase of $652,490 from the beginning fund balance. Of this amount, $1,898,954 constitutes "assigned fund balance" which is reserved under financial policy. Assigned fund balance is at 20% of revenues. The amount over the 20% threshold is listed as $681,208 unassigned and will be available for spending at the government's discretion for non-recurring items; such as, one time capital outlay purchases or debt retirement. The other amounts in fund balance, $150,449 and $57,565 are non-spendable inventories and prepaid items, respectively.

The SPLOST VII Fund is presented as a major fund. The SPLOST funds are used to account for projects constructed with special purpose local option sales tax. The City's share of SPLOST VII funds are forwarded from the County on a monthly basis. The $1,648,059 fund balance of SPLOST VII is restricted for voter approved SPLOST projects.

The Multiple Grant Fund is also presented as a major fund. This fund is not always a major fund, but for consistency it is presented as one. Grants classified in this fund do not meet the 2% rule to be classified in a separate grant fund. The fund balance of ($148,173) relates to deferred funds expected to be received from GEMA for Hurricane Irma expenses.

The Debt Service Fund is also presented as a major fund. This fund is not always a major fund, but did calculate as one this year due to repayment of $770,820 on a TAN for a road project funded by SPLOST. The fund balance is zero.

The fund balances for the other governmental funds increased by $49,491 mainly due to increases in the Revenue Bond Fund for the restricted portion of the hotel/motel tax. The Revenue Bond fund collects 17% of hotel/motel taxes to fund the Welcome Center bond payment. Recent increases in hotel/motel tax revenues are contributing to a positive fund balance in the Revenue Bond Fund.

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 $6,550,677 and those for the non-major solid waste fund amounted to $1,042,982. 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 $478,949 or approximately 5.11% from the original budget as a result of decreases in fines and forfeitures. As the police department continues to fill vacancies, more officers are available to enforce safety violations resulting in increased fines and forfeitures. The final budget for operating expenditures decreased by $363,943 or 3.94% from the original budget mainly due to a reduction in police department salaries for not filling all vacancies during the year. All departments were cost conscience and aware of decreased revenues over prior years and took necessary precautions to expend funds prudently.

Capital Asset and Debt Administration

Capital Assets. As of September 30, 2017, governmental activities and business-type activities had capital assets of $56,455,796 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities. This represents a $1,446,670 or 2.50% overall decrease from prior year. The capital assets for governmental activities decreased by $2,351,868 or 8.01%. The main decrease is attributed to reclassifying assets owned by the Convention and Visitors Bureau and showing those assets as part of the component unit instead of as general fixed assets. The capital assets for business-type activities decreased by $905,198 or 3.17%. This increase is a result of an increase in construction in progress for an ongoing water infrastructure project.

Major capital asset events during the current period include the following:

- Developer capital contributions of land and street infrastructure valued at $139,984 for governmental funds and $429,789 for water and sewer infrastructure.
- Machinery, equipment, and vehicles purchased at a cost of $162,725 for governmental funds and $361,552 for enterprise funds.
- Various projects related to streets and water and sewer service (construction in progress as of the close of the fiscal year) were completed and transferred to depreciable assets for $1,523,719.

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, 2017 and 2016

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Land	**$ 1,579,564**	$ 1,439,580	**$ 98,522**	$ 77,985	**$ 1,678,086**	$ 1,517,565
Buildings	**711,993**	801,266	**756,930**	828,040	**1,468,923**	1,629,306
Land and building improvements	**1,902,423**	2,103,404	**-**	-	**1,902,423**	2,103,404
Infrastructure	**20,237,682**	19,754,240	**-**	-	**20,237,682**	19,754,240
System improvements	**-**	-	**25,917,005**	26,736,686	**25,917,005**	26,736,686
Machinery and equipment	**1,326,178**	1,596,421	**925,985**	611,467	**2,252,163**	2,207,888
Construction in progress	**1,241,816**	1,438,855	**1,757,698**	296,764	**2,999,514**	1,735,619
Totals	**$ 26,999,656**	$ 27,133,766	**$ 29,456,140**	$ 28,550,942	**$ 56,455,796**	$ 55,684,708

Additional information on the City's capital assets can be found in Note 4 beginning on page 44 of this report.

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

At the end of September 30, 2017, the City had $5,702,909 of outstanding long-term debt related to governmental activities and $7,893,613 of long-term liabilities related to business-type activities for a total of $13,596,522. The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

At the end of 2017, the governmental activity had bonded debt outstanding of $2,130,386 and the business-type had $6,597,310 for a total of $8,727,696. 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 $39,416,645 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 5 beginning on page 46 of this report.

Economic Factors and Next Year's Budget and Rates

The outlook for FY 2018 is positive. The economy is showing steady signs of recovery through a decrease in unemployment rate which in turn correlates to an improved housing market as we continue to steadily see an increase in building permits. A retail development site opened its anchor tenant, Tractor Supply, in September 2016. Once the additional three parcels are developed, it is projected to provide 40-45 jobs, increase the tax digest by $3.5 million, and increase county wide sales tax revenue for LOST, SPLOST, and E-SPLOST by $500,000.

The City's Tax Allocation District (TAD) #1 and Georgia Gateway Community Improvement District, located just off of Interstate 95 at Exit 3, was designed to accommodate the development of a commercial and entertainment district. A development agreement for a proposed project on the 500 acre site is presently being finalized. The current developer intends to develop a fully integrated mixed use sports destination resort to be known as the Epic Adventures Resort. The project will consist of multiple phases to include an upscale RV resort, hotel, conference center, amphitheater with indoor sports, outdoor sports fields, family entertainment center, and additional retail and commercial phases. The project is estimated to bring 400 temporary construction jobs and 600 permanent direct jobs on site with additional induced jobs to the surrounding area. Increased local sales tax revenue that will benefit the entire county through LOST, SPLOST, and E-SPLOST, is expected to be at least $2.4 million annually from both direct sales inside the TAD and induced sales within the county.

In the 2018 legislative session the Governor allocated funding of the Coastal Pines Technical College to be located in Kingsland. This will be a tremendous asset for Kingsland and the County as the technical college will be able to provide the labor force that existing businesses and new employers seek.

As we continue to look to the future, we are excited our county has a prime site under contract and is seeking to entitle, license and acquire the site for the development of an aerospace industrial park. This site has a history of space activity and will be home to one or more commercial space companies. The Camden County Board of Commissioners, in partnership with the community, will be collaborating with the Camden County Joint Development Authority, the Georgia Department of Economic Development, the Georgia Department of Transportation, and other State and Federal Agencies, and commercial space companies, in pursuing the development of a World Class Spaceport in Camden County, Georgia. With our county being an ideal location on the coast of Georgia and bordering North East Florida, we are strategically positioned to be one of the most important commercial spaceports on the East Coast and in the United States. A favorable Environmental Impact Study for the site was released in March of 2018 indicating a move forward for the project. For more information on Camden County's Spaceport please visit www.spaceportcamden.us.

The FY 2018 city wide budget decreased 1.81% mainly due to decreases in other financing sources. The total city wide budget was set at $24,290,405 and the millage rate was increased by one mill to 8.50 with the one mill being dedicated to public safety for salaries and capital outlay. The City tax digest increased 2% prior year and increased by 6% in the current year. This growth in the tax digest is attributed to recent residential growth and a small percentage of commercial growth with some attributed to reassessments.

The Mayor and Council of the City of Kingsland considered many factors when approving the City's FY 2018 budget and remain cautious as we begin to come out of the recession. A study by Georgia Tech predicts Kingsland's population will increase 81 percent by 2030. The recovery since the economic downturn has been a slow process yet growth continues to improve each year. We hope this growth will continue to increase. Since the recession in FY 2008 for the first time beginning in early 2015 and currently we are seeing an increase in our building permits and tap fees in the water/sewer fund. This growth has to be planned for and we strive to be proactive as we forecast our future budgets. This is extremely difficult with our tax digest not increasing at the same rate as operating expenditures and need for capital outlay continues to rise. As a result Mayor and Council have implemented innovative cost sharing plans with the County by sharing personnel, equipment, and services. The benefits of these intergovernmental agreements are showing a positive effect on our current budget. Along with realizing the benefits of our prior years' retirement incentive plan, improving our utility cut-off procedures, refinancing debt at lower rates, and utilizing a property tax collection service, these cost saving measures implemented resulted in continue savings over current and future years.

The unemployment rate for the County in which the City of Kingsland resides is at 4.6%. This is a 1.09% decrease over prior year. This is the seventh consecutive year of a decline in unemployment rate since pre-recession time which is a good indicator leading to a stable economy.

Our real economic engine here began in the late 1980s known as Kings Bay Naval Submarine Base, the east coast home of the nation's Trident nuclear powered submarines. Of our county's estimated 53,008 population, almost half is connected to the 16,000 acre military base here. As a result 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. 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 increasing rates. The Mayor, Council, and management continue to strive to reach that goal every year.

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, P.O. Box 250, 105 West William Avenue, Kingsland, Georgia 31548.

CITY OF KINGSLAND, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Governmental Activities	Business-type Activities	Total	Georgia Gateway CID	Convention and Visitors Bureau
ASSETS					
Cash and cash equivalents	$ 4,108,247	$ 2,902,308	$ 7,010,555	$ 72	$ 397,099
Investments	-	2,450,597	2,450,597	-	-
Accounts receivable, net	243,642	576,393	820,035	-	-
Taxes receivable, net	94,030	-	94,030	-	-
Due from other governments	729,644	19,436	749,080	-	-
Due from primary government	-	-	-	-	38,621
Inventories	150,449	115,324	265,773	-	-
Prepaid items	57,565	55,030	112,595	-	416
Restricted assets:					
Cash and cash equivalents	-	1,440,533	1,440,533	-	-
Investments	-	937,921	937,921	-	-
Capital assets:					
Non-depreciable	2,821,380	1,856,220	4,677,600	-	323,167
Depreciable, net of accumulated depreciation	24,178,276	27,599,920	51,778,196	-	1,629,752
Total assets	32,383,233	37,953,682	70,336,915	72	2,389,055
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions made subsequent to measurement date	445,842	-	445,842	-	20,081
Net difference between projected and actual investment earnings	2,397	-	2,397	-	108
Total deferred outflows of resources	448,239	-	448,239	-	20,189
LIABILITIES					
Accounts payable	442,448	128,421	570,869	-	12,113
Accrued liabilities	170,744	56,242	226,986	-	6,912
Accrued interest	-	43,751	43,751	-	-
Due to component unit	38,621	-	38,621		
Unearned revenue	178,049	12,000	190,049	-	-
Customer deposits	-	570,207	570,207	-	-
Noncurrent liabilities:					
Due within one year	1,380,721	1,625,200	3,005,921	-	8,242
Due in more than one year	2,806,563	6,268,413	9,074,976	-	1,633
Net pension liability	1,515,625	-	1,515,625	-	68,266
Total liabilities	6,532,771	8,704,234	15,237,005	-	97,166
DEFERRED INFLOWS OF RESOURCES					
Differences between expected and actual experience	421,054	-	421,054	-	18,965
Changes in actuarial assumptions	67,331	-	67,331	-	3,033
Total deferred inflows of resources	488,385	-	488,385	-	21,998
NET POSITION					
Net investment in capital assets	23,121,079	21,655,789	44,776,868	-	-
Restricted for:					
Public safety	25,417	-	25,417	-	-
Economic development	40,845	-	40,845	-	-
Capital projects	1,648,059	-	1,648,059	-	-
Unrestricted	974,916	7,593,659	8,568,575	72	2,290,080
Total net position	$ 25,810,316	$ 29,249,448	$ 55,059,764	$ 72	$ 2,290,080

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

CITY OF KINGSLAND, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Business-type Activities	Total	Component Units: Georgia Gateway CID	Component Units: Convention and Visitors Bureau
Governmental activities:									
General government	$ 1,817,292	$ 427,990	$ -	$ -	$ (1,389,302)	$ -	$ (1,389,302)	$ -	$ -
Judicial	361,302	-	-	-	(361,302)	-	(361,302)	-	-
Public safety	4,618,724	914,056	139,073	-	(3,565,595)	-	(3,565,595)	-	-
Public works	2,764,885	-	-	2,245,070	(519,815)	-	(519,815)	-	-
Housing and economic development	1,073,496	36,424	-	-	(1,037,072)	-	(1,037,072)	-	-
Interest on long-term debt	103,626	-	-	-	(103,626)	-	(103,626)	-	-
Total governmental activities	10,739,324	1,378,470	139,073	2,245,070	(6,976,711)	-	(6,976,711)	-	-
Business-type activities:									
Water and Sewer	4,480,201	6,273,751	-	429,789	-	2,223,339	2,223,339	-	-
Solid Waste	801,088	933,146	-	-	-	132,058	132,058	-	-
Total business-type activities	5,281,289	7,206,897	-	429,789	-	2,355,397	2,355,397	-	-
Total primary government	$ 16,020,613	$ 8,585,367	$ 139,073	$ 2,674,859	$ (6,976,711)	$ 2,355,397	$ (4,621,314)	$ -	$ -
Component units:	$	$	$	$	$	$	$	$	$
Georgia Gateway CID	225	-	-	-	-	-	-	(225)	-
Convention and Visitors Bureau	442,254	-	449,594	30,599	-	-	-	-	37,939
Total component units	$ 442,479	$ -	449,594	$ 30,599	$ -	$ -	$ -	$ (225)	$ 37,939
General revenues:									
Property taxes					3,148,909	-	3,148,909	-	-
Other taxes					4,496,942	-	4,496,942	-	-
Franchise taxes					874,827	-	874,827	-	-
Unrestricted investment earnings					46,059	24,063	70,122	-	-
Miscellaneous revenues					-	-	-	225	5,169
Gain on sale of capital assets					14,342	3,247	17,589	-	-
Transfers					(264,361)	264,361	-	-	-
Total general revenues and transfers					8,316,718	291,671	8,608,389	225	5,169
Change in net position					1,340,007	2,647,068	3,987,075	-	43,108
Net position, beginning of year, as restated					24,470,309	26,602,380	51,072,689	72	2,246,972
Net position, end of year					$ 25,810,316	$ 29,249,448	$ 55,059,764	$ 72	$ 2,290,080

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

CITY OF KINGSLAND, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	SPLOST VII	Multiple Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,460,007	$ 1,402,497	$ 78,219	$ -	$ 167,524	$ 4,108,247
Taxes receivable, net	94,030	-	-	-	-	94,030
Accounts receivable, net	155,867		-	-	87,775	243,642
Due from other governments	273,212	305,021	151,411	-	-	729,644
Due from other funds	34,232	193,345	-	-	14,922	242,499
Inventories	150,449	-	-	-	-	150,449
Prepaid expenditures	57,565	-	-	-	-	57,565
Total assets	$ 3,225,362	$ 1,900,863	$ 229,630	$ -	$ 270,221	$ 5,626,076
LIABILITIES						
Accounts payable	$ 170,810	$ 252,804	$ 18,801	$ -	$ 33	$ 442,448
Accrued liabilities	170,744	-	-	-	-	170,744
Due to other funds	-	-	193,345	-	49,154	242,499
Due to component unit	-	-	-	-	38,621	38,621
Unearned revenue	-	-	165,657	-	12,392	178,049
Total liabilities	341,554	252,804	377,803	-	100,200	1,072,361
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	95,632	-	-	-	-	95,632
Total deferred inflows of resources	95,632	-	-	-	-	95,632
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	150,449	-	-	-	-	150,449
Prepaid expenditures	57,565	-	-	-	-	57,565
Restricted for:						
Public safety	-	-	-	-	25,417	25,417
Housing and economic development	-	-		-	40,845	40,845
Capital projects	-	1,648,059	-	-	-	1,648,059
Debt service	-	-	-	-	103,759	103,759
Assigned	1,898,954	-	-	-	-	1,898,954
Unassigned	681,208	-	(148,173)	-	-	533,035
Total fund balances (deficit)	2,788,176	1,648,059	(148,173)	-	170,021	4,458,083
Total liabilities, deferred inflows of resources, and fund balances	$ 3,225,362	$ 1,900,863	$ 229,630	$ -	$ 270,221	$ 5,626,076

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, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds		$ 4,458,083
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the		
Cost of assets	45,812,743	
Accumulated depreciation	(18,813,087)	
		26,999,656
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		95,632
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred outflows of resources consist of the following:		
Contributions made subsequent to measurement date	445,842	
Net difference between projected and actual investment earnings	2,397	
		448,239
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Net pension liability	(1,515,625)	
Compensated absences payable	(308,707)	
Notes payable	(963,362)	
Capital leases payable	(784,829)	
Revenues bonds payable	(2,130,386)	
		(5,702,909)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred inflows of resources consist of the following:		
Differences between expected and actual experience	(421,054)	
Changes in actuarial assumptions	(67,331)	
		(488,385)
Net position of governmental activities		$ 25,810,316

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 FISCAL YEAR ENDED SEPTEMBER 30, 2017

	General Fund	SPLOST VII	Multiple Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 3,153,130	$ -	$ -	$ -	$ -	$ 3,153,130
Licenses, permits, and franchise fees	1,255,502	-	-	-	-	1,255,502
Other taxes	3,475,138	-	-	-	1,021,804	4,496,942
Charges for services	27,648	-	-	-	-	27,648
Fines and forfeitures	768,972	-	-	-	26,186	795,158
Intergovernmental	118,898	1,868,525	514,848	-	-	2,502,271
Interest revenue	45,984	770	-	-	75	46,829
Miscellaneous	19,667	-	-	-	36,424	56,091
Total revenues	8,864,939	1,869,295	514,848	-	1,084,489	12,333,571
Expenditures:						
Current:						
General government	1,481,838	-	256,414	-	-	1,738,252
Judicial	352,907	-	-	-	-	352,907
Public safety	4,184,172	-	18,182	-	21,944	4,224,298
Public works	1,827,989	-	5,424	-	-	1,833,413
Housing and economic development	514,679	-	-	-	482,551	997,230
Capital outlay	-	1,647,371	16,340	-	-	1,663,711
Debt service:						
Principal	-	-	-	1,184,853	85,945	1,270,798
Interest and other charges	-	-	-	57,571	46,055	103,626
Total expenditures	8,361,585	1,647,371	296,360	1,242,424	636,495	12,184,235
Excess (deficiency) of revenues over (under) expenditures	503,354	221,924	218,488	(1,242,424)	447,994	149,336
Other financing sources (uses):						
Transfers in	498,784	375,775	9,091	1,242,424	496,006	2,622,080
Transfers out	(480,696)	(1,135,461)	(375,775)	-	(894,509)	(2,886,441)
Proceeds from sale of capital assets	14,342	-	-	-	-	14,342
Capital lease issuance	116,706	-	-	-	-	116,706
Total other financing sources (uses)	149,136	(759,686)	(366,684)	1,242,424	(398,503)	(133,313)
Net change in fund balances	652,490	(537,762)	(148,196)	-	49,491	16,023
Fund balances, beginning of year	2,135,686	2,185,821	23	-	120,530	4,442,060
Fund balances (deficit), end of year	$ 2,788,176	$ 1,648,059	$ (148,173)	$ -	$ 170,021	$ 4,458,083

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 FISCAL YEAR ENDED SEPTEMBER 30, 2017

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		$ 16,023
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 1,492,449	
Depreciation expense	(1,626,559)	
		(134,110)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,221)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Proceeds from issuance of long-term debt	$ (116,706)	
Principal retirement on long-term debt	1,270,798	
		1,154,092
Pension expense related to the net pension liability as recorded in the statement of activities is based on the City's proportionate share of pension expense of the retirement system as a whole, whereas pension expenditures recorded in the funds are based on the use of financial resource (e.g., required contributions). Thus, the change in net position differs from the change in fund balance by the amount in which the City's proportionate share of pension expense exceeds actual contributions.		291,317
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the decrease in compensated absences payable.		16,906
Change in net position of governmental activities		$ 1,340,007

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

CITY OF KINGSLAND, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,296,700	$ 3,207,700	$ 3,153,130	$ (54,570)
Licenses, permits, and franchise taxes	1,267,000	1,249,981	1,255,502	5,521
Other taxes	3,340,925	3,399,525	3,475,138	75,613
Charges for services	113,500	117,500	27,648	(89,852)
Fines and forfeitures	1,189,000	753,000	768,972	15,972
Intergovernmental	119,500	100,870	118,898	18,028
Interest revenue	15,000	41,000	45,984	4,984
Miscellaneous	25,030	18,130	19,667	1,537
Total revenues	9,366,655	8,887,706	8,864,939	(22,767)
Expenditures:				
Current:				
General government	1,431,899	1,532,180	1,481,838	50,342
Judicial	538,990	382,360	352,907	29,453
Public safety	4,831,800	4,492,356	4,184,172	308,184
Public works	1,890,122	1,898,122	1,827,989	70,133
Housing and economic development	522,917	546,767	514,679	32,088
Total expenditures	9,215,728	8,851,785	8,361,585	490,200
Excess of revenues over expenditures	150,927	35,921	503,354	467,433
Other financing sources (uses):				
Transfers in	341,250	441,531	498,784	57,253
Transfers out	(294,670)	(494,670)	(480,696)	13,974
Proceeds from sale of capital assets	15,000	15,000	14,342	(658)
Capital leases	121,016	121,016	116,706	(4,310)
Total other financing sources, net	182,596	82,877	149,136	66,259
Net change in fund balances	333,523	118,798	652,490	533,692
Fund balances, beginning of year	2,135,686	2,135,686	2,135,686	-
Fund balances, end of year	$ 2,469,209	$ 2,254,484	$ 2,788,176	$ 533,692

CITY OF KINGSLAND, GEORGIA

MULTIPLE GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ 209,825	$ 725,074	$ 514,848	(210,226)
Total revenues	209,825	725,074	514,848	(210,226)
Expenditures:				
Current:				
General government	19,200	330,255	256,414	73,841
Public safety	13,760	13,760	18,182	(4,422)
Public works	-	5,424	5,424	-
Capital outlay	-	16,340	16,340	-
Total expenditures	32,960	365,779	296,360	69,419
Excess of revenues over expenditures	176,865	359,295	218,488	(140,807)
Other financing sources (uses):				
Transfers in	16,480	16,480	9,091	(7,389)
Transfers out	(193,345)	(375,775)	(375,775)	-
Total other financing uses, net	(176,865)	(359,295)	(366,684)	(7,389)
Net change in fund balances	-	-	(148,196)	(148,196)
Fund balances, beginning of year	23	23	23	-
Fund balances (deficit), end of year	$ 23	$ 23	$ (148,173)	$ (148,196)

CITY OF KINGSLAND, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,880,596	$ 1,021,712	$ 2,902,308
Investments	2,450,597	-	2,450,597
Accounts receivable, net	488,130	88,263	576,393
Due from other governments	19,436	-	19,436
Inventories	115,324	-	115,324
Prepaid items	52,701	2,329	55,030
Restricted cash	1,432,709	7,824	1,440,533
Restricted investments	937,921	-	937,921
Total current assets	7,377,414	1,120,128	8,497,542
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	1,856,220	-	1,856,220
Depreciable, net of accumulated deprecation	27,095,293	504,627	27,599,920
Total noncurrent assets	28,951,513	504,627	29,456,140
Total assets	36,328,927	1,624,755	37,953,682
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	80,841	47,580	128,421
Accrued liabilities	43,877	12,365	56,242
Accrued interest	43,751	-	43,751
Unearned revenue	12,000	-	12,000
Current portion - compensated absences	47,215	10,268	57,483
Current portion - leases payable	-	89,155	89,155
Current portion - bonds payable	1,478,562	-	1,478,562
Customer deposits	570,207	-	570,207
Total current liabilities	2,276,453	159,368	2,435,821
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	28,846	6,933	35,779
Leases payable, net of current portion	-	213,533	213,533
Bonds payable, net of current portion	5,118,748	-	5,118,748
Notes payable, net of current portion	900,353	-	900,353
Total noncurrent liabilities	6,047,947	220,466	6,268,413
Total liabilities	8,324,400	379,834	8,704,234
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	21,453,850	201,939	21,655,789
Unrestricted	6,550,677	1,042,982	7,593,659
Total net position	$ 28,004,527	$ 1,244,921	$ 29,249,448

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

CITY OF KINGSLAND, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Water and Sewer Fund	Solid Waste Fund	Total
OPERATING REVENUE			
Charges for services	$ 6,144,426	$ 912,578	$ 7,057,004
Penalties and fees	78,445	16,237	94,682
Miscellaneous	50,880	4,331	55,211
Total operating revenues	6,273,751	933,146	7,206,897
OPERATING EXPENSES			
Personnel services	1,445,652	284,840	1,730,492
Purchased or contracted services	829,755	226,832	1,056,587
Supplies	456,972	178,651	635,623
Depreciation	1,408,567	107,050	1,515,617
Other operating expenses	200,107	-	200,107
Total operating expenses	4,341,053	797,373	5,138,426
Operating income	1,932,698	135,773	2,068,471
NONOPERATING REVENUES (EXPENSES)			
Interest income	24,051	12	24,063
Interest expense	(139,148)	(3,715)	(142,863)
Gain on disposal of assets	-	3,247	3,247
Total nonoperating expenses, net	(115,097)	(456)	(115,553)
Income before capital contributions and transfers	1,817,601	135,317	1,952,918
CAPITAL CONTRIBUTIONS	429,789	-	429,789
TRANSFERS			
Transfers in	364,642	-	364,642
Transfers out	(84,057)	(16,224)	(100,281)
Total transfers	280,585	(16,224)	264,361
Net change in fund balances	2,527,975	119,093	2,647,068
Net position, beginning of year	25,476,552	1,125,828	26,602,380
Net position, end of year	$ 28,004,527	$ 1,244,921	$ 29,249,448

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

CITY OF KINGSLAND, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Water and Sewer Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	$ 6,187,709	$ 932,281	$ 7,119,990
Cash paid to suppliers	(1,550,864)	(373,445)	(1,924,309)
Cash paid to employees	(1,436,145)	(279,705)	(1,715,850)
Net cash provided by operating activities	3,200,700	279,131	3,479,831
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	364,642	-	364,642
Transfers out	(84,057)	(16,224)	(100,281)
Net cash provided by (used in) noncapital financing activities	280,585	(16,224)	264,361
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Intergovernmental grant	409,251	-	409,251
Proceeds from issuance of notes payable	900,353	-	900,353
Proceeds from issuance of capital leases	-	224,740	224,740
Proceeds from disposal of capital assets	-	3,247	3,247
Principal paid on capital leases	-	(72,925)	(72,925)
Principal paid on bonds payable	(1,450,880)	-	(1,450,880)
Interest paid	(148,557)	(3,799)	(152,356)
Acquisition and construction of capital assets	(2,163,237)	(237,040)	(2,400,277)
Net cash used in capital and related financing activities	(2,453,070)	(85,777)	(2,538,847)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(2,450,597)	-	(2,450,597)
Interest received	19,003	12	19,015
Net cash provided by (used in) investing activities	(2,431,594)	12	(2,431,582)
Increase (decrease) in cash and cash equivalents	(1,403,379)	177,142	(1,226,237)
Cash and cash equivalents:			
Beginning of year	4,716,684	852,394	5,569,078
End of year	$ 3,313,305	$ 1,029,536	$ 4,342,841
Classified as:			
Cash and cash equivalents	$ 1,880,596	$ 1,021,712	$ 2,902,308
Restricted assets, cash	1,432,709	7,824	1,440,533
	$ 3,313,305	$ 1,029,536	$ 4,342,841

(Continued)

CITY OF KINGSLAND, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Water and Sewer Fund	Solid Waste Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 1,932,698	$ 135,773	$ 2,068,471
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,408,567	107,050	1,515,617
(Increase) decrease in:			
Accounts receivable	8,585	(865)	7,720
Inventories	11,927	-	11,927
Prepaid items	(2,925)	(115)	(3,040)
Due from other governments	(19,436)	-	(19,436)
Increase (decrease) in:			
Accounts payable	(5,048)	32,153	27,105
Accrued liabilities	9,507	5,135	14,642
Due to other funds	(87,191)	-	(87,191)
Customer deposits	(67,984)	-	(67,984)
Unearned revenue	12,000	-	12,000
Net cash provided by operating activities	$ 3,200,700	$ 279,131	$ 3,479,831
Noncash investing, capital, and financing activities:			
Contributed capital assets	$ 20,538	$ -	$ 20,538
Net noncash investing, capital, and financing activities	$ 20,538	$ -	$ 20,538

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

NOTES TO THE 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 government units. 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. The Financial 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 unit's' 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 the following blended component units:

The **Kingsland Development Authority (the "Authority")** - 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 Authority does not issue separate financial statements.

The **Kingsland Downtown Development Authority (the "DDA")** - The governing body of the DDA is substantively the same as the City's Council. Although it is legally separate from the City, the DDA is reported as if it were part of the primary government because the DDA benefits the primary government almost exclusively. The DDA does not issue separate financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

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

The **Georgia Gateway Community Improvement District (the "CID")** was established in 2013 to exercise and fulfill the rights, powers, duties, and obligations of the CID in accordance with the terms of the City of Kingsland Community Improvement Districts Act, 2013 GA H.B. 586. The CID is legally separate from the City and the City appoints a voting majority of the CID's governing body. The City has the ability to remove appointed members of the CID's board, and the City can modify the budget of the CID. Therefore, the City has the ability to impose its will on the CID. The CID does not issue separate financial statements.

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 nonfiduciary activities of the primary government. *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 segment 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 customers or applicants 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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 related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, 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 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 VII Fund*** is a capital projects fund used to account for the proceeds of a 1% 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 ***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 City is obligated in some manner for the payment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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. All activities necessary to provide such services are accounted for in this fund.

The ***Solid Waste Fund*** accounts for the activities of the City's solid waste management operations. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Fund*** accounts for the acquisition of capital assets and construction or improvement of major capital projects, such as construction of new roads.

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.

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

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Special Revenue Funds, Debt Service Funds, 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 resolution and amended as required for the General Fund, Special Revenue Funds, Debt Service Funds, and Enterprise Funds. Project length budgets are adopted for the Capital Projects Fund. 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, 2017, and none were recorded.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments

State statutes authorize the City to invest in obligations of the U.S. government and agencies of corporations of the U.S. government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Georgia Fund 1 was created under OCGA 36-83-8 and is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash for financial statement presentation.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values. Increases or decreases in the fair value during the year are recognized as a component of interest income.

G. Inventory and Prepaid Items

Inventory in the governmental funds are valued at the average cost using the first in/first out (FIFO) method. Inventory in the proprietary funds is valued at the lower of cost or market using the weighted average method. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of September 30.

H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as "advances". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $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 acquisition 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.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended September 30, 2017, no amounts were capitalized.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	7 - 40
Land and building improvements	10 - 40
System improvements	10
Infrastructure	15 - 50
Machinery and equipment	5 - 20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Liabilities

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 deferred charges, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. 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.

M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Finance Director or City Manager to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Restricted Assets

The 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.

O. 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.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, both of which relate to the City's Retirement Plan, and are reported in the government-wide and proprietary fund Statements of Net Position. The net difference between projected an actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred outflow of resources. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet 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 or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the City's Retirement Plan and are reported in the government-wide and proprietary fund Statements of Net Position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

Experience differences result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience differences are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

Q. Pensions

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

R. Tax Abatement Agreements

During the year ended September 30, 2017, the City implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of September 30, 2017, the City did not have any such agreements, either entered into by the City or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of September 30, 2017, are summarized as follows:

As reported in the Statement of Net Position:		
Cash and cash equivalents	$	7,010,555
Investments		2,450,597
Restricted assets:		
Cash and cash equivalents		1,440,533
Investments		937,921
Component Units - cash and cash equivalents		397,171
	$	12,236,777
Cash deposited with financial institutions	$	3,708,818
Certificates of deposit		3,388,518
Cash deposited with Georgia Fund 1		5,139,441
	$	12,236,777

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of September 30, 2017, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

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.

At September 30, 2017, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	13 day weighted average	$ 5,139,441
Certificates of Deposit	12 months	3,388,518
		$ 8,527,959

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy. In addition, certificates of deposit are not subject to level disclosure.

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. As of September 30, 2017, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 3. RECEIVABLES

Accounts Receivable

Receivables as of September 30, 2017, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	SPLOST VII Fund	Multiple Grant Fund	Nonmajor Governmental Funds	Total Governmental Activities
Receivables:					
Taxes	$ 165,455	$ -	$ -	$ -	$ 165,455
Accounts	184,659	-	-	87,775	272,434
Intergovernmental	273,212	305,021	151,411	-	729,644
Gross receivables	623,326	305,021	151,411	87,775	1,167,533
Less: allowance for uncollectibles	(100,217)	-	-	-	(100,217)
Net total receivables	$ 523,109	$ 305,021	$ 151,411	$ 87,775	$ 1,067,316

	Water and Sewer	Solid Waste Fund	Total Business-type Activities
Receivables:			
Accounts	$ 514,820	$ 94,236	$ 609,056
Intergovernmental	19,436		19,436
Gross receivables	534,256	94,236	628,492
Less: allowance for uncollectibles	(26,690)	(5,973)	(32,663)
Net total receivables	$ 507,566	$ 88,263	$ 595,829

Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes were levied on October 4, 2016 and payable on or before December 12, 2016. Penalties were applied on all unpaid taxes as of April 11, 2017. The City bills and collects its own property taxes. Property taxes levied for the year ending September 30, 2017, are recorded as receivable, net of the estimated uncollectable amount of $71,425.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,439,580	$ 139,984	$ -	$ -	$ 1,579,564
Construction in progress	1,438,855	1,163,690	-	(1,360,729)	1,241,816
Total capital assets, not being depreciated	2,878,435	1,303,674	-	(1,360,729)	2,821,380
Capital assets, being depreciated:					
Buildings	2,563,423	-	-	-	2,563,423
Land and building improvements	5,169,463	26,050	-	-	5,195,513
Infrastructure	25,690,112	-	-	1,360,729	27,050,841
Machinery and equipment	8,118,304	162,725	(99,443)	-	8,181,586
Total capital assets, being depreciated	41,541,302	188,775	(99,443)	1,360,729	42,991,363
Less accumulated depreciation for:					
Buildings	(1,762,157)	(89,273)	-	-	(1,851,430)
Land and building improvements	(3,066,059)	(227,031)	-	-	(3,293,090)
Infrastructure	(5,935,872)	(877,287)	-	-	(6,813,159)
Machinery and equipment	(6,521,883)	(432,968)	99,443	-	(6,855,408)
Total accumulated depreciation	(17,285,971)	(1,626,559)	99,443	-	(18,813,087)
Total capital assets, being depreciated, net	24,255,331	(1,437,784)	-	1,360,729	24,178,276
Governmental activities capital assets, net	$ 27,133,766	$ (134,110)	$ -	$ -	$ 26,999,656

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 77,985	$ 20,537	$ -	$ -	$ 98,522
Construction in progress	296,764	1,623,924	-	(162,990)	1,757,698
Total capital assets, not being depreciated	374,749	1,644,461	-	(162,990)	1,856,220
Capital assets, being depreciated:					
Buildings and improvements	2,814,218	3,771	-	-	2,817,989
System improvements	54,491,048	411,031	(119,270)	162,990	54,945,799
Machinery and equipment	3,638,075	361,552	-	-	3,999,627
Total capital assets, being depreciated	60,943,341	776,354	(119,270)	162,990	61,763,415
Less accumulated depreciation for:					
Buildings and improvements	(1,986,178)	(74,881)	-	-	(2,061,059)
Infrastructure	(27,754,362)	(1,274,432)	-	-	(29,028,794)
Machinery and equipment	(3,026,608)	(166,304)	119,270	-	(3,073,642)
Total accumulated depreciation	(32,767,148)	(1,515,617)	119,270	-	(34,163,495)
Total capital assets, being depreciated, net	28,176,193	(739,263)	-	162,990	27,599,920
Business-type activities capital assets, net	$ 28,550,942	$ 905,198	$ -	$ -	$ 29,456,140

NOTE 4. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 127,744
Judicial	20,700
Public safety	371,275
Public works	1,012,149
Health and welfare	94,691
Total depreciation expense - governmental activities	$ 1,626,559
Business-type activities:	
Water and sewer	$ 1,408,567
Solid waste	107,050
Total depreciation expense - business-type activities	$ 1,515,617

Capital asset activity for the Convention and Visitors Bureau for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Convention and Visitors Bureau Capital assets, not being depreciated: Land	$ 323,167	$ -	$ -	$ -	$ 323,167
Total capital assets, not being depreciated	323,167	-	-	-	323,167
Capital assets, being depreciated:					
Buildings and improvements	2,124,857	-	-	-	2,124,857
Machinery and equipment	-	30,599	-	-	30,599
Total capital assets, being depreciated	2,124,857	30,599	-	-	2,155,456
Less accumulated depreciation for:					
Buildings and improvements	(467,650)	(54,484)	-	-	(522,134)
Machinery and equipment	-	(3,570)	-	-	(3,570)
Total accumulated depreciation	(467,650)	(58,054)	-	-	(525,704)
Total capital assets, being depreciated, net	1,657,207	(27,455)	-	-	1,629,752
Business-type activities capital assets, net	$ 1,980,374	$ (27,455)	$ -	$ -	$ 1,952,919

NOTE 5. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities:					
Revenue bonds payable	$ 2,216,331	$ -	$ (85,945)	$ 2,130,386	$ 88,318
Notes payable	2,019,679	-	(1,056,317)	963,362	963,362
Capital leases	796,659	116,706	(128,536)	784,829	135,492
Compensated absences	325,613	301,070	(317,976)	308,707	193,549
Net pension liability	2,038,477	1,118,750	(1,641,602)	1,515,625	-
Governmental activity long-term liabilities	$ 7,396,759	$ 1,536,526	$ (3,230,376)	$ 5,702,909	$ 1,380,721
Business-type activities:					
Bonds payable	$ 8,048,190	$ -	$ (1,450,880)	$ 6,597,310	$ 1,478,562
Notes payable	-	1,309,604	(409,251)	900,353	-
Capital leases	150,873	224,740	(72,925)	302,688	89,155
Compensated absences	84,867	131,811	(123,416)	93,262	57,483
Business-type activity long-term liabilities	$ 8,283,930	$ 1,666,155	$ (2,056,472)	$ 7,893,613	$ 1,625,200

Revenue Bonds

Governmental Funds

During 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, 2017, are as follows:

Issue Date	Purpose	Interest Rate %	Interest Dates	Maturity Date	Original Amount	Retired	Balance at September 30, 2017
2/1/2007	Welcome Center Construction	2.15%	Monthly	2/1/2031	$ 2,500,000	$ 369,614	$ 2,130,386

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

Fiscal Year Payable	Principal	Interest	Total
2018	$ 88,318	$ 43,682	$ 132,000
2019	104,255	41,745	146,000
2020	116,613	37,387	154,000
2021	119,073	36,927	156,000
2022	137,526	34,347	171,873
2023 - 2027	792,407	123,642	916,049
2028 - 2032	772,194	37,026	809,220
	$ 2,130,386	$ 354,756	$ 2,485,142

NOTE 5. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Enterprise Funds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. On March 13, 2014, the City issued the Series 2015 Bond, which was issued in printed form as a single revenue bond in the principal amount of $9,214,048. The bond was sold to a purchaser through a private placement transaction, and no premium or discount was recorded at issuance. The Series 2014 Bond may not be exchanged. The proceeds from the bond sale were used to refund all outstanding Series 2004 bonds and $2,365,000 of the Series 2010 Bond.

The refunding provided a reduction in total future debt service payments of $1,983,852, with most of the savings occurring within the first year.

Revenue bonds outstanding at September 30, 2017, are as follows:

Issue Date	Purpose	Interest Rate %	Interest Dates	Maturity Date	Original Amount	Retired	Balance at September 30, 2017
3/13/2014	Refunding 2014A Series Bonds	1.88%	6/1 - 12/1	12/1/2019	$ 5,335,890	$ 1,112,432	$ 4,223,458
3/13/2014	Refunding 2014B Series Bonds	2.23%	6/1 - 12/1	12/1/2021	2,712,300	338,448	2,373,852
					$ 8,048,190	$ 1,450,880	$ 6,597,310

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

Fiscal Year Payable	Principal	Interest	Total
2018	$ 1,478,562	$ 118,264	$ 1,596,826
2019	1,508,561	89,835	1,598,396
2020	1,536,335	63,093	1,599,428
2021	971,098	35,419	1,006,517
2022	1,102,754	12,296	1,115,050
	$ 6,597,310	$ 318,907	$ 6,916,217

NOTE 5. LONG-TERM DEBT (CONTINUED)

Notes Payable

Governmental Funds

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, 2017, is $963,362. This note is due in monthly installments including interest at 3.00% through December 2017.

The Kingsland Development Authority's debt service requirements to maturity, including interest, are as follows:

Fiscal Year Payable	Principal	Interest	Total
2018	$ 963,362	$ 7,116	$ 970,478

Enterprise Funds

The Water and Sewer Fund has incurred debt to the Georgia Environmental Facilities Authority for utility system improvements. This note is as follows at September 30, 2017:

Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer GEFA Loan	$ 1,600,000	0.05%	2022	$ 900,353

This note payable is in the drawdown phase as of September 30, 2017, and repayment will be determined when construction is complete and all drawdowns have been made.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Capital Leases

The City has entered into several 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 following is an analysis of equipment leased under capital leases as of September 30, 2017:

	Governmental Activities	Business-type Activities	Total
Equipment	$ 879,639	$ 449,481	$ 1,329,120
Less accumulated depreciation	(409,158)	(128,423)	(537,581)
Carry value	$ 470,481	$ 321,058	$ 791,539
Current year depreciation	$ 166,098	$ 96,317	$ 262,415

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at September 30, 2017:

Fiscal Year Ending	Governmental Activities	Business-type Activities	Total
2018	$ 155,180	$ 94,793	$ 249,973
2019	155,180	90,868	246,048
2020	152,207	47,699	199,906
2021	106,566	47,699	154,265
2022	75,162	35,160	110,322
2023-2028	224,476	-	224,476
Total minimum lease payments	868,771	316,219	1,184,990
Less amount representing interest	(83,942)	(13,531)	(97,473)
Present value of future minimum lease payments	784,829	302,688	1,087,517
Less current maturities	(135,492)	(89,155)	(224,647)
	$ 649,337	$ 213,533	$ 862,870

NOTE 5. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended September 30, 2017 for the Convention and Visitors Bureau was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Convention and Visitors Bureau					
Compensated absences	$ 3,268	$ 18,339	$ (11,732)	$ 9,875	$ 8,242
Net pension liability	63,046	50,390	(45,170)	68,266	-
Component units long-term liabilities	$ 66,314	$ 68,729	$ (56,902)	$ 78,141	$ 8,242

NOTE 6. BUDGET COMPLIANCE AND DEFICIT FUND BALANCE

A. Excess of Expenditures Over Appropriations

The following funds and departments had actual expenditures in excess of appropriations for the year ended September 30, 2017:

Multiple Grant Fund - public safety	$ (4,422)
Hotel/Motel Tax Fund - housing and economic development	(64,594)
Debt Service Fund	(189,211)

These over expenditures were funded by greater than anticipated revenues.

B. Deficit Fund Balance

The Multiple Grant Fund had a deficit in fund balances of $148,173 at September 30, 2017. The fund deficit will be reduced through intergovernmental revenues.

NOTE 7. PENSION PLAN

A. Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Kingsland Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan membership. As of January 1, 2017, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	59
Terminated plan members entitled to, but not receiving, benefits	67
Active plan members	98
Nonvested	53
Total	277

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. City and CVB contributions to the Plan were $445,842 and $20,081, respectively, for the year ended September 30, 2017.

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City and CVB

The City and CVB's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2016.

Actuarial assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25%, plus service based merit increases
Investment rate of return	7.75%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 3.00% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed equity	5%	3.30%
Domestic fixed income	20%	1.75%
Cash	- %	
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City and CVB (Continued)

Changes in the Net Pension Liability. The changes in the components of the net pension liability of the City for the year ended September 30, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 11,107,621	$ 9,096,674	$ 2,010,947
Changes for the year:			
Service cost	256,503	-	256,503
Interest	844,819	-	844,819
Differences between expected and actual experience	(75,002)	-	(75,002)
Contributions-employer	-	517,045	(517,045)
Net investment income	-	1,022,025	(1,022,025)
Benefit payments, including refunds of employee contributions	(413,460)	(413,460)	-
Administrative expense	-	(17,428)	17,428
Net changes	612,860	1,108,182	(495,322)
Ending Balance	$ 11,720,481	$ 10,204,856	$ 1,515,625

The changes in the components of the net pension liability of the CVB for the year ended September 30, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 500,304	$ 409,728	$ 90,576
Changes for the year:			
Service cost	11,553	-	11,553
Interest	38,052	-	38,052
Differences between expected and actual experience	(3,378)	-	(3,378)
Contributions-employer	-	23,288	(23,288)
Net investment income	-	46,034	(46,034)
Benefit payments, including refunds of employee contributions	(18,623)	(18,623)	-
Administrative expense	-	(785)	785
Net changes	27,604	49,914	(22,310)
Ending Balance	$ 527,908	$ 459,642	$ 68,266

NOTE 7. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City and CVB (Continued)

The required schedule of changes in the City and CVB's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 3,142,847	$ 1,515,625	$ 175,126
CVB's net pension liability	141,559	68,266	7,888

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2017, and the current sharing pattern of costs between employer and employee.

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of $179,470. At September 30, 2017, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 2,397	$ -
Changes in actuarial assumptions	-	67,331
Differences between expected and actual experience	-	421,054
Contributions subsequent to the measurement date	445,842	-
Total	$ 448,239	$ 488,385

NOTE 7. PENSION PLAN (CONTINUED)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of $465,923 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	
2018	$ (230,950)
2019	(230,950)
2020	38,650
2021	(62,739)
Total	$ (485,988)

For the year ended September 30, 2017, the CVB recognized pension expense of $8,084. At September 30, 2017, the CVB reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 108	$ -
Changes in actuarial assumptions		3,033
Differences between expected and actual experience	-	18,965
Contributions subsequent to the measurement date	20,081	-
Total	$ 20,189	$ 21,998

CVB contributions subsequent to the measurement date of $20,081 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	
2018	$ (10,402)
2019	(10,402)
2020	1,741
2021	(2,826)
Total	$ (21,890)

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of September 30, 2017, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 34,232
SPLOST VII	Multiple Grant Fund	193,345
Nonmajor Governmental Funds	Nonmajor Governmental Funds	14,922
		$ 242,499

Interfund receivables and payables result from timing differences related to payroll and other year-end transactions which normally clear within one to two months.

Interfund transfers for the year ended September 30, 2017, consisted of the following:

Transfer To	Transfer From	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 173,707
General Fund	Water and Sewer Fund	84,057
General Fund	Solid Waste Fund	16,224
SPLOST VII Fund	Multiple Grant Fund	375,775
Multiple Grant Fund	General Fund	9,091
Water and Sewer Fund	SPLOST VII Fund	364,642
General Fund	Nonmajor Governmental Funds	398,503
Nonmajor Governmental Funds	General Fund	322,299
Debt Service Fund	General Fund	149,306
Debt Service Fund	SPLOST VII Fund	770,819
Debt Service Fund	Nonmajor Governmental Funds	322,299
		$ 2,986,722

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

NOTE 9. HOTEL/MOTEL LODGING TAX

The City has levied a 6% lodging tax. For the fiscal year ended September 30, 2017, $1,021,804 of hotel/motel tax was collected. Of the total collected, approximately 44%, or $449,594, was used for the promotion of tourism within the City, 17%, or $173,707, for the construction of a facility for visitor center purposes, and 39%, or $398,503 for general government needs.

NOTE 10. 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, 2017, the City paid $20,730 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 11. 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 provides funding on an annual basis to the Authority. During the year ended September 30, 2017, the City paid the Authority $307,722. 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 12. 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.

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 13. DEFINED CONTRIBUTION PLAN

The City offers its employees a defined contribution plan. The plan is administered by the Georgia Municipal Association. The City Council is responsible and has authority to amend the plan provisions 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 City makes a 10% match with a biweekly cap of $25. The Plan is included in the City's financial statements. The City made $7,405 in contributions to the Plan during the year ended September 30, 2017.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of 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 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 pools' 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 pools' agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of 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.

NOTE 14. RISK MANAGEMENT (CONTINUED)

Settled claims in the past three years have not exceeded the coverages.

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. 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 16. RESTATEMENT FOR ERRORS IN PRIOR YEAR REPORTING

The City has determined that a restatement to beginning net position of governmental activities and the Convention and Visitors Bureau is required to reflect corrections of errors in the September 30, 2016 financial report. These restatements are as follows:

	Governmental Activities	Convention and Visitors Bureau
Net position, as previously reported	$ 26,163,944	$ 250,388
Adjustments to beginning net position to reflect corrections of errors, net	(1,693,635)	1,996,584
Net position, as restated	$ 24,470,309	$ 2,246,972

NOTE 16. RESTATEMENT FOR ERRORS IN PRIOR YEAR REPORTING (CONTINUED)

To further explain the above restatements, the following thoughts are provided:

Restatement No. 1. – Movement of capital assets from the governmental activities to the Convention and Visitors Bureau. The City has determined that a restatement to the beginning net position for its governmental activities is required to move capital assets and related accumulated depreciation and expense from the City to the Convention and Visitors Bureau. In prior years, the City has recorded on its books, all capital assets, accumulated depreciation and depreciation expense for assets that were owned by the Convention and Visitors Bureau. Adjustments to decrease capital assets and net position of the City's governmental activities and to increase capital assets and net position of the Convention and Visitors Bureau in amount of $1,980,374 were required as of October 1, 2016.

Restatement No. 2. – Removing expenses that were improperly capitalized. The City has determined that a restatement to the beginning net position for its governmental activities is required to remove resurfacing projects that were capitalized in prior years that did not extend the life or expand the capacity of the roads. Adjustments to decrease capital assets and net position of the City's governmental activities in amount of $237,384 were required as of October 1, 2016.

Restatement No. 3. – Proper recording of deferred outflows in prior years. The City has determined that a restatement to the beginning net position of its governmental activities to properly reflect the retirement plan contributions made subsequent to the actuarial measurement date is necessary. Adjustments to increase deferred outflows of resources and net position of the City's governmental activities in the amount of $524,123 and to increase deferred outflows of resources and net position of the Convention and Visitors Bureau in amounts of $16,210 were required as of October 1, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KINGSLAND, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2017	2016	2015
Total pension liability			
Service cost	**$ 256,503**	$ 293,505	$ 379,215
Interest on total pension liability	**844,819**	819,415	815,948
Changes of benefit terms	**-**	-	(788)
Differences between expected and actual experience	**(75,002)**	(227,985)	(639,510)
Changes of assumptions	**-**	-	(170,632)
Benefit payments, including refunds of employee contributions	**(413,460)**	(396,687)	(282,290)
Net change in total pension liability	**612,860**	488,248	101,943
Total pension liability - beginning	**11,107,621**	10,771,439	10,669,496
Total pension liability - ending (a)	**11,720,481**	11,259,687	10,771,439
Plan fiduciary net position			
Contributions - employer	**517,045**	719,594	738,720
Net investment income	**1,022,025**	87,249	871,224
Benefit payments, including refunds of employee contributions	**(413,460)**	(396,687)	(282,289)
Administrative expenses	**(17,428)**	(20,733)	(16,466)
Net change in fiduciary net position	**1,108,182**	389,423	1,311,189
Plan fiduciary net position - beginning	**9,096,674**	8,831,787	7,520,598
Plan fiduciary net position - ending (b)	**10,204,856**	9,221,210	8,831,787
CIty's net pension liability - ending (a) - (b)	**$ 1,515,625**	$ 2,038,477	$ 1,939,652
Plan fiduciary net position as a percentage of total pension liability	**87.1%**	81.9%	82.0%
Covered-employee payroll	**$ 5,089,703**	$ 4,937,012	$ 5,301,208
CIty's net pension liability as a percentage of covered-employee payroll	**29.8%**	41.3%	36.6%

Notes to the Schedule
The schedule will present 10 years of information once it is accumulated.

CITY OF KINGSLAND, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2017	2016	2015
Actuarially determined contribution	**$ 465,923**	$ 540,333	$ 741,849
Contributions in relation to the actuarially determined contribution	**465,923**	540,333	741,849
Contribution deficiency (excess)	**$ -**	$ -	$ -
Covered-employee payroll	**$ 5,218,944**	$ 5,089,703	$ 4,937,012
Contributions as a percentage of covered-employee payroll	**8.9%**	10.6%	15.0%

Notes to the Schedule

Valuation Date	January 1, 2017
Cost Method	Projected unit credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus 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 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	10 years

COMBINING STATEMENTS
AND SCHEDULES

CITY OF KINGSLAND, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures 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 **Downtown Development Authority Fund** is used to account for the blended component unit activity related to services and benefits for the community.

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.

DEBT SERVICE FUND

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.

CITY OF KINGSLAND, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Downtown Development Authority Fund	Hotel/Motel Tax Fund	Revenue Bond Fund	
ASSETS							
Cash	$ 37,809	$ 685	$ 695	$ 39,465	$ -	$ 88,870	$ 167,524
Accounts receivable, net	-	-	-	-	87,775	-	87,775
Due from other funds	-	-	-	-	-	14,922	14,922
Total assets	$ 37,809	$ 685	$ 695	$ 39,465	$ 87,775	$ 103,792	$ 270,221
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 33	$ 33
Due to other funds	-	-	-	-	49,154	-	49,154
Due to component unit	-	-	-	-	38,621	-	38,621
Unearned revenue	12,392	-	-	-	-	-	12,392
Total liabilities	12,392	-	-	-	87,775	33	100,200
FUND BALANCES							
Restricted for:							
Public safety	25,417	-	-	-	-	-	25,417
Housing and economic development	-	685	695	39,465	-	-	40,845
Debt service	-	-	-	-	-	103,759	103,759
Total fund balances	25,417	685	695	39,465	-	103,759	170,021
Total liabilities and fund balances	$ 37,809	$ 685	$ 695	$ 39,465	$ 87,775	$ 103,792	$ 270,221

CITY OF KINGSLAND, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds					Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Downtown Development Authority Fund	Hotel/Motel Tax Fund	Revenue Bond Fund	
Revenues:							
Other taxes	$ -	$ -	$ -	$ -	$ 1,021,804	$ -	$ 1,021,804
Fines and forfeitures	26,186	-	-	-	-	-	26,186
Interest revenue	33	-	1	41	-	-	75
Miscellaneous	-	-	18,389	18,035	-	-	36,424
Total revenues	26,219	-	18,390	18,076	1,021,804	-	1,084,489
Expenditures:							
Current:							
Public safety	21,944	-	-	-	-	-	21,944
Housing and economic development	-	-	18,389	14,568	449,594	-	482,551
Debt service:							
Principal	-	-	-	-	-	85,945	85,945
Interest and other charges	-	-	-	-	-	46,055	46,055
Total expenditures	21,944	-	18,389	14,568	449,594	132,000	636,495
Excess (deficiency) of revenues over (under) expenditures	4,275	-	1	3,508	572,210	(132,000)	447,994
Other financing sources (uses)							
Transfers in	-	-	322,299	-	-	173,707	496,006
Transfers out	-	-	(322,299)	-	(572,210)	-	(894,509)
Total other financing sources (uses)	-	-	-	-	(572,210)	173,707	(398,503)
Net change in fund balances	4,275	-	1	3,508	-	41,707	49,491
Fund balances, beginning of year	21,142	685	694	35,957	-	62,052	120,530
Fund balances, end of year	$ 25,417	$ 685	$ 695	$ 39,465	$ -	$ 103,759	$ 170,021

CITY OF KINGSLAND, GEORGIA

DRUG FORFEITURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 40,000	$ 40,000	$ 26,186	$ (13,814)
Interest revenue	25	25	33	8
Total revenues	40,025	40,025	26,219	(13,806)
Expenditures:				
Current:				
Public safety	40,025	40,025	21,944	18,081
Total expenditures	40,025	40,025	21,944	18,081
Net change in fund balances	-	-	4,275	4,275
Fund balances, beginning of year	21,142	21,142	21,142	-
Fund balances, end of year	$ 21,142	$ 21,142	$ 25,417	$ 4,275

CITY OF KINGSLAND, GEORGIA

REVOLVING LOAN FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Intergovernmental	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	685	685	685	-
Fund balances, end of year	$ 685	$ 685	$ 685	$ -

CITY OF KINGSLAND, GEORGIA

KINGSLAND DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest revenue	$ -	$ -	$ 1	$ 1
Miscellaneous	-	18,389	18,389	-
Total revenues	-	18,389	18,390	1
Expenditures:				
Intergovernmental	-	18,389	18,389	-
Total expenditures	-	18,389	18,389	-
Excess of revenues over expenditures	-	-	1	1
Other financing sources (uses):				
Transfers in	122,299	322,299	322,299	-
Transfers out	(122,299)	(322,299)	(322,299)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1	1
Fund balances, beginning of year	694	694	694	-
Fund balances, end of year	$ 694	$ 694	$ 695	$ 1

CITY OF KINGSLAND, GEORGIA

DOWNTOWN DEVELOPMENT AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest revenue	$ 20	$ 20	$ 41	$ 21
Miscellaneous	6,750	19,350	18,035	(1,315)
Total revenues	6,770	19,370	18,076	(1,294)
Expenditures:				
Housing and economic development	6,770	14,770	14,568	202
Total expenditures	6,770	14,770	14,568	202
Net change in fund balances	-	4,600	3,508	(1,092)
Fund balances, beginning of year	35,957	35,957	35,957	-
Fund balances, end of year	$ 35,957	$ 40,557	$ 39,465	$ (1,092)

CITY OF KINGSLAND, GEORGIA

HOTEL/MOTEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Other taxes	$ 875,000	$ 875,000	$ 1,021,804	$ 146,804
Total revenues	875,000	875,000	1,021,804	146,804
Expenditures:				
Housing and economic development	385,000	385,000	449,594	(64,594)
Total expenditures	385,000	385,000	449,594	(64,594)
Excess of revenues over expenditures	490,000	490,000	572,210	82,210
Other financing uses:				
Transfers out	(490,000)	(490,000)	(572,210)	(82,210)
Total other financing uses	(490,000)	(490,000)	(572,210)	(82,210)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA

REVENUE BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	101,742	101,742	85,945	15,797
Interest and other charges	47,008	47,008	46,055	953
Total expenditures	148,750	148,750	132,000	16,750
Deficiency of revenues under expenditures	(148,750)	(148,750)	(132,000)	16,750
Other financing sources:				
Transfers in	148,750	148,750	173,707	24,957
Total other financing sources	148,750	148,750	173,707	24,957
Net change in fund balances	-	-	41,707	41,707
Fund balances, beginning of year	62,052	62,052	62,052	-
Fund balances, end of year	$ 62,052	$ 62,052	$ 103,759	$ 41,707

CITY OF KINGSLAND, GEORGIA

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	990,914	990,914	1,184,853	(193,939)
Interest and other charges	62,299	62,299	57,571	4,728
Total expenditures	1,053,213	1,053,213	1,242,424	(189,211)
Deficiency of revenues under expenditures	(1,053,213)	(1,053,213)	(1,242,424)	(189,211)
Other financing sources:				
Transfers in	1,053,213	1,053,213	1,242,424	189,211
Total other financing sources	1,053,213	1,053,213	1,242,424	189,211
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS VII - 2013 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Machinery and equipment	$ 508,000	$ 508,000	$ 304,700	$ -	$ 304,700
Road construction projects	6,900,000	6,900,000	1,393,147	1,162,966	2,556,113
Resurfacing projects	700,000	700,000	26,319	107,905	134,224
Sidewalk projects	100,000	100,000	81,817	725	82,542
Miscellaneous repair and improvements	335,000	335,000	161,037	-	161,037
Water and sewer projects	8,096,629	8,096,629	1,432,460	364,642	1,797,102
	$ 16,639,629	$ 16,639,629	$ 3,399,480	1,636,238	$ 5,035,718
Reconciliation to the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds:					
Amount above less reimbursement to the Water and Sewer Fund for approved SPLOST purchases.				(364,642)	
Amounts funded by the Multiple Grant Fund not included in the above.				375,775	
Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance				$ 1,647,371	

Note: Transfers of $770,819 to Debt Service Fund are not included in the above schedule as they relate to approved projects that were recognized in the schedule as the expenditures were orginally incurred.

CITY OF KINGSLAND, GEORGIA

BALANCE SHEET
COMPONENT UNITS

SEPTEMBER 30, 2017

	Georgia Gateway CID	Convention and Visitors Bureau
ASSETS		
Cash and cash equivalents	$ 72	$ 397,099
Due from primary government	-	38,621
Prepaid items	-	416
Total assets	72	436,136
LIABILITIES		
Accounts payable	-	12,113
Accrued liabilities	-	6,912
Total liabilities	-	19,025
FUND BALANCES		
Nonspendable:		
Prepaid items	-	416
Unassigned	72	416,695
Total fund balances	$ 72	$ 417,111
Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances of governmental funds	$ 72	$ 417,111
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-	1,952,919
Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the funds.	-	20,189
Compensated absences payable are not due and payable in the curent period and, therefore, are not reported in the funds	-	(9,875)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	-	(68,266)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	-	(21,998)
Net position of governmental activities	$ 72	$ 2,290,080

CITY OF KINGSLAND, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Georgia Gateway CID	Convention and Visitors Bureau
Revenues		
Intergovernmental	$ -	$ 449,594
Miscellaneous	225	5,169
Total revenues	225	454,763
Expenditures		
Current:		
Housing and economic development	225	364,646
Total expenditures	225	364,646
Net change in fund balances	-	90,117
Fund balances, beginning of year	72	326,994
Fund balances, end of year	$ 72	$ 417,111
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances	$ -	$ 90,117
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	-	(27,455)
Pension expense related to the net pension liability as recorded in the statement of activities is based on the Convention and Visitors Bureau's proportionate share of pension expense of the retirement system as a whole, whereas pension expenditures recorded in the funds are based on the use of financial resource (e.g., required contributions). Thus the change in net position differs from the change in fund balance by the amount by which the Convention and Visitors Bureau'sproportionate share of pension expense exceeds actual contributions.	-	(12,947)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	-	(6,607)
Change in net position of governmental activities	$ -	$ 43,108

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 **Page**

Financial Trends ..... **76 - 79**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **80 - 86**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **87 - 91**
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.

Demographic and Economic Information ..... **92 - 94**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... **95 - 97**
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.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF KINGSLAND, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities[1]										
Invested in capital assets, net of related debt	$ 15,996,862	$ 16,852,160	$ 20,854,273	$ 21,866,711	$ 21,226,848	$ 22,519,089	$ 24,899,927	$ 25,397,393	$ 24,318,855	$ 23,121,079
Restricted	14,127	-	-	70,440	157,415	157,415	157,415	1,234,433	2,286,205	1,714,330
Unrestricted	(445,218)	731,030	473,901	639,879	284,571	148,462	1,347,324	(3,072,498)	(441,116)	974,916
Total governmental activities net assets	$ 15,565,771	$ 17,583,190	$ 21,328,174	$ 22,577,030	$ 21,668,834	$ 22,824,966	$ 26,404,666	$ 23,559,328	$ 26,163,944	$ 25,810,325
Business-type activities										
Invested in capital assets, net of related debt	$ 13,269,838	$ 12,948,278	$ 14,644,306	$ 14,506,473	$ 12,257,452	$ 13,502,957	$ 16,094,649	$ 18,959,333	$ 20,351,879	$ 21,655,789
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(968,480)	1,119,640	938,136	1,292,093	3,428,480	3,666,359	3,681,475	4,818,240	6,250,501	7,593,657
Total business-type activities net assets	$ 12,301,358	$ 14,067,918	$ 15,582,442	$ 15,798,566	$ 15,685,932	$ 17,169,316	$ 19,776,124	$ 23,777,573	$ 26,602,380	$ 29,249,446
Primary government										
Invested in capital assets, net of related debt	$ 29,266,700	$ 29,800,438	$ 35,498,579	$ 36,373,184	$ 33,484,300	$ 36,022,046	$ 40,994,576	$ 44,356,726	$ 44,670,734	$ 44,776,868
Restricted	14,127	-	-	70,440	157,415	157,415	157,415	1,234,433	2,286,205	1,714,330
Unrestricted	(1,413,698)	1,850,670	1,412,037	1,931,972	3,713,051	3,814,821	5,028,799	1,745,742	5,809,385	8,568,573
Total primary government net assets	$ 27,867,129	$ 31,651,108	$ 36,910,616	$ 38,375,596	$ 37,354,766	$ 39,994,282	$ 46,180,790	$ 47,336,901	$ 52,766,324	$ 55,059,771

[1] Convention and Visitors 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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 1,679,263	$ 1,536,012	$ 1,341,785	$ 1,392,414	$ 1,311,326	$ 1,549,030	$ 216,018	$ 1,982,580	$ 3,844,564	$ 1,817,292
Judicial	433,491	468,914	586,457	720,472	593,966	595,657	549,263	474,513	486,418	361,302
Public safety	4,693,818	4,998,687	4,923,349	5,232,678	5,234,857	5,054,473	5,196,425	4,767,280	3,526,083	4,618,724
Public works	2,304,912	2,759,855	2,834,467	2,867,912	2,793,005	2,695,757	3,695,835	3,077,262	2,280,206	2,764,885
Housing and development	1,012,135	1,112,641	764,028	725,654	730,052	788,147	878,009	570,565	580,202	1,073,496
Intergovernmental	-	-	294,782	292,298	632,291	312,217	349,340	-	-	-
Interest on LT debt	241,953	228,773	249,123	229,995	334,323	102,952	179,184	387,423	118,055	103,626
Total government activities expenses	$ 10,365,572	$ 11,104,882	$ 10,993,991	$ 11,461,423	$ 11,629,820	$ 11,098,233	$ 11,064,074	$ 11,259,623	$ 10,835,528	$ 10,739,325
Business-type activities:										
Water and sewer	$ 5,225,681	$ 5,504,659	$ 5,601,873	$ 5,884,614	$ 5,640,757	$ 5,321,171	$ 5,074,961	$ 4,596,528	$ 4,587,476	$ 4,480,201
Solid waste	796,166	798,420	711,315	818,472	822,268	828,511	794,693	878,821	774,541	801,088
Total business-type activities expenses	$ 6,021,847	$ 6,303,079	$ 6,313,188	$ 6,703,086	$ 6,463,025	$ 6,149,682	$ 5,869,654	$ 5,475,349	$ 5,362,017	$ 5,281,289
Total primary government expenses	$ 16,387,419	$ 17,407,961	$ 17,307,179	$ 18,164,509	$ 18,092,845	$ 17,247,915	$ 16,933,728	$ 16,734,972	$ 16,197,545	$ 16,020,614
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 425,531	$ 491,971	$ 403,994	$ 465,758	$ 260,265	$ 256,795	$ 467,797	$ 439,553	$ 407,156	$ 427,990
Judicial	983,624	933,788	1,425,213	1,540,533	1,430,229	1,425,735	1,323,592	1,089,642	1,201,442	-
Public safety	188,477	188,772	38,196	122,751	44,476	4,973	15,990	-	-	914,056
Public works	15,460	7,090	-	-	-			-	-	-
Housing and development	332,524	177,901	-	-	-			-	18,375	36,424
Operating grants and contr.	409,707	45,644	226,683	266,774	569,802	94,922	77,930	354,914	848,854	139,073
Capital grants and contr.	10,495	1,955,132	2,223,119	2,100,531	152,971	2,772,578	4,200,330	88,718	2,903,340	2,244,300
Total gov't activities program revenues	$ 2,365,818	$ 3,800,298	$ 4,317,205	$ 4,496,347	$ 2,457,743	$ 4,555,003	$ 6,085,639	$ 1,972,827	$ 5,379,167	$ 3,761,843
Business-type activities:										
Charges for services:										
Water and sewer	$ 5,692,975	$ 4,828,346	$ 5,065,254	$ 5,609,536	$ 5,267,971	$ 5,151,329	$ 5,416,566	$ 5,751,192	$ 6,063,916	$ 6,273,751
Solid waste	865,576	854,220	863,611	862,256	874,997	888,949	897,632	907,835	892,968	933,146
Operating grants and contr.	-	-	-	-	-	-	-	91,768	-	-
Capital grants and contr.	-	2,251,972	1,779,465	383,000	-	1,621,375	1,694,354	169,684	689,153	429,789
Total business-type activities program revenues	$ 6,558,551	$ 7,934,538	$ 7,708,330	$ 6,854,792	$ 6,142,968	$ 7,661,653	$ 8,008,552	$ 6,920,479	$ 7,646,037	$ 7,636,686
Total primary government program revenues	$ 8,924,369	$ 11,734,836	$ 12,025,535	$ 11,351,139	$ 8,600,711	$ 12,216,656	$ 14,094,191	$ 8,893,306	$ 13,025,204	$ 11,398,529

(Continued)

CITY OF KINGSLAND, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Years									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Program Revenues										
Net (expense)/revenue										
Governmental activities	$ (7,999,754)	$ (7,304,584)	$ (6,676,786)	$ (6,965,076)	$ (9,172,077)	$ (6,543,230)	$ (4,978,435)	$ (9,286,796)	$ (5,456,361)	$ (6,977,482)
Business-type activities	536,704	1,631,459	1,395,142	151,706	(320,057)	1,511,971	2,138,898	1,445,130	2,284,020	2,355,397
Total primary government net expense	$ (7,463,050)	$ (5,673,125)	$ (5,281,644)	$ (6,813,370)	$ (9,492,134)	$ (5,031,259)	$ (2,839,537)	$ (7,841,666)	$ (3,172,341)	$ (4,622,085)
General Revenues and Other										
Governmental activities:										
Taxes:										
Property taxes	$ 4,716,671	$ 5,280,865	$ 5,355,372	$ 5,400,913	$ 4,700,654	$ 4,442,953	$ 4,399,967	$ 2,863,828	$ 3,175,480	$ 3,148,909
Sales taxes	7,337,901	3,105,910	3,763,107	1,440,061	1,487,010	1,504,631	2,448,777	4,692,244	1,616,483	1,665,065
Other taxes	828,086	828,240	901,410	930,582	1,839,115	1,833,110	2,005,966	3,616,752	3,564,303	3,706,704
Unrestricted grants and contri.	86,686	20,815	329,193	325,411	120,202	5,000	-	-	-	-
Unrestricted invest. earnings	95,647	7,155	1,331	984	1,328	1,563	1,695	5,411	16,783	46,829
Miscellaneous	78,303	78,587	112,834	115,981	115,572	128,263	119,277	165,506	105,484	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	21,620	20,156	-	14,342
Transfers	(925,089)	431	-	-	-	(195,198)	(439,166)	(2,517,514)	(417,556)	(264,361)
Total governmental activities	12,218,205	9,322,003	10,463,247	8,213,932	8,263,881	7,720,322	8,558,136	8,846,383	8,060,977	8,317,488
Business-type activities:										
Investment earnings	241,933	108,377	65,948	32,522	23,328	17,686	10,746	9,763	10,493	24,063
Investment expense	-	-	-	-	-	-	-	-	-	-
Penalties and Fees	-	-	-	-	-	-	-	-	99,279	-
Miscellaneous	3,562	27,155	53,434	31,899	184,095	19,374	13,899	28,092	12,059	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	4,100	950	1,400	3,247
Transfers	925,089	(431)	-	-	-	195,198	439,165	2,517,514	417,556	264,361
Total business-type activiites	1,170,584	135,101	119,382	64,421	207,423	232,258	467,910	2,556,319	540,787	291,671
Total primary government	$ 13,388,789	$ 9,457,104	$ 10,582,629	$ 8,278,353	$ 8,471,304	$ 7,952,580	$ 9,026,046	$ 11,402,702	$ 8,601,764	$ 8,609,159
Changes in Net Position										
Governmental activities	$ 4,218,451	$ 2,017,419	$ 3,786,461	$ 1,248,856	$ (908,196)	$ 1,177,092	$ 3,579,701	$ (440,413)	$ 2,604,616	$ 1,340,006
Business-type activities	1,707,288	1,766,560	1,514,524	216,127	(112,634)	1,744,229	2,606,808	4,001,449	2,824,807	2,647,068
Total primary government	$ 5,925,739	$ 3,783,979	$ 5,300,985	$ 1,464,983	$ (1,020,830)	$ 2,921,321	$ 6,186,509	$ 3,561,036	$ 5,429,423	$ 3,987,074

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

Note: Convention and Visitors 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

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Program Revenues									
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental activities:										
General government	$ 527,194	$ 511,348	$ 403,994	$ 587,259	$ 792,777	$ 687,895	$ 467,797	$ 873,798	$ 3,334,715	$ 427,990
Judicial	983,624	933,788	1,425,213	1,540,533	1,430,229	1,425,735	1,323,592	1,089,642	1,201,442	795,158
Public safety	198,019	215,039	232,123	268,024	81,766	28,623	15,990	3,975	53,815	257,971
Public works	324,457	1,962,222	2,223,119	392,681	-	1,533,580	1,121,265	-	770,820	2,244,300
Housing and development	332,524	177,901	32,756	-	-	238	-	-	18,375	36,424
Intergovernmental	-	-	-	-	-	878,932	3,156,799	-	-	-
Interest on long-term debt	-	-	-	-	-	-	196	5,412	-	-
Subtotal governmental activities	2,365,818	3,800,298	4,317,205	2,788,497	2,304,772	4,555,003	6,085,639	1,972,827	5,379,167	3,761,843
Business-type activities:										
Water and sewer	5,692,975	7,080,318	6,844,719	5,992,536	5,267,971	6,772,704	7,110,920	5,920,876	6,753,069	6,703,540
Solid waste	865,576	854,220	863,611	862,256	874,997	888,949	897,632	999,603	892,968	933,146
Subtotal business-type activities	6,558,551	7,934,538	7,708,330	6,854,792	6,142,968	7,661,653	8,008,552	6,920,479	7,646,037	7,636,686
Total primary government	$ 8,924,369	$ 11,734,836	$ 12,025,535	$ 9,643,289	$ 8,447,740	$ 12,216,656	$ 14,094,191	$ 8,893,306	$ 13,025,204	$ 11,398,529

Note: The fluctuations in revenues are due to amounts related to operating and capital grants.

Note: Convention and Visitors 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund[1]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	1,353,608	669,333	635,933	-	-	-	-	-		
Nonspendable	-	-	-	201,652	195,890	218,686	227,846	208,126	205,127	208,014
Restricted	-	-	-	70,440	70,879	82,339	89,887	85,698	16,482	-
Assigned	-	-	-	-	-	-		917,889	1,914,077	1,898,954
Unassigned	-	-	-	296,901	309,417	100,293	296,836	-		681,208
Total general fund	$ 1,353,608	$ 669,333	$ 635,933	$ 568,993	$ 576,186	$ 401,318	$ 614,569	$ 1,211,713	$ 2,135,686	$ 2,788,176
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved reported in:										
Special revenue funds	(1,578,813)	90,122	46,795	-	-	-	-	-	-	-
Capital projects funds	(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	26,792	59,353	83,879	66,262
Grant fund	-	-	-	-	-	24	(2,187)	23	23	-
Capital projects funds	-	-	-	42,435	42,435	42,435	1,189,481	1,089,359	2,185,821	1,648,059
Debt service funds	-	-	-	-	-	-	-	-	-	103,759
Assigned										
Special revenue funds	-	-	-	687	692	692	(7,330)	6,409	36,651	-
Debt service funds	-	-	-	27,873	20,308	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	(134,192)	(134,192)	(134,192)	(134,192)	-	-	(148,173)
Total all other governmental funds	$ (1,595,097)	$ (1,161,123)	$ (1,355,914)	$ (31,641)	$ (45,565)	$ (60,785)	$ 1,072,564	$ 1,155,144	$ 2,306,374	$ 1,669,907

[1] Beginning in FY 2011, fund balance is presented under GASB 54 guidelines.

Note: Convention and Visitors 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 FY2010 CVB is not reflected in the statistical data.

CITY OF KINGSLAND, GEORGIA

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Years									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Revenues										
Taxes	$ 3,320,876	$ 3,372,885	$ 3,488,649	$ 3,571,344	$ 3,751,476	$ 3,530,352	$ 3,612,659	$ 3,071,318	$ 3,175,480	$ 3,153,130
Sales taxes	7,337,901	3,105,910	3,763,107	3,147,911	1,639,980	2,383,563	4,277,626	4,692,244	1,616,483	1,665,065
Other taxes	2,226,571	2,664,753	2,549,291	2,575,359	2,897,149	2,741,403	3,044,558	3,309,261	3,564,302	3,706,704
Licenses and permits	492,631	347,070	279,963	331,208	256,721	272,159	311,129	333,186	407,156	380,675
Intergovernmental	748,701	547,230	831,004	604,866	687,074	475,140	833,232	438,220	2,978,573	2,502,271
Charges for services	154,983	174,975	55,432	148,999	62,200	45,774	31,802	25,077	18,375	27,648
Fines and forfeitures	1,046,240	966,013	1,573,636	1,680,470	1,426,817	1,425,735	1,323,592	991,838	1,201,442	795,158
Interest	95,647	7,155	1,331	984	1,328	1,689	1,995	5,412	16,783	46,829
Miscellaneous	77,758	78,587	106,483	102,257	110,137	118,329	462,439	287,830	106,226	56,091
Total revenues	15,501,308	11,264,578	12,648,896	12,163,398	10,832,882	10,994,144	13,899,032	13,154,385	13,084,820	12,333,571
Expenditures										
General government	1,250,800	1,305,658	1,261,296	1,209,454	1,206,542	1,333,809	1,514,033	1,589,823	1,452,964	1,738,252
Judicial	433,491	472,792	586,307	719,891	593,614	593,925	545,247	472,505	484,410	352,907
Public Safety	4,652,027	5,284,695	4,726,508	5,014,761	4,862,140	4,846,530	4,836,009	4,294,642	4,176,372	4,224,298
Public works	2,058,369	2,197,624	2,001,532	2,016,085	2,025,924	1,954,267	2,007,923	1,787,041	1,802,418	1,833,413
Housing & development	1,011,605	1,051,907	692,788	658,919	670,465	665,278	650,541	463,914	482,849	997,230
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	294,782	413,799	632,291	312,217	349,340	384,774	453,328	-
Capital outlay	5,309,793	3,423,522	2,508,604	140,113	579,164	847,613	2,411,559	767,183	2,026,903	1,663,711
Debt service:										
Principal	195,291	445,853	506,484	505,405	240,761	254,174	202,250	257,849	564,639	1,270,798
Interest	230,799	223,253	247,880	229,389	209,310	201,290	173,932	129,573	116,983	103,626
Total expenditures	15,142,175	14,405,304	12,826,181	10,907,816	11,020,211	11,009,103	12,690,834	10,147,305	11,560,866	12,184,235
Excess of revenues over (under) expenditures	359,133	(3,140,726)	(177,285)	1,255,582	(187,329)	(14,959)	1,208,198	3,007,081	1,523,954	149,336
Other Financing Sources (Uses):										
Capital lease proceeds	-	507,894	-	-	171,750	-	555,950	170,001	184,619	116,706
TAN proceeds	-	-	-	-	-	-	-	-	770,820	-
Long-term debt proceeds	-	2,382,100	-	-	-	-	-	-	-	-
Sale of capital assets	10,495	-	-	1,750	8,848	20,069	21,620	20,156	13,367	14,342
Transfers in	1,526,525	1,560,819	1,443,036	1,106,959	1,052,322	918,530	1,234,830	1,274,435	3,028,963	2,622,080
Transfers out	(2,451,614)	(1,560,388)	(1,443,036)	(1,106,959)	(1,052,322)	(1,113,728)	(1,673,996)	(3,791,949)	(3,446,519)	(2,886,441)
Total other financing sources (uses)	(914,594)	2,890,425	-	1,750	180,598	(175,129)	138,404	(2,327,357)	551,250	(133,313)
Net change in fund balance	$ (555,461)	$ (250,301)	$ (177,285)	$ 1,257,332	$ (6,731)	$ (190,088)	$ 1,346,602	$ 679,724	$ 2,075,204	$ 16,023
Debt service as a percentage of non-capital expenditures	4.38%	6.42%	7.68%	6.92%	4.19%	4.48%	3.98%	4.13%	7.15%	13.06%

Note: Convention and Visitors 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 FY2010 CVB is not reflected in the statistical data.

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
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	3,530,352	2,383,563	702,838	2,038,565	8,655,318
2014	3,612,659	4,277,626	776,342	2,268,216	10,934,843
2015	3,071,318	4,692,244	874,487	2,434,774	11,072,822
2016	3,175,480	3,469,477	988,943	2,575,359	10,209,259
2017	3,153,130	3,533,590	1,021,804	2,684,900	10,393,424
Change 2008-2017	-5.1%	-51.8%	40.7%	79.0%	-19.3%

[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. SPLOST declines resulted from the distribution method being held by the County and reimbursed as projects are completed by the City. LOST declining revenues is attributed to the economy. The SPLOST distribution method changed to monthly distributions immediatly remitted to the City beginning in July 2014.

Note: Convention and Visitors 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 FY2010 CVB is not reflected in the statistical data. However, for comparative purposes Occupancy Tax is shown here.

CITY OF KINGSLAND, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30th	Digest Tax Year	Real and 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
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%
2014	13	389,638,711	31,395,960	2,654,045	162,511	10,950,976	412,900,251	8.00	1,032,250,628	40%
2015	14	383,383,293	26,759,680	2,546,074	1,983,183	10,707,988	403,964,242	8.00	1,009,910,605	40%
2016	15	371,226,251	18,861,240	2,577,000	5,166,962	10,132,601	387,698,852	8.00	969,247,130	40%
2017	16	386,573,946	13,846,310	2,557,450	3,720,921	12,532,178	394,166,449	7.50	985,416,123	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 2016 are financial resources for fiscal year ended 2017).

CITY OF KINGSLAND, GEORGIA

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

					Overlapping Rates[1]					
		City of Kingsland			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
2008	07	6.76	1.24	8.00	12.25	-	12.25	14.75	-	14.75
2009	08	6.42	1.58	8.00	12.00	-	12.00	14.75	-	14.75
2010	09	6.35	1.65	8.00	11.25	-	11.25	14.75	-	14.75
2011	10	6.43	1.57	8.00	11.95	-	11.95	15.00	-	15.00
2012	11	7.01	0.99	8.00	11.95	-	11.95	15.00	-	15.00
2013	12	6.86	1.14	8.00	11.90	-	11.90	15.50	-	15.50
2014	13	7.00	1.00	8.00	11.70	-	11.70	15.50	-	15.50
2015	14	6.94	1.06	8.00	11.94	-	11.94	15.82	-	15.82
2016	15	6.10	1.90	8.00	12.94	-	12.94	16.00	-	16.00
2017	16	5.84	1.66	7.50	13.94	-	13.94	16.00	-	16.00

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 2016 are financial resources for fiscal year ended 2017).

[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 beginning in FY 2012, decreasing by .05 each year until eliminated.

CITY OF KINGSLAND, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value[1]**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value[1]**
Soncel Homes, Inc	$ 5,640,533	1	1.46%	$ 8,178,874	2	2.16%
Georgia Power	5,039,898	2	1.30%	2,224,372	6	0.59%
Lowes Home Centers Inc	4,225,316	3	1.09%	2,578,495	4	0.68%
Rayonier Atlantic Timber	2,946,005	4	0.76%			
Kingsland Dev. Co LP	2,495,903	5	0.65%	3,196,558	3	0.84%
A T Williams Oil Co	1,585,229	6	0.41%	1,223,222	10	0.32%
Royal Point Apartments LP	1,576,711	7	0.41%	1,828,920	8	0.48%
Camden Telephone & Telegraph	1,424,914	8	0.37%	2,339,900	5	0.62%
SS Kingsland LLC	1,361,749	9	0.35%			
Aston Cove LP	1,360,867	10	0.35%			
Sawyer & Associates, Inc				11,402,384	1	3.01%
H/S Kingslo LLc & H/S Madlo				2,102,630	7	0.56%
Rayland, LLC				1,325,250	9	0.35%
Total	$ 27,657,125		7.15%	$ 36,400,605		6.87%

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 and Personal Property Tax only.

CITY OF KINGSLAND, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30th	Digest Tax Year	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2008	07	$ 2,884,650	$ 2,781,354	96.42%	$ 99,101	$ 2,880,455	99.85%	$ 4,195
2009	08	3,392,106	3,238,208	95.46%	145,576	3,383,784	99.75%	8,322
2010	09	3,663,097	3,456,856	94.37%	197,676	3,654,532	99.77%	8,565
2011	10	3,747,656	3,495,919	93.28%	242,544	3,738,463	99.75%	9,193
2012	11	3,633,732	3,372,991	92.82%	252,464	3,625,455	99.77%	8,277
2013	12	3,187,450	3,036,593	95.27%	142,316	3,178,909	99.73%	8,541
2014	13	3,003,304	2,922,459	97.31%	72,928	2,995,387	99.74%	7,917
2015	14	2,920,904	2,817,621	96.46%	97,921	2,915,542	99.82%	5,362
2016	15	2,871,064	2,848,866	99.23%	16,305	2,865,171	99.79%	5,893
2017	16	2,814,523	2,805,502	99.68%	-	2,805,502	99.68%	9,021
		$ 32,118,486	$ 30,776,369		$ 1,266,831	$ 32,043,200		$ 75,286

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 2016 are financial resources for fiscal year ended 2017).

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]
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	1.77%	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%	1,480.57	1.62%	15,946
2011	2,455,518	-	2,015,191	228,053	15,360,000	-	-	137,590	20,196,352	1.84%	1,273.41	1.32%	15,860
2012	2,437,669	-	1,927,233	264,846	14,115,001	-	-	259,922	19,004,671	1.57%	1,169.09	1.22%	16,256
2013	2,411,576	-	1,827,237	136,764	12,825,001	-	-	166,915	17,367,493	1.60%	1,070.15	1.11%	16,229
2014	2,364,579	-	1,723,384	641,503	10,841,048	-	-	339,304	15,909,818	1.54%	970.94	0.97%	16,386
2015	2,294,732	-	1,613,198	733,688	9,467,200	-	-	246,059	14,354,877	1.42%	871.37	0.84%	16,474
2016	2,216,331	770,820	1,248,859	796,659	8,048,190	-	-	150,872	13,231,730	1.37%	791.37	0.75%	16,720
2017	2,130,386	-	963,362	784,826	6,597,310	1,290,168	-	302,688	12,068,740	1.22%	721.81	0.69%	16,720

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.

CITY OF KINGSLAND, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property[1]	Per Capita[2]
	General Obligation Bonds	Less: Amounts Avail. in Debt Service Fund	Total		
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	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 ACTIVITES DEBT
AS OF SEPTEMBER 30, 2017

Jurisdiction	New Debt Outstanding	Percentage Applicable to City of Kingsland[1]	Amount Applicable to City of Kingsland
Camden County, Georgia - Overlapping Debt	$ -	28.14%	$ -
Subtotal Overlapping Debt			-
City of Kingsland, Georgia - Direct Debt			3,878,574
Total Direct and Overlapping Debt			$ 3,878,574

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]									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Debt limit	$ 40,059,131	$ 47,106,510	$ 49,946,665	$ 43,934,877	$ 48,552,437	$ 43,548,825	$ 41,290,025	$ 40,396,424	$ 38,769,885	$ 39,416,645
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 40,059,131	$ 47,106,510	$ 49,946,665	$ 43,934,877	$ 48,552,437	$ 43,548,825	$ 41,290,025	$ 40,396,424	$ 38,769,885	$ 39,416,645
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 2016	
Total assessed value	406,698,627
Less Exempt:	12,532,178
Total taxable assessed value:	394,166,449
Debt limit (10% of total taxable assessed value)	39,416,645
Debt applicable to limit:	-
Legal debt margin	$ 39,416,645

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10% 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 2016 are financial resources for fiscal year ended 2017).

CITY OF KINGSLAND, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service[3]		Coverage Ratio
				Principal	Interest	
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	5,151,329	3,284,160	1,867,169	1,290,000	486,928	1.05
2014	5,416,566	2,875,135	2,541,431	1,335,000	300,582	1.55
2015	5,751,192	2,822,038	2,929,154	1,373,848	222,103	1.84
2016	6,063,916	2,900,034	3,163,882	1,419,010	181,499	1.98
2017	6,273,751	2,932,486	3,341,265	1,450,880	146,568	2.09

[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 FISCAL 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]
2008	14,538 [5]	48,689	$ 1,463,726	$ 29,444	21,332	9,701	6.8%
2009	14,686 [5]	48,277	1,418,241	28,351	20,189	9,670	9.4%
2010	15,946	50,513	1,456,414	28,745	19,903	9,437	9.9%
2011	15,860	50,323	1,531,856	30,440	20,339	9,357	9.5%
2012	16,256	51,407	1,554,239	30,234	20,949	9,259	8.9%
2013	16,229	51,490	1,564,282	30,380	20,392	9,179	7.4%
2014	16,386	52,012	1,632,301	31,383	21,576	9,021	6.0%
2015	16,474	52,543	1,700,919	32,372	22,434	9,033	5.7%
2016	16,720	53,008	1,754,653	33,102	20,402	9,199	5.7%
2017	16,720 [6]	53,008 [6]	1,754,653 [6]	33,102 [6]	20,931	9,252	4.6%

Sources: Population information provided by 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.

Note: Population is for Kingsland and Camden County. All other statistics are based on the County; information based solely on Kingsland is 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 data provided by Georgia Department of Education.

[4] Unemployment rate information is an adjusted yearly average, 2017 rate is for December 2017. Source: Georgia Department of Labor,www.dol.state.ga.us/pr/laborforce.htm

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

[6] Information only available through 2016, using the same figures for 2017.

CITY OF KINGSLAND, GEORGIA

PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Kings Bay Naval Submarine Base	8,979	1	42.90%	8,936	1	41.89%
Camden County School System	1,178	2	5.63%	1,416	2	6.64%
Lockheed Missiles & Space	479	3	2.29%	479	3	2.25%
Camden County Government	412	4	1.97%	388	5	1.82%
Express Scripts	337	5	1.61%	454	4	2.13%
Southeast Georgia Health System	330	6	1.58%	330	7	1.55%
Kings Bay Support Services	290	7	1.39%	—	—	—
Wal-Mart Supercenter	229	8	1.09%	366	6	1.72%
City of Kingsland Government	171	9	0.82%	195	8	0.91%
City of St Marys Government	140	10	0.67%	176	9	0.83%
Winn Dixie	—	—	—	107	10	0.50%
Total	12,545		59.94%	12,847		60.22%

Source: County and City Governments, 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.

CITY OF KINGSLAND, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEESS
BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Years									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General government										
Administration	6	6	6	6	6	5.4	5.4	3.8	3.8	3.8
Information Technology	—	—	—	—	—	2.7	2.7	1.8	2.7	2.7
Finance	4.5	4.5	4.5	4.5	4.5	7.15	7.15	6.5	6.5	6.5
Municipal Court	2.5	2.5	2.5	2.5	3	3	3	2	2	2
Police	47	48	48	48	48	48	48	42	42	42
Fire	29	30	30	30	30	30	30	29	29	29.5
Public Works	30	30	29	29	29	27	27	25	24.5	24.5
Planning and Zoning	9	9	9	9	9	8	8	7	7	9
Economic Development	2	2	2	2	3	2.5	2	1	1	1.25
Fleet Services	6	6	6	6	6	3.75	3.75	4.13	3.75	3.38
Tourism (CVB Fund)	6.5	6.5	6.5	6.5	6.5	5.5	5.5	5	5	4.5
Water/Sewer Fund										
Administration	7	7	7	7	7	4.6	4.6	4.2	4.2	4.2
Information Technology	3	3	3	3	3	0.3	0.3	0.2	0.3	0.3
Finance	6.5	6.5	6.5	6.5	6.5	3.85	3.85	3.5	3.5	3.5
Fleet Services	—	—	—	—	—	1.25	1.25	1.37	1.25	1.13
Operations	29	29	29	29	29	26	26	23	23.5	23.5
Sanitation										
Operations	7	7	8	8	8	8	8	8	8	9
Total	195	195	197	197	199	187	187	168	168	171

Source: City Finance Department

Note: FTE counts are based on actual budgeted positions. New budget allocations effective FY 12/13 : 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	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Fund										
Administration										
Number of Council Meetings	21	21	21	21	18	20	18	23	21	22
Number of Ordinances Adopted	27	11	8	10	8	9	5	9	6	9
Number of New Employees Processed	53	37	19	23	39	24	27	43	35	33
Finance										
Total Receipts	$ 21,909,860	$ 16,444,911	$ 17,293,226	$ 17,725,534	$ 16,342,794	$ 15,565,877	$ 18,162,447	$ 18,142,709	$ 17,841,648	$ 17,652,617
Cash Receipts	$ 898,072	$ 933,682	$ 982,031	$ 1,053,302	$ 1,000,055	$ 1,083,399	$ 974,156	$ 876,483	$ 809,684	$ 748,218
Check Receipts	$ 18,123,910	$ 13,287,578	$ 13,786,024	$ 13,947,960	$ 12,443,712	$ 11,503,481	$ 13,576,090	$ 12,800,203	$ 11,207,636	$ 10,878,409
Credit Card Receipts	$ 637,832	$ 668,542	$ 1,095,368	$ 1,293,824	$ 1,432,923	$ 1,459,469	$ 1,508,998	$ 1,522,745	$ 1,152,756	$ 1,241,762
Electronic Funds Processed	$ 2,250,046	$ 1,555,109	$ 1,429,803	$ 1,430,447	$ 1,466,100	$ 1,519,529	$ 2,103,206	$ 2,770,179	$ 3,344,160	$ 3,496,090
Web Receipts Processed	*	*	*	*	*	*	*	$ 173,099	$ 1,327,415	$ 1,288,135
Employees on Direct Deposit	83%	89%	89%	91%	90%	92%	85%	89%	93%	95%
Accounts Payable Checks Issued	5,053	4,836	4,297	4,084	3,996	3,687	3,891	3,895	3,887	3,789
Court										
Cases/Citations Processed	7,085	7,861	12,019	12,240	10,199	8,946	7,594	6,234	7,219	3,907
CITY OF KINGSLAND, GEORGIA	67	24	42	18	51	90	122	67	72	39
Suspension Notices Issued	1,143	1,210	2,039	2,230	2,057	1,619	1,388	1,096	1,246	679
Police										
Average Response Time (in minutes)	2:20	1:00	4:00	4:00	3:00	4:00	4:00	5:00	4:00	4:00
Violent Crimes/Assaults	229	225	184	48	202	219	225	185	78	36
Fire										
Average Response Time										
(Fire)	5:00	4:33	4:42	5:05	4:14	5:29	5:22	5:18	5:38	5:38
(EMS)	5:00	4:49	5:00	6:14	4:19	4:20	4:27	*	*	*
Firefighters per Call	11	11	10	11	13	8	13	16	17	7
Number of New Hydrants	86	182	61	38	38	11	4	3	12	6
Public Works										
Ditches Cleaned (miles)[1]	7.06	70.50	15.00	1.11	14.39	101.86	17.25	13.49	5.64	27.58
Sidewalk Repair (feet)	706	465	410	485	2,123	-	2,660	2,205	726	-
Pot-hole/Wash-out Repair	54	79	56	47	113	208	281	326	443	332

(Continued)

CITY OF KINGSLAND, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Years									
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Planning and Zoning										
Residential Permits Issued										
Single Family	109	103	46	51	19	11	66	59	125	130
Multi-Family	12	-	12	-	-	-	-	12	-	12
New Business License Issued	290	260	238	282	243	197	205	197	229	153
Fleet										
Number of Tires Replaced	401	326	349	451	444	382	81	53	161	211
Number of Preventive Maintenance Procedures	279	308	290	306	377	322	186	64	256	60
Vehicle Alignments Performed	19	24	30	46	41	24	20	10	24	32
CVB Fund										
Tourism										
Memberships	20	22	20	25	28	18	24	36	25	25
Travel Shows Attended	23	22	27	35	53	46	120	76	61	87
Advertisement/ Print Media	66	50	29	154	100	360	57	92	91	93
Training/ Meetings	71	107	63	100	149	69	77	70	142	172
Water Fund										
Administration										
Average Monthly Water Bills Sent	6,828	6,874	6,902	6,878	6,959	7,068	7,139	7,260	7,432	7,590
Information Technology										
Average Monthly Visitors to Website	3,127	5,767	6,852	7,103	16,887	18,780	13,651	*	*	*
Computer Issue Tickets Completed	*	*	*	*	*	1,008	1,058	1,229	1,203	1,976
Operations										
Drinking Water (millions of gallons)	685.640	670.877	655.339	645.153	609.599	586.147	617.343	575.788	587.494	587.702
Wastewater										
Wastewater Treated (million of gallons)	677.422	697.383	589.259	594.200	575.539	610.958	639.434	613.849	644.844	644.123
Solid Waste Fund										
Refuse Collected (in tons)	5,782	5,811	6,118	5,969	5,528	5,977	6,005	7,474	8,062	9,819
Average Number of Customers Served Monthly	5,063	5,053	5,158	5,151	5,254	5,348	5,413	5,493	5,615	5,738

Sources: Various City departments.

[1] FY 2013, the large number for public works ditches is attributed to equipment being purchased to clean ditches, which had previously not been done for several years.

* Information not available

CITY OF KINGSLAND, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Years									
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	40	40	42	32	36	41	40	47	43	48
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks										
Engine	5	6	6	6	6	6	6	6	6	8
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	1	1	1	1
Public works										
Streets Owned and Maintained (miles)	67.1	70.9	76.3	89.3	89.3	89.3	89.3	89.3	89	89
Service Trucks	15	15	15	15	15	17	15	16	16	20
Tourism										
Welcome Centers	1	1	1	1	2	2	1	1	1	1
Water										
Service Trucks	19	21	19	19	19	16	10	17	21	24
Fire Hydrants	1,151	1,333	1,394	1,432	1,470	1,481	1,485	1,497	1,507	1,513
Storage Capacity (thousands of gallons)[1]	1,750	1,750	1,750	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	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Solid Waste										
Garbage Can Collection Trucks	6	6	5	6	6	6	5	5	6	6
Other Collection Trucks[2]	4	5	5	4	4	4	4	4	5	5

Sources: Various City Departments.

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

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

[2] Other collection trucks include limb wagons and trucks to dispose of white goods or bulky items.

COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S 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 the City Council
Kingsland, Georgia

We have audited, 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, 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 the City of Kingsland, Georgia (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Kingsland, Georgia's basic financial statements and have issued our report thereon dated March 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Kingsland, Georgia's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Kingsland, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal program is identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
March 30, 2018

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Finance Authority			
Drinking Water State Revolving Fund Cluster			
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW2016017	$ 1,160,224
			1,160,224
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Disaster Grants - Public Assistance	97.036	DR 4284	95,206
Disaster Grants - Public Assistance	97.036	DR 4338	148,197
			243,403
Total Expenditures of Federal Awards			$ 1,403,627

CITY OF KINGSLAND, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Kingsland, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended September 30, 2017.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended September 30, 2017.

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes _____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.468	**U.S. Environmental Protection Agency** Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-001 – Capital Asset Reporting

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with GAAP.

Condition: During our testing of the City's capital assets, we noted that the City was reporting numerous assets that actually belong to the Convention and Visitors Bureau. We also noted amounts for road resurfacing that should have been expensed in the prior year but were capitalized.

Context/Cause: The above condition has caused capital assets to be overstated due to improper recording.

Effects: A prior period adjustment to decrease capital assets and governmental activities net position in the amount of $2,217,758 was required to be recorded. In addition, a prior period adjustment to increase capital assets and increase net position in the Convention and Visitors Bureau in the amount of $1,980,374 was required to be recorded.

Recommendation: We recommend the City carefully review all capital asset accounts and related items to ensure transactions are reported in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

2017-002 – Deferred Outflows of Resources

Criteria: Internal controls should be in place to ensure deferred items are appropriate and properly recorded in accordance with GAAP.

Condition: During our testing of the City's pension liability and related deferred outflows and inflows of resources, we noted that the City and the CVB did not properly record deferred outflows in the prior year.

Context/Cause: The above condition was caused by contributions made subsequent to the actuarial valuation date not being recognized as deferred outflows resulting in the misstatement of deferred outflows at September 30, 2016.

Effects: A prior period adjustment to increase deferred outflows of resources and increase governmental activities net position in the amount of $524,123 was required to be recorded. In addition, a prior period adjustment to increase deferred outflows of resources and increase net position in the Convention and Visitors Bureau in the amount of $16,210 was required to be recorded.

Recommendation: We recommend the City carefully review all pension accounts and related items to ensure transactions are reported in accordance with GAAP.

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2017-002 – Deferred Outflows of Resources (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF KINGSLAND, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.