COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KINGSLAND, GEORGIA

Post Office Box 250, Kingsland, Georgia 31548

For the Fiscal Year Ended

September 30, 2018

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Prepared by:
City Finance Department

Filiz Morrow, CPA, MPA
Director of Finance

CITY OF KINGSLAND, GEORGIA

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FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

Prepared by:
Kingsland Finance Department

CITY OF KINGSLAND, GEORGIA

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INTRODUCTORY SECTION

The City of Kingsland, GA
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Kingsland
GEORGIA | EST.1908

Finance Department

Dr. C. Grayson Day, Jr.
Mayor

Filiz Morrow, CPA, MPA
Director of Finance

March 26, 2019

Honorable Mayor Charles Grayson Day, Jr
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, 2018. 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, 2018. 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 17,077 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 is controlled by or is 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 174 building permits being issued in FY18 compared to an average of 63 in the eight years prior to FY17, 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.

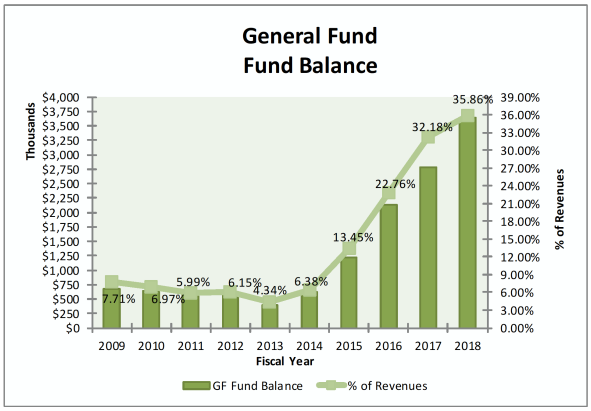
The City's population more than doubled from the 1990 population of 4,699 to the population in 2000 of 10,506. The 2010 census of 15,946 and current 17,077 is evidence of the continued growth. The growth began with the construction of Kings Bay Naval Submarine Base in the mid 80's. However, it is now 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 53,044 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 72 unit low income housing apartment complex was completed this fiscal year and two more investors are eyeing to build additional ones in the coming year. In retail development, seven restaurant/specialty drink establishments, three auto parts/all-terrain vehicle stores, two truck plazas/fuel centers, and one four-story hotel are under construction or have recently opened. Additionally, at least one more hotel has paid tap fees and several residential developments are in the development phase in the new fiscal year. 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 $3,648,711 (35.86% of revenues) mainly due to realizing the benefits of FY 2014'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



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

new positions were approved in public works for the drainage crew. Both 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 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 $374K in the General Fund and $1.2M in Enterprise Funds.

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

Signs of growth continue to reflect in building permits. In addition to completion of new construction in commercial developments, the City increased its residential permits by 34% over prior year to 174 in FY 2018.

In FY 2018, Council voted to apply for financing under the Georgia Environmental Finance Authority (GEFA) Drinking Water and Clean Water Program for needed water and sewer 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, make improvements to one of the existing water plants, and bring the old treatment plant back online.

The City is currently looking at a redevelopment plan for improving safety, aesthetics, and multi-modal use at Kingsland's Exit 3/Highway 40 interchange. Additional traffic lights, in-pavement warning lights for pedestrian crossing, multi-use paths, landscaping, lighting and wayfinding signage are being planned. These improvements will provide an economic boost for the restaurants, hotels, and retail establishments that are already located and ones that will be coming at this busy exit.

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, 2017. 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, 2017. This was the eighteenth 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 initiative 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. Additionally, 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.

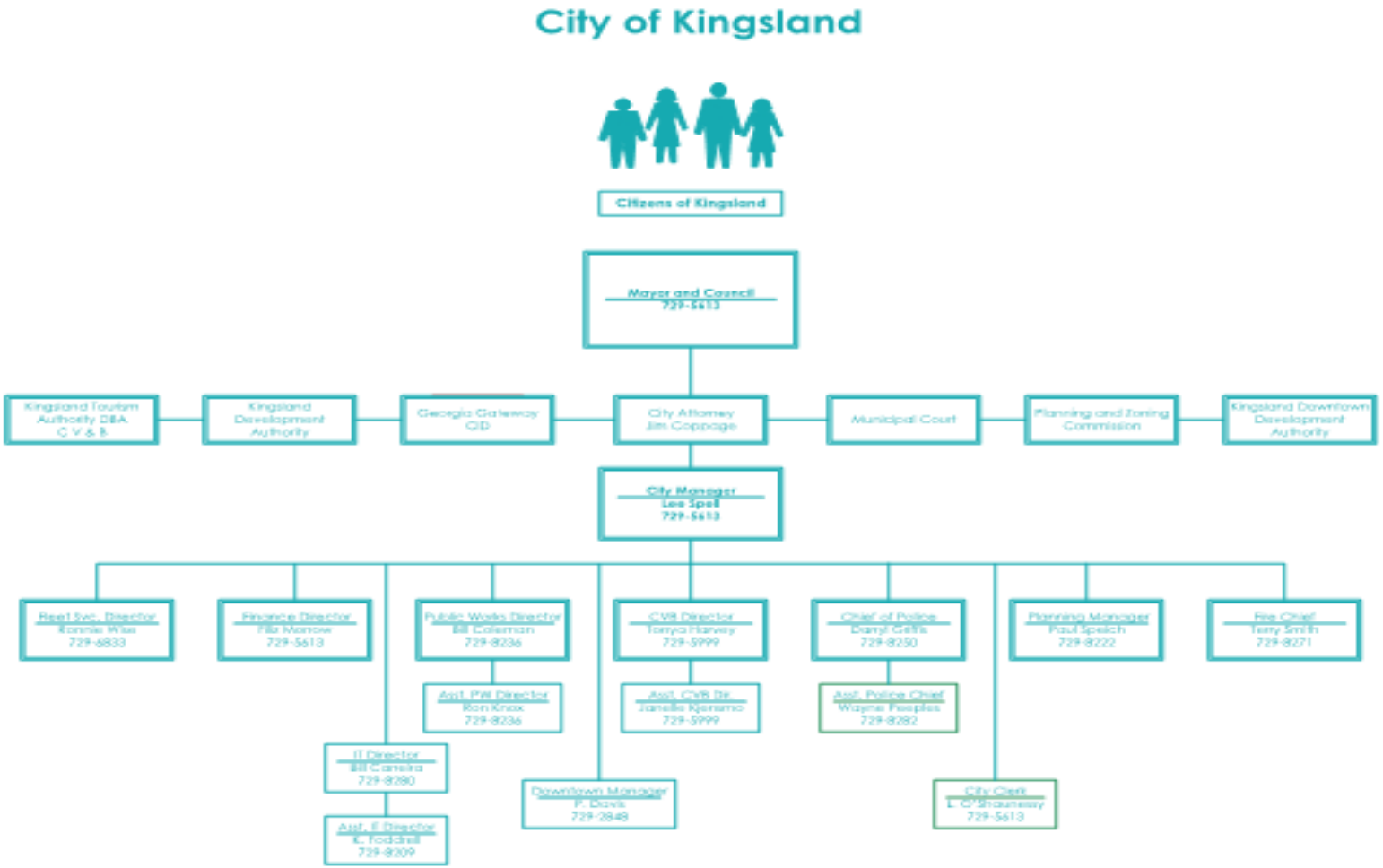
Respectfully submitted,



Filiz Morrow, CPA, MPA
Finance Director

CITY OF KINGSLAND, GEORGIA

ORGANIZATIONAL CHART
SEPTEMBER 30, 2018



CITY OF KINGSLAND, GEORGIA

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2018

City Officials and Department Heads



Mayor Kenneth E. Smith Sr.



Mayor Pro Tem
Jim McClain



Councilman
Grayson Day



Councilman
James Galloway



Councilman
Mike McClain

Department Heads

Lee Spell..... City Manager
Filiz Morrow..... Finance Director
Darryl Griffis..... Police Chief
Terry Smith..... Fire Chief
Bill Coleman .....Public Works 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, 2017

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2018, 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 61), and the Schedule of City Contributions (on page 62) 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, the balance sheet and statement of revenues, expenses and changes in fund balance for the aggregately discretely presented component units, 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 combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the balance sheet and statement of revenues, expenses and changes in fund balance for the aggregately discretely presented component units 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 balance sheet and statement of revenues, expenses and changes in fund balance for the aggregately discretely presented component units are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 26, 2019

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, 2018. 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.

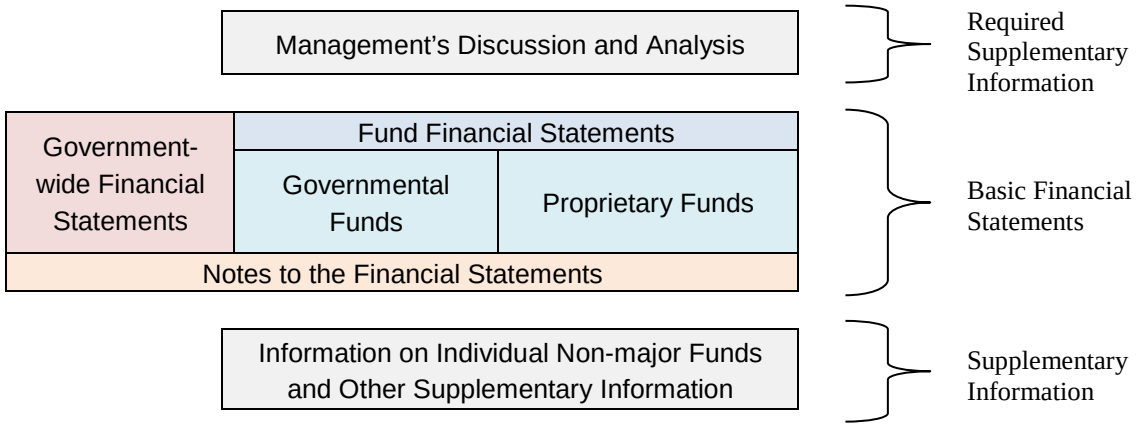
Financial Highlights

Key financial highlights for FY 2017-18 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $60,171,846 (*net position*). Of this amount, $11,821,564 (unrestricted net position), may be used to meet the City's obligations to citizens and creditors. Investment in capital assets totaled $45,123,058 and restricted funds for various projects and programs totaled $3,227,224.
- The City's total long-term debt decreased by $2,317,585 during the fiscal year due to resources paying down debt and only one new lease for $266,300 and one new GEFA loan for $215,700 being issued.
- Combined revenue totaled $22,196,244 of which $13,561,667 belonged to governmental activities and $8,634,577 was business-type activities.
- Combined expenses were $17,084,162 of which governmental activities totaled $11,330,806 and business-type activities totaled $5,753,356.
- At the end of the fiscal year, assigned fund balance for general fund reserve was $2,173,301, 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 unassigned 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 $6,844,213; an increase of $2,386,130 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 Visitor's 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 through 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 eleven (11) 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
    - Tax Allocation District #1 (TAD)
- 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 seven (7) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* located after the general fund budgetary comparison which is immediately behind the notes.

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

The governmental fund financial statements can be found on pages 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 66 of this report. Also included in the compliance section is the State mandated program information beginning on page 98.

***Statistical Section*.** In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information; such as, ten 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 $60,171,846 at the close of the most recent fiscal year.
By far the largest portion of the City's net position (74.99%) 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 $11,821,564 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, 2018 and 2017 are presented following:

City of Kingsland's Net Position

As of September 30, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Assets						
Current and other assets	**$ 7,777,938**	$ 5,383,577	**$ 10,564,693**	$ 8,497,542.00	**$ 18,342,631**	$ 13,881,119
Capital assets	**26,191,842**	26,999,656	**28,955,038**	29,456,140.00	**55,146,880**	56,455,796
Total assets	**33,969,780**	32,383,233	**39,519,731**	37,953,682.00	**73,489,511**	70,336,915
Deferred outflows of resources	**506,633**	448,239	**-**	-	**506,633**	448,239
Liabilities						
Other liabilities	**832,929**	829,862	**855,287**	810,621.00	**1,688,216**	1,640,483
Non-current liabilities	**4,656,728**	5,702,909	**6,622,209**	7,893,613.00	**11,278,937**	13,596,522
Total liabilities	**5,489,657**	6,532,771	**7,477,496**	8,704,234.00	**12,967,153**	15,237,005
Deferred inflows of resources	**857,145**	488,385	**-**	-	**857,145**	488,385
Net position:						
Net investment in capital assets	**22,687,488**	23,121,079	**22,435,570**	21,655,789.00	**45,123,058**	44,776,868
Restricted for:						
Capital projects	**3,013,065**	1,648,059	**-**	-	**3,013,065**	1,648,059
Public safety	**21,684**	25,417	**-**	-	**21,684**	25,417
Economic development	**39,082**	40,845	**-**	-	**39,082**	40,845
Debt service	**153,393**	-	**-**	-	**153,393**	-
Unrestricted (deficit)	**2,214,899**	974,916	**9,606,665**	7,593,659.00	**11,821,564**	8,568,575
Total net position	**$ 28,129,611**	$ 25,810,316	**$ 32,042,235**	$ 29,249,448.00	**$ 60,171,846**	$ 55,059,764

Changes in Net Position. Governmental and business-type activities increased the City's net position by $5,112,082 in FY 2018. The following table shows the revenue and expenses by activity and changes in net position for governmental and business-type activities in FY 2018 and FY 2017:

City of Kingsland's Changes in Net Position

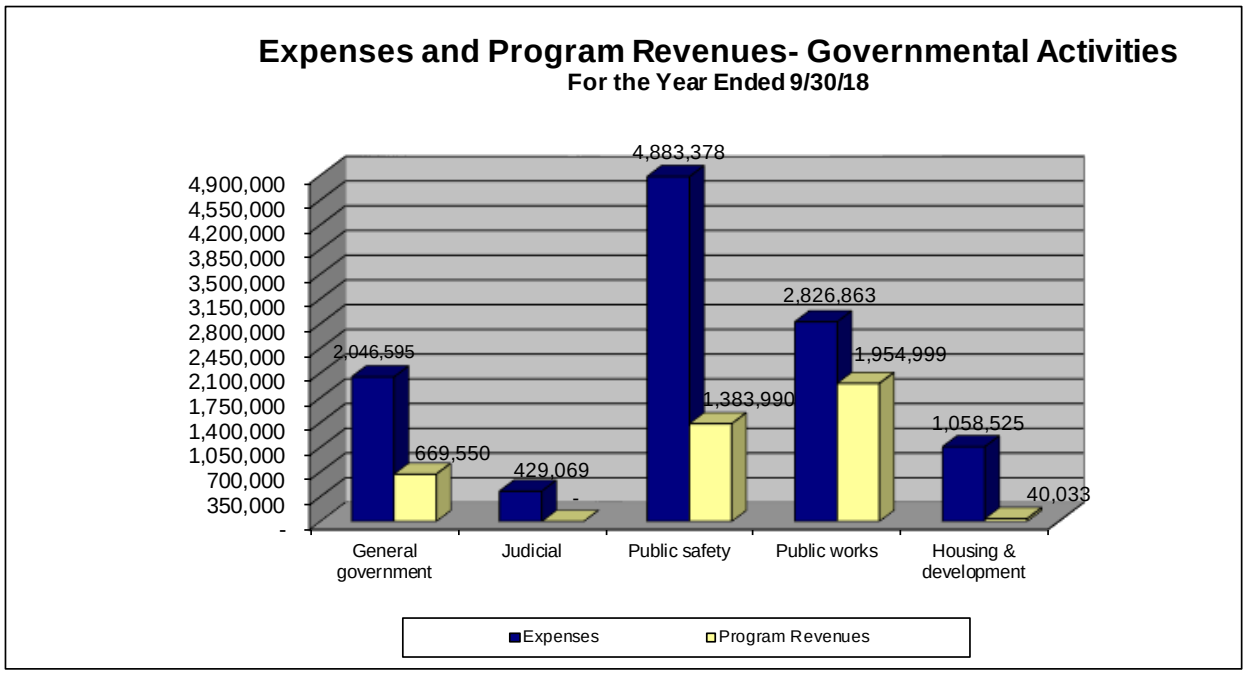
September 30, 2018 and 2017

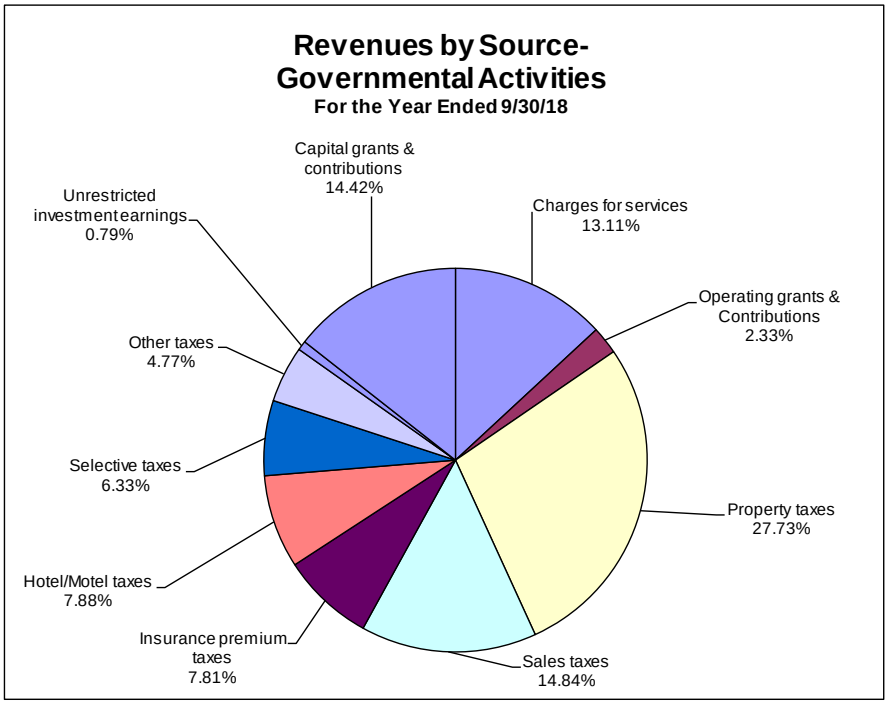
	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Revenues:						
Program revenues:						
Charges for services	**$ 1,778,095**	$ 1,378,470	**$ 8,126,542**	$ 7,206,897	**$ 9,904,637**	$ 8,585,367
Operating grants	**315,478**	139,073	**-**	-	**315,478**	139,073
Capital grants	**1,954,999**	2,245,070	**460,962**	429,789	**2,415,961**	2,674,859
General revenues:						
Property taxes	**3,760,916**	3,148,909	**-**	-	**3,760,916**	3,148,909
Sales taxes	**2,012,448**	1,665,065	**-**	-	**2,012,448**	1,665,065
Franchise taxes	**858,642**	1,275,081	**-**	-	**858,642**	1,275,081
Insurance premium tax	**1,059,454**	994,944	**-**	-	**1,059,454**	994,944
Hotel/Motel tax	**1,068,436**	1,021,804	**-**	-	**1,068,436**	1,021,804
Other taxes	**646,463**	414,875	**-**	-	**646,463**	414,875
Unrestricted investment earnings	**106,736**	46,059	**47,073**	24,063	**153,809**	70,122
Penalties and fees			**-**	-	**-**	-
Miscellaneous	**-**	-	**-**	-	**-**	-
Gain on disposition of capital assets	**-**	14,342	**-**	3,247	**-**	17,589
Total revenues	**13,561,667**	12,343,692	**8,634,577**	7,663,996	**22,196,244**	20,007,688
Program expenses:						
General government	**2,044,433**	1,817,292	**-**	-	**2,044,433**	1,817,292
Judicial	**428,548**	361,302	**-**	-	**428,548**	361,302
Public safety	**4,877,696**	4,618,724	**-**	-	**4,877,696**	4,618,724
Public works	**2,824,322**	2,764,885	**-**	-	**2,824,322**	2,764,885
Housing and development	**1,057,867**	1,073,496	**-**	-	**1,057,867**	1,073,496
Interest on long-term debt	**97,940**	103,626	**-**	-	**97,940**	103,626
Water and sewer	**-**	-	**4,794,231**	4,480,201	**4,794,231**	4,480,201
Solid waste	**-**	-	**959,125**	801,088	**959,125**	801,088
Total expenses	**11,330,806**	10,739,324	**5,753,356**	5,281,289	**17,084,162**	16,020,613
Excess (deficiency)	**2,230,861**	1,604,368	**2,881,221**	2,382,707	**5,112,082**	3,987,075
Transfers	**88,434**	(264,361)	**(88,434)**	264,361	**-**	-
Changes in net position	**2,319,295**	1,340,007	**2,792,787**	2,647,068	**5,112,082**	3,987,075
Net position beginning of the year	**25,810,316**	26,163,944	**29,249,448**	26,602,380	**55,059,764**	52,766,324
Prior period adjustment	**-**	(1,693,635)	**-**	-	**-**	(1,693,635)
Net position beginning of the year, restated	**25,810,316**	24,470,309	**-**	-	**-**	-
Net position - end of year	**$ 28,129,611**	$ 25,810,316	**$ 32,042,235**	$ 29,249,448	**$ 60,171,846**	$ 55,059,764

Governmental Activities. During the fiscal year ended September 30, 2018, governmental activities increased the City of Kingsland's net position by $2,319,295 accounting for 45.37% of the total growth in net position. This is primarily due to growing revenues and maintaining expenses consistent with prior year.

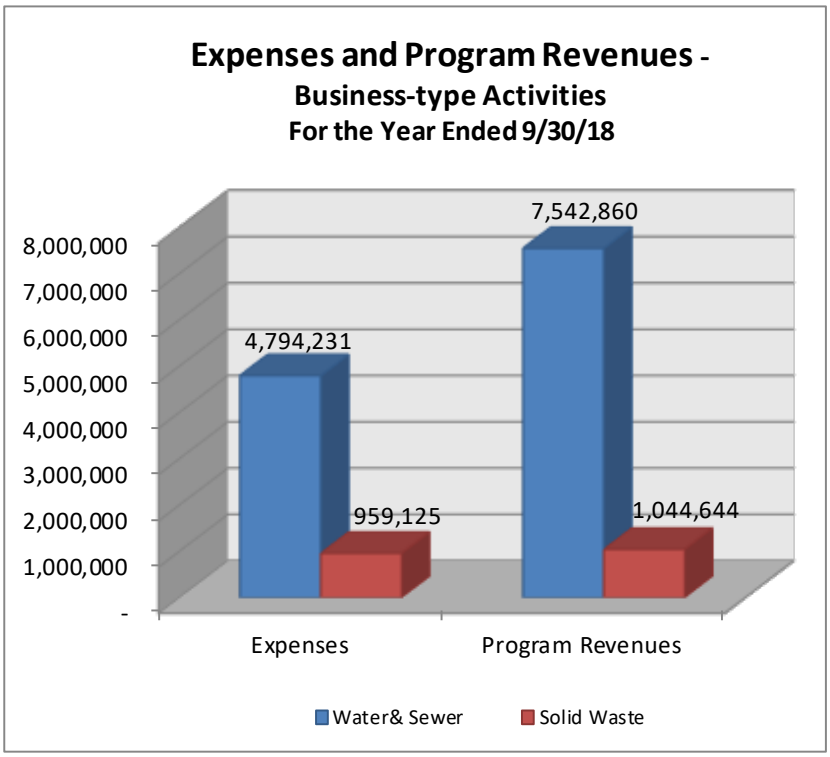
The following graphs present the cost of each of the City's governmental functions programs – general government, judicial, public safety, public works, and housing and development – as well as the program revenues generated by these activities.

- The cost of all governmental activities this year was $11,330,806.
- However, the amount that our taxpayers paid for these activities through property, sales, franchise and other taxes was $9,406,359. The remaining cost was paid by:
    - Those who directly benefited from the programs and paid $1,778,095 in user charges, or
    - Other governmental and organizations that subsidized certain programs with grants and contributions paid $2,270,477.
- Public safety required the largest net amount of funds after subtracting program revenue, grants, and contributions. The total subsidy was $3,493,706. Public safety comprised 43.05% of total governmental expenses. Public Safety subsidized expense decreased by 2.42%. This decrease was due to increases in revenues related to charges for services and operating grants.
- Public works comprised 24.92% of total governmental expenses. This is a 2.19% increase over last year due to an increase in expenditures related to vehicle repairs, supplies, and capital outlay.
- General government comprised 18.04% of total governmental expenses. This is a 12.67% increase over last year due to an increase in expenditures related to public service authority funding.
- For every one dollar of the total governmental activities in fiscal year 2018, $ .16 came from charges for services.



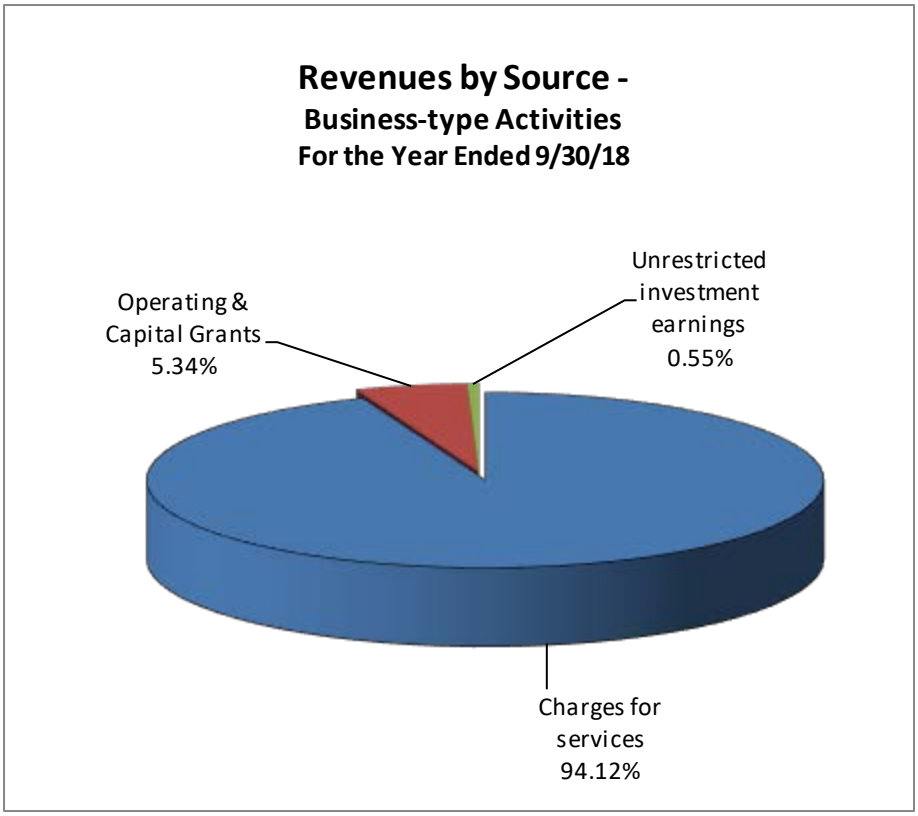


Business-type Activities. Business-type activities during the same period increased net position by $2,792,787 accounting for 54.76% of the total growth in net position. Increase in business-type activities resulted from increases in operating revenue and contributed water and sewer lines from developers. Net operating income for the water/sewer fund resulted in a gain of $2,417,676 before non-operating revenues/expenses were added. Non-operating expenses were primarily the net of interest revenue and expense ($82,951), and capital contributions of $460,962 and transfers of $80,863.



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 $5,753,356. This reflects an 8.94% increase 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 $2,792,787, or 54.76% of the City's total increase in net position.
- Charges for services accounts for 94.12% of the business-type revenues, with the water sewer fund generating 87.15% of total revenues.



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 four 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 2018 the General Fund had a fund balance of $3,648,711. This is an increase of $860,535 from the beginning fund balance. Of this amount, $2,173,301 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 $1,249,128 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, $158,149 and $68,133 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 $3,013,065 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 ($31,722) 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 for consistency it is presented as one. Debt payment is transferred from the general fund here to account for the principal and interest payment of debt. The fund balance is zero.

The fund balances for the other governmental funds increased by $44,138 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 $8,458,692 and those for the non-major solid waste fund amounted to $1,147,973. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Kingsland's business-type activities.

General Fund Budgetary Highlights

The final budgeted operating revenues increased by $358,525 or approximately 3.58% from the original budget as a result of increases in permits, fines and forfeitures, other taxes, and interest revenues. As the economy continues to improve, commercial and residential permits grow along with other taxes. Additionally, 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 increased by $366,151 or 3.78% from the original budget. This increase was mainly due to additional funding requirements for the public service authority. 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, 2018, governmental activities and business-type activities had capital assets of $55,146,880 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment and recreation and park facilities. This represents a $1,308,916 or 2.32% overall decrease from prior year. The capital assets for governmental activities decreased by $807,814 or 2.99%. The main decrease is attributed to fully depreciating some assets offset by an increase in construction in progress. The capital assets for business-type activities decreased by $501,102 or 1.70%. This decrease is a result of completing some projects that were previously construction in progress and for additional equipment purchased.

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

- Developer capital contributions of land and street infrastructure valued at $0 for governmental funds and $117,300 for water and sewer infrastructure.
- Machinery, equipment, and vehicles purchased at a cost of $418,659 for governmental funds and $281,405 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 $1,335,054.

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, 2018 and 2017

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Land	**$ 1,579,564**	$ 1,579,564.00	**$ 98,522**	$ 98,522	**$ 1,678,086**	$ 1,678,086
Buildings	**645,094**	711,993.00	**716,456**	756,930	**1,361,550**	1,468,923
Land and building improvements	**1,676,128**	1,902,423.00	**-**	-	**1,676,128**	1,902,423
Infrastructure	**19,376,178**	20,237,682.00	**-**	-	**19,376,178**	20,237,682
System improvements	**-**	-	**26,502,907**	25,917,005	**26,502,907**	25,917,005
Machinery and equipment	**1,272,771**	1,326,178.00	**962,916**	925,985	**2,235,687**	2,252,163
Construction in progress	**1,642,107**	1,241,816.00	**674,237**	1,757,698	**2,316,344**	2,999,514
Totals	**$ 26,191,842**	$ 26,999,656.00	**$ 28,955,038**	$ 29,456,140	**$ 55,146,880**	$ 56,455,796

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, 2018, the City had $4,656,728 of outstanding long-term debt related to governmental activities and $6,622,209 of long-term liabilities related to business-type activities for a total of $11,278,937. The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

At the end of 2018, the governmental activity had bonded debt outstanding of $2,042,068 and the business-type had $5,118,748 for a total of $7,160,816. Of this amount, none of it 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 $41,976,526 of which the City has no amount towards its debt limitation with general obligation bonds totaling 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 2019 is positive. The economy is showing continued signs of growth 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. Several commercial sites, residential homes, and apartment complexes have developed and additional are under construction.

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. Ground breaking is scheduled for April 25, 2019.

As we continue to look to the future, our county government is securing a site 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. *(Source: www.spaceportcamden.us).*

The FY 2019 city wide budget decreased 1.62% mainly due to decreases in charges for services, intergovernmental revenue, and other financing sources. The total city wide budget was set at $25,394,815 and the millage rate was decreased to the rollback rate of 8.14. The City tax digest increased 6% prior year and increased by 4.5% in the current year. This growth in the tax digest is attributed to recent residential and commercial growth with some due to reassessments.

The Mayor and Council of the City of Kingsland considered many factors when approving the City's FY 2019 budget and remain cautious as we continue to come out of the recession. A study by Georgia Tech predicts Kingsland's population will increase 81% 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 4.1%. This is a 10.87% decrease over prior year. This is the eighth 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 53,044 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 tougher 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, PO Box 250, 105 West William Avenue, Kingsland, Georgia 31548.

CITY OF KINGSLAND, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-type Activities	Total	Georgia Gateway CID	Convention and Visitors Bureau
ASSETS					
Cash and cash equivalents	$ 6,522,774	$ 4,713,080	$ 11,235,854	$ 8,548	$ 528,748
Investments	-	2,450,141	2,450,141	-	-
Accounts receivable, net	282,233	643,940	926,173	-	-
Taxes receivable, net	102,306	-	102,306	-	-
Due from other governments	644,343	-	644,343	-	-
Due from primary government	-	-	-	-	40,463
Inventories	158,149	142,852	301,001	-	-
Prepaid items	68,133	57,191	125,324	-	435
Restricted assets:					
Cash and cash equivalents	-	1,732,489	1,732,489	-	-
Investments	-	825,000	825,000	-	-
Capital assets:					
Non-depreciable	3,221,671	772,759	3,994,430	-	323,167
Depreciable, net of accumulated depreciation	22,970,171	28,182,279	51,152,450	-	1,569,148
Total assets	33,969,780	39,519,731	73,489,511	8,548	2,461,961
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions made subsequent to measurement date	419,508	-	419,508	-	15,576
Differences between expected and actual experience related to pension expense	73,461	-	73,461	-	2,727
Changes in actuarial assumptions	13,664	-	13,664	-	508
Total deferred outflows of resources	506,633	-	506,633	-	18,811
LIABILITIES					
Accounts payable	315,270	182,821	498,091	7,362	14,335
Accrued liabilities	198,462	41,936	240,398	-	7,697
Accrued interest	-	43,751	43,751	-	-
Due to component unit	36,374	-	36,374	-	-
Unearned revenue	282,823	12,360	295,183	-	-
Customer deposits	-	574,419	574,419	-	-
Noncurrent liabilities:					
Due within one year	1,159,843	1,678,732	2,838,575	-	9,622
Due in more than one year:					
Other liabilities due in more than one year	2,680,098	4,943,477	7,623,575	-	1,682
Net pension liability	816,787	-	816,787	-	42,320
Total liabilities	5,489,657	7,477,496	12,967,153	7,362	75,656
DEFERRED INFLOWS OF RESOURCES					
Differences between expected and actual experience	221,580	-	221,580	-	8,227
Net difference between projected and actual investment earnings	601,643	-	601,643	-	22,338
Changes in actuarial assumptions	33,922	-	33,922	-	1,260
Total deferred inflows of resources	857,145	-	857,145	-	31,825
NET POSITION					
Net investment in capital assets	22,687,488	22,435,570	45,123,058	-	1,892,315
Restricted for:					
Public safety	21,684	-	21,684	-	-
Economic development	39,082	-	39,082	-	-
Capital projects	3,013,065	-	3,013,065	-	-
Debt service	153,393	-	153,393	-	-
Unrestricted	2,214,899	9,606,665	11,821,564	1,186	480,976
Total net position	$ 28,129,611	$ 32,042,235	$ 60,171,846	$ 1,186	$ 2,373,291

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, 2018

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	$ 2,044,433	$ 669,550	$ -	$ -	$ (1,374,883)	$ -	$ (1,374,883)	$ -	$ -
Judicial	428,548	-	-	-	(428,548)	-	(428,548)	-	-
Public safety	4,877,696	1,068,512	315,478	-	(3,493,706)	-	(3,493,706)	-	-
Public works	2,824,322	-	-	1,954,999	(869,323)	-	(869,323)	-	-
Housing and economic development	1,057,867	40,033	-	-	(1,017,834)	-	(1,017,834)	-	-
Interest on long-term debt	97,940	-	-	-	(97,940)	-	(97,940)	-	-
Total governmental activities	11,330,806	1,778,095	315,478	1,954,999	(7,282,234)	-	(7,282,234)	-	-
Business-type activities:									
Water and Sewer	4,794,231	7,081,898	-	460,962	-	2,748,629	2,748,629	-	-
Solid Waste	959,125	1,044,644	-	-	-	85,519	85,519	-	-
Total business-type activities	5,753,356	8,126,542	-	460,962	-	2,834,148	2,834,148	-	-
Total primary government	$ 17,084,162	$ 9,904,637	$ 315,478	$ 2,415,961	$ (7,282,234)	$ 2,834,148	$ (4,448,086)	$ -	$ -
Component units:									
Georgia Gateway CID	$ 11,428	$ -	$ -	$ -	$ -	$ -	$ -	$ (11,428)	$ -
Convention and Visitors Bureau	415,553	-	470,112	-	-	-	-	-	54,559
Total component units	$ 426,981	$ -	470,112	$ -	$ -	$ -	$ -	$ (11,428)	$ 54,559
General revenues:									
Property taxes					$ 3,760,916	$ -	$ 3,760,916	$ 11,492	$ -
Sales taxes					2,012,448	-	2,012,448	-	-
Other taxes					646,463	-	646,463	-	-
Franchise taxes					858,642	-	858,642	-	-
Insurance premium taxes					1,059,454	-	1,059,454	-	-
Hotel/Motel taxes					1,068,436	-	1,068,436	-	-
Unrestricted investment earnings					106,736	47,073	153,809	-	-
Miscellaneous revenues					-	-	-	1,050	28,652
Transfers					88,434	(88,434)	-	-	-
Total general revenues and transfers					9,601,529	(41,361)	9,560,168	12,542	28,652
Change in net position					2,319,295	2,792,787	5,112,082	1,114	83,211
Net position, beginning of year					25,810,316	29,249,448	55,059,764	72	2,290,080
Net position, end of year					$ 28,129,611	$ 32,042,235	$ 60,171,846	$ 1,186	$ 2,373,291

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

CITY OF KINGSLAND, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	SPLOST VII	Multiple Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,299,994	$ 2,805,667	$ 200,468	$ -	$ 216,645	$ 6,522,774
Taxes receivable, net	102,306	-	-	-	-	102,306
Accounts receivable, net	198,911		-	-	83,322	282,233
Due from other governments	291,358	319,540	33,445	-	-	644,343
Due from other funds	32,241	-	-	-	14,054	46,295
Inventories	158,149	-	-	-	-	158,149
Prepaid expenditures	68,133	-	-	-	-	68,133
Total assets	$ 4,151,092	$ 3,125,207	$ 233,913	$ -	$ 314,021	$ 7,824,233
LIABILITIES						
Accounts payable	$ 203,123	$ 112,142	$ -	$ -	$ 5	$ 315,270
Accrued liabilities	198,462	-	-	-	-	198,462
Due to other funds	-	-	-	-	46,295	46,295
Due to component unit	-	-	-	-	36,374	36,374
Unearned revenue	-	-	265,635	-	17,188	282,823
Total liabilities	401,585	112,142	265,635	-	99,862	879,224
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	100,796	-	-	-	-	100,796
Total deferred inflows of resources	100,796	-	-	-	-	100,796
FUND BALANCES (DEFICIT)						
Nonspendable:						
Inventories	158,149	-	-	-	-	158,149
Prepaid expenditures	68,133	-	-	-	-	68,133
Restricted for:						
Public safety	-	-	-	-	21,684	21,684
Housing and economic development	-	-		-	39,082	39,082
Capital projects	-	3,013,065	-	-	-	3,013,065
Debt service	-	-	-	-	153,393	153,393
Assigned	2,173,301	-	-	-	-	2,173,301
Unassigned	1,249,128	-	(31,722)	-	-	1,217,406
Total fund balances (deficit)	3,648,711	3,013,065	(31,722)	-	214,159	6,844,213
Total liabilities, deferred inflows of resources, and fund balances	$ 4,151,092	$ 3,125,207	$ 233,913	$ -	$ 314,021	$ 7,824,233

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, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds		$ 6,844,213
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of assets	$ 46,631,693	
Accumulated depreciation	(20,439,851)	
		26,191,842
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		100,796
therefore, are not reported in the funds. These deferred outflows of resources consist of the following:		
Contributions made subsequent to measurement date	$ 419,508	
Differences between expected and actual experience	73,461	
Changes in actuarial assumptions	13,664	
		506,633
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	$ (816,787)	
Compensated absences payable	(335,587)	
Capital leases payable	(1,462,285)	
Revenues bonds payable	(2,042,069)	
		(4,656,728)
Deferred inflows of resources are not available to pay for current period expenditures and , therefore, are not reported in the funds. These deferred inflows of resources consist of the following:		
Differences between expected and actual experience	$ (221,580)	
Net difference between projected and actual investment earnings	(601,643)	
Changes in actuarial assumptions	(33,922)	
		(857,145)
Net position of governmental activities		$ 28,129,611

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, 2018

	General Fund	SPLOST VII	Multiple Grant Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 3,755,752	$ -	$ -	$ -	$ -	$ 3,755,752
Licenses, permits, and franchise fees	1,423,116	-	-	-	-	1,423,116
Sales taxes	2,012,448	-	-	-	-	2,012,448
Insurance premium taxes	1,059,454	-	-	-	-	1,059,454
Hotel/Motel taxes	-	-	-	-	1,068,436	1,068,436
Other taxes	644,462	-	-	-	2,001	646,463
Charges for services	28,730	-	-	-	-	28,730
Fines and forfeitures	946,541	-	-	-	-	946,541
Intergovernmental	121,971	1,953,981	315,478	-	-	2,391,430
Interest revenue	106,669	1,018	-	-	67	107,754
Miscellaneous	76,346	-	-	-	40,033	116,379
Total revenues	10,175,489	1,954,999	315,478	-	1,110,537	13,556,503
Expenditures:						
Current:						
General government	1,770,058	-	164,741	-	-	1,934,799
Judicial	426,133	-	-	-	-	426,133
Public safety	4,650,936	-	23,587	-	3,760	4,678,283
Public works	2,080,662	-	3,213	-	-	2,083,875
Housing and economic development	538,686	-	-	-	508,863	1,047,549
Capital outlay	-	589,993	26,012	-	-	616,005
Debt service:						
Principal	-	-	-	472,315	88,318	560,633
Interest and other charges	-	-	-	54,258	43,682	97,940
Total expenditures	9,466,475	589,993	217,553	526,573	644,623	11,445,217
Excess (deficiency) of revenues over (under) expenditures	709,014	1,365,006	97,925	(526,573)	465,914	2,111,286
Other financing sources (uses):						
Transfers in	504,330	-	18,526	526,573	513,464	1,562,893
Transfers out	(539,219)	-	-	-	(935,240)	(1,474,459)
Capital lease issuance	186,410	-	-	-	-	186,410
Total other financing sources (uses)	151,521	-	18,526	526,573	(421,776)	274,844
Net change in fund balances	860,535	1,365,006	116,451	-	44,138	2,386,130
Fund balances (deficit), beginning of year	2,788,176	1,648,059	(148,173)	-	170,021	4,458,083
Fund balances (deficit), end of year	$ 3,648,711	$ 3,013,065	$ (31,722)	$ -	$ 214,159	$ 6,844,213

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, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 2,386,130
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		
Capital outlay	$ 818,950	
Depreciation expense	(1,626,764)	
		(807,814)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,164
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	$ (186,410)	
Principal retirement on long-term debt	560,633	
		374,223
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.		388,472
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.		(26,880)
Change in net position of governmental activities		$ 2,319,295

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, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,735,200	$ 3,775,660	$ 3,755,752	$ (19,908)
Licenses, permits, and franchise taxes	1,330,900	1,419,915	1,423,116	3,201
Sales taxes	1,905,000	1,980,000	2,012,448	32,448
Insurance premium	1,050,000	1,059,450	1,059,454	4
Other taxes	522,950	637,550	644,462	6,912
Charges for services	119,200	118,200	28,730	(89,470)
Fines and forfeitures	789,000	905,000	946,541	41,541
Intergovernmental	123,025	137,625	121,971	(15,654)
Interest revenue	30,000	105,000	106,669	1,669
Miscellaneous	412,100	237,500	76,346	(161,154)
Total revenues	10,017,375	10,375,900	10,175,489	(200,411)
Expenditures:				
Current:				
General government:				
Administrative services	934,479	1,271,307	1,226,717	44,590
Information technology	256,998	257,011	246,809	10,202
Financial	293,609	297,209	296,532	677
Total general government	1,485,086	1,825,527	1,770,058	55,469
Judicial	427,159	445,259	426,133	19,126
Public safety:				
Police	2,943,800	2,975,000	2,882,364	92,636
Fire	1,981,757	1,981,757	1,768,572	213,185
Total public safety	4,925,557	4,956,757	4,650,936	305,821
Public works:				
Administration	1,928,503	1,904,913	1,850,742	54,171
Maintenance	287,082	287,082	229,920	57,162
Total public works	2,215,585	2,191,995	2,080,662	111,333
Housing and economic development:				
Planning and zoning	587,507	588,977	491,572	97,405
Economic development and assistance	49,115	47,645	47,114	531
Total housing and economic development	636,622	636,622	538,686	97,936
Excess of revenues over expenditures	327,366	319,740	709,014	389,274
Other financing sources (uses):				
Transfers in	376,705	513,848	504,330	(9,518)
Transfers out	(710,744)	(529,670)	(539,219)	(9,549)
Proceeds from sale of capital assets	10,000	10,000	-	(10,000)
Capital leases	210,000	186,410	186,410	-
Total other financing sources (uses), net	(114,039)	180,588	151,521	(29,067)
Net change in fund balances	213,327	500,328	860,535	360,207
Fund balances, beginning of year	2,788,176	2,788,176	2,788,176	-
Fund balances, end of year	$ 3,001,503	$ 3,288,504	$ 3,648,711	$ 360,207

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, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ 239,853	$ 380,509	$ 315,478	$ (65,031)
Total revenues	239,853	380,509	315,478	(65,031)
Expenditures:				
Current:				
General government	9,000	142,800	164,741	(21,941)
Public safety	9,225	4,821	23,587	(18,766)
Public works	-	4,792	3,213	1,579
Capital outlay	16,000	26,086	26,012	74
Total expenditures	34,225	178,499	217,553	(39,054)
Excess of revenues over expenditures	205,628	202,010	97,925	(104,085)
Other financing sources (uses):				
Transfers in	3,075	6,693	18,526	11,833
Transfers out	(208,703)	(208,703)	-	208,703
Total other financing uses, net	(205,628)	(202,010)	18,526	220,536
Net change in fund balances	-	-	116,451	116,451
Fund balances (deficits), beginning of year	(148,173)	(148,173)	(148,173)	-
Fund balances (deficits), end of year	$ (148,173)	$ (148,173)	$ (31,722)	$ 116,451

CITY OF KINGSLAND, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 3,630,459	$ 1,082,621	$ 4,713,080
Investments	2,450,141	-	2,450,141
Accounts receivable, net	545,284	98,656	643,940
Inventories	142,852	-	142,852
Prepaid items	53,940	3,251	57,191
Restricted cash	1,713,380	19,109	1,732,489
Restricted investments	825,000	-	825,000
Total current assets	9,361,056	1,203,637	10,564,693
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	772,759	-	772,759
Depreciable, net of accumulated deprecation	27,793,796	388,483	28,182,279
Total noncurrent assets	28,566,555	388,483	28,955,038
Total assets	37,927,611	1,592,120	39,519,731
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	159,472	23,349	182,821
Accrued liabilities	30,700	11,236	41,936
Accrued interest	43,751	-	43,751
Unearned revenue	12,360	-	12,360
Current portion - compensated absences	51,152	12,675	63,827
Current portion - leases payable	15,390	90,954	106,344
Current portion - bonds payable	1,508,561	-	1,508,561
Customer deposits	574,419	-	574,419
Total current liabilities	2,395,805	138,214	2,534,019
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	30,510	8,404	38,914
Leases payable, net of current portion	55,705	122,618	178,323
Bonds payable, net of current portion	3,610,187	-	3,610,187
Notes payable, net of current portion	1,116,053	-	1,116,053
Total noncurrent liabilities	4,812,455	131,022	4,943,477
Total liabilities	7,208,260	269,236	7,477,496
NET POSITION			
Net investment in capital assets	22,260,659	174,911	22,435,570
Unrestricted	8,458,692	1,147,973	9,606,665
Total net position	$ 30,719,351	$ 1,322,884	$ 32,042,235

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, 2018

	Water and Sewer Fund	Solid Waste Fund	Total
OPERATING REVENUE			
Charges for services	$ 6,936,673	$ 1,004,176	$ 7,940,849
Penalties and fees	84,911	18,962	103,873
Miscellaneous	60,314	21,506	81,820
Total operating revenues	7,081,898	1,044,644	8,126,542
OPERATING EXPENSES			
Personnel services	1,498,461	350,230	1,848,691
Purchased or contracted services	973,581	248,221	1,221,802
Supplies	481,397	231,212	712,609
Depreciation	1,510,751	123,913	1,634,664
Other operating expenses	200,032	-	200,032
Total operating expenses	4,664,222	953,576	5,617,798
Operating income	2,417,676	91,068	2,508,744
NONOPERATING REVENUES (EXPENSES)			
Interest income	47,058	15	47,073
Interest expense	(130,009)	(5,549)	(135,558)
Total nonoperating expenses, net	(82,951)	(5,534)	(88,485)
Income before capital contributions and transfers	2,334,725	85,534	2,420,259
CAPITAL CONTRIBUTIONS	460,962	-	460,962
TRANSFERS			
Transfers out	(80,863)	(7,571)	(88,434)
Total transfers	(80,863)	(7,571)	(88,434)
Net change in fund balances	2,714,824	77,963	2,792,787
Net position, beginning of year	28,004,527	1,244,921	29,249,448
Net position, end of year	$ 30,719,351	$ 1,322,884	$ 32,042,235

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, 2018

	Water and Sewer Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	$ 7,157,461	$ 1,034,251	$ 8,191,712
Cash paid to suppliers	(1,600,934)	(504,586)	(2,105,520)
Cash paid to employees	(1,506,037)	(347,481)	(1,853,518)
Net cash provided by operating activities	4,050,490	182,184	4,232,674
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	(80,863)	(7,571)	(88,434)
Net cash used in noncapital financing activities	(80,863)	(7,571)	(88,434)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	367,002	-	367,002
Proceeds from issuance of notes payable	215,700	-	215,700
Proceeds from issuance of capital leases	79,890	-	79,890
Principal paid on capital leases	(8,795)	(89,116)	(97,911)
Principal paid on bonds payable	(1,478,562)	-	(1,478,562)
Interest paid	(130,009)	(5,549)	(135,558)
Acquisition and construction of capital assets	(1,031,833)	(7,769)	(1,039,602)
Net cash used in capital and related financing activities	(1,986,607)	(102,434)	(2,089,041)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	456	-	456
Interest received	47,058	15	47,073
Net cash provided by investing activities	47,514	15	47,529
Increase in cash and cash equivalents	2,030,534	72,194	2,102,728
Cash and cash equivalents:			
Beginning of year	3,313,305	1,029,536	4,342,841
End of year	$ 5,343,839	$ 1,101,730	$ 6,445,569
Classified as:			
Cash and cash equivalents	$ 3,630,459	$ 1,082,621	$ 4,713,080
Restricted assets, cash	1,713,380	19,109	1,732,489
	$ 5,343,839	$ 1,101,730	$ 6,445,569

(Continued)

CITY OF KINGSLAND, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Water and Sewer Fund	Solid Waste Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 2,417,676	$ 91,068	$ 2,508,744
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,510,751	123,913	1,634,664
(Increase) decrease in:			
Accounts receivable	55,767	(10,393)	45,374
Inventories	(27,528)	-	(27,528)
Prepaid items	(1,239)	(922)	(2,161)
Due from other governments	19,436	-	19,436
Increase (decrease) in:			
Accounts payable	78,631	(24,231)	54,400
Accrued liabilities	(7,576)	2,749	(4,827)
Customer deposits	4,212	-	4,212
Unearned revenue	360	-	360
Net cash provided by operating activities	$ 4,050,490	$ 182,184	$ 4,232,674
Noncash investing, capital, and financing activities:			
Contributed capital assets	$ 93,960	$ -	$ 93,960
Net noncash investing, capital, and financing activities	$ 93,960	$ -	$ 93,960

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*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units* 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 ***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, 2018, 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 equivalents 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 acquisition value. 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, 2018, 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. It is City's policy for assigned fund balances in the General Fund to be at least 10% but not more than 20% of General Fund revenues for the year to fund future deficiencies or emergencies.

- ***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 three items that qualify for reporting in this category, all of which relate to the City's Retirement Plan, and are reported in the government-wide Statement of Net Position. The difference between expected and actual experience and assumption changes represent consumption of resources and are amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the retirement plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the government-wide 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 four 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 three items relate to the City's Retirement Plan and are reported in the government-wide Statement of Net Position.

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. 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, 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, 2018, 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, 2018, 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, 2018, are summarized as follows:

As reported in the Statement of Net Position:		
Cash and cash equivalents	$	11,235,854
Investments		2,450,141
Restricted assets:		
Cash and cash equivalents		1,732,489
Investments		825,000
Component Units - cash and cash equivalents		537,296
	$	16,780,780
Cash deposited with financial institutions	$	6,013,395
Certificates of deposit		3,275,141
Cash deposited with Georgia Fund 1		7,492,244
	$	16,780,780

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, 2018, 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, 2018, the City had the following cash equivalents and investments subject to interest rate risk:

Investment	Maturities	Fair Value
Georgia Fund 1	16 day weighted average	$ 7,492,244
Certificates of Deposit	12 months	3,275,141
		$ 10,767,385

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, 2018, 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, 2018, 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	$ 181,201	$ -	$ -	$ -	$ 181,201
Accounts	222,151	-	-	83,322	305,473
Intergovernmental	291,358	319,540	33,445	-	644,343
Gross receivables	694,710	319,540	33,445	83,322	1,131,017
Less: allowance for uncollectibles	(102,135)	-	-	-	(102,135)
Net total receivables	$ 592,575	$ 319,540	$ 33,445	$ 83,322	$ 1,028,882

	Water and Sewer	Solid Waste Fund	Total Business-type Activities
Receivables:			
Accounts	$ 570,633	$ 103,848	$ 674,481
Gross receivables	570,633	103,848	674,481
Less: allowance for uncollectibles	(25,349)	(5,192)	(30,541)
Net total receivables	$ 545,284	$ 98,656	$ 643,940

Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes were levied on November 8, 2017, and payable on or before January 16, 2018. Penalties were applied on all unpaid taxes as of April 6, 2018. The City bills and collects its own property taxes. Property taxes levied for the year ending September 30, 2018, are recorded as receivable, net of the estimated uncollectable amount of $78,894.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,579,564	$ -	$ -	$ -	$ 1,579,564
Construction in progress	1,241,816	400,291	-	-	1,642,107
Total capital assets, not being depreciated	2,821,380	400,291	-	-	3,221,671
Capital assets, being depreciated:					
Buildings	2,563,423	-	-	-	2,563,423
Land and building improvements	5,195,513	-	-	-	5,195,513
Infrastructure	27,050,841	-	-	-	27,050,841
Machinery and equipment	8,181,586	418,659	-	-	8,600,245
Total capital assets, being depreciated	42,991,363	418,659	-	-	43,410,022
Less accumulated depreciation for:					
Buildings	(1,851,430)	(66,899)	-	-	(1,918,329)
Land and building improvements	(3,293,090)	(226,295)	-	-	(3,519,385)
Infrastructure	(6,813,159)	(861,504)	-	-	(7,674,663)
Machinery and equipment	(6,855,408)	(472,066)	-	-	(7,327,474)
Total accumulated depreciation	(18,813,087)	(1,626,764)	-	-	(20,439,851)
Total capital assets, being depreciated, net	24,178,276	(1,208,105)	-	-	22,970,171
Governmental activities capital assets, net	$ 26,999,656	$ (807,814)	$ -	$ -	$ 26,191,842

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 98,522	$ -	$ -	$ -	$ 98,522
Construction in progress	1,757,698	251,593	-	(1,335,054)	674,237
Total capital assets, not being depreciated	1,856,220	251,593	-	(1,335,054)	772,759
Capital assets, being depreciated:					
Buildings and improvements	2,817,989	35,926	-	-	2,853,915
System improvements	54,945,799	564,638	-	1,335,054	56,845,491
Machinery and equipment	3,999,627	281,405	-	-	4,281,032
Total capital assets, being depreciated	61,763,415	881,969	-	1,335,054	63,980,438
Less accumulated depreciation for:					
Buildings and improvements	(2,061,059)	(76,400)	-	-	(2,137,459)
Infrastructure	(29,028,794)	(1,313,790)	-	-	(30,342,584)
Machinery and equipment	(3,073,642)	(244,474)	-	-	(3,318,116)
Total accumulated depreciation	(34,163,495)	(1,634,664)	-	-	(35,798,159)
Total capital assets, being depreciated, net	27,599,920	(752,695)	-	1,335,054	28,182,279
Business-type activities capital assets, net	$ 29,456,140	$ (501,102)	$ -	$ -	$ 28,955,038

NOTE 4. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 178,820
Judicial	19,321
Public safety	366,629
Public works	1,023,717
Health and welfare	38,277
Total depreciation expense - governmental activities	$ 1,626,764
Business-type activities:	
Water and sewer	$ 1,510,751
Solid waste	123,913
Total depreciation expense - business-type activities	$ 1,634,664

Capital asset activity for the Convention and Visitors Bureau for the year ended September 30, 2018, 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	2,155,456	-	-	-	2,155,456
Less accumulated depreciation for:					
Buildings and improvements	(522,134)	(54,484)	-	-	(576,618)
Machinery and equipment	(3,570)	(6,120)	-	-	(9,690)
Total accumulated depreciation	(525,704)	(60,604)	-	-	(586,308)
Total capital assets, being depreciated, net	1,629,752	(60,604)	-	-	1,569,148
Convention and Visitors Bureau capital assets, net	$ 1,952,919	$ (60,604)	$ -	$ -	$ 1,892,315

NOTE 5. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities:					
Revenue bonds payable	$ 2,130,386	$ -	$ (88,318)	$ 2,042,068	$ 104,255
Notes payable	963,362	-	(301,769)	661,593	661,593
Capital leases	784,829	186,410	(170,546)	800,693	185,531
Compensated absences	308,707	375,881	(349,001)	335,587	208,464
Net pension liability	1,515,625	1,179,963	(1,878,801)	816,787	-
Governmental activity long-term liabilities	$ 5,702,909	$ 1,742,254	$ (2,788,435)	$ 4,656,728	$ 1,159,843
Business-type activities:					
Bonds payable	$ 6,597,310	$ -	$ (1,478,562)	$ 5,118,748	$ 1,508,561
Notes payable	900,353	215,700	-	1,116,053	-
Capital leases	302,688	79,890	(97,911)	284,667	106,344
Compensated absences	93,262	44,519	(35,040)	102,741	63,827
Business-type activity long-term liabilities	$ 7,893,613	$ 340,109	$ (1,611,513)	$ 6,622,209	$ 1,678,732

For governmental activities, compensated absences and pension liabilities are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund and the Solid Waste Fund.

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, 2018, are as follows:

Issue Date	Purpose	Interest Rate %	Interest Dates	Maturity Date	Original Amount	Retired	Balance at September 30, 2018
2/1/2007	Welcome Center Construction	2.15%	Monthly	2/1/2031	$ 2,500,000	$ 457,932	$ 2,042,068

NOTE 5. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Governmental Funds (Continued)

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

Fiscal Year Payable	Principal	Interest	Total
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	151,933	31,277	183,210
2024 - 2028	809,128	106,922	916,050
2029 - 2032	603,540	22,470	626,010
	$ 2,042,068	$ 311,075	$ 2,353,143

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 2014 Bond, which was issued in printed form as a single revenue bond in the principal amount of $8,048,190. 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, 2018, are as follows:

Issue Date	Purpose	Interest Rate %	Interest Dates	Maturity Date	Original Amount	Retired	Balance at September 30, 2018
3/13/2014	Refunding 2014A Series Bonds	1.88%	6/1 - 12/1	12/1/2019	$ 5,335,890	$ 2,490,994	$ 2,844,896
3/13/2014	Refunding 2014B Series Bonds	2.23%	6/1 - 12/1	12/1/2021	2,712,300	438,448	2,273,852
					$ 8,048,190	$ 2,929,442	$ 5,118,748

NOTE 5. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Enterprise Funds (Continued)

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

Fiscal Year Payable	Principal	Interest	Total
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
	$ 5,118,748	$ 200,643	$ 5,319,391

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, 2018, is $661,593. 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
2019	$ 661,593	$ -	$ 661,593

Enterprise Funds

The Water and Sewer Fund has incurred debt to the Georgia Environmental Facilities Authority for utility system improvements. This notes is as follows at September 30, 2018:

Description	Original Amount	Interest Rate	Due Date	Amount
Water and Sewer GEFA Loan - DW2016017	$ 1,600,000	0.05%	2022	$ 1,096,079
Water and Sewer GEFA Loan - DW2017016	$ 1,500,000	0.05%	2025	19,974
				$ 1,116,053

Both notes payable are in the drawdown phase as of September 30, 2018, 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, 2018:

	Governmental Activities	Business-type Activities	Total
Equipment	$ 1,219,051	$ 529,371	$ 1,748,422
Less accumulated depreciation	(603,894)	(204,048)	(807,942)
Carry value	$ 615,157	$ 325,323	$ 940,480
Current year depreciation	$ 191,736	$ 75,625	$ 267,361

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, 2018:

Fiscal Year Ending	Governmental Activities	Business-type Activities	Total
2019	$ 209,217	$ 107,436	$ 316,653
2020	178,762	64,755	243,517
2021	135,844	64,755	200,599
2022	115,908	52,831	168,739
2023	74,263	7,107	81,370
2024 - 2029	173,041	-	173,041
Total minimum lease payments	887,035	296,884	1,183,919
Less amount representing interest	(86,342)	(12,217)	(98,559)
Present value of future minimum lease payments	800,693	284,667	1,085,360
Less current maturities	(185,531)	(106,344)	(291,875)
	$ 615,162	$ 178,323	$ 793,485

NOTE 5. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended September 30, 2018, 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	$ 9,875	$ 8,877	$ (7,448)	$ 11,304	$ 9,622
Net pension liability	68,266	154,252	(180,198)	42,320	-
Convention and Visitors Bureau long-term liabilities	$ 78,141	$ 163,129	$ (187,646)	$ 53,624	$ 9,622

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, 2018:

Multiple Grant Fund - general government	$ (21,941)
Multiple Grant Fund - public safety	(18,766)

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 $31,722 at September 30, 2018. 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, 2018, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	65
Terminated plan members entitled to, but not receiving, benefits	72
Active plan members	91
Nonvested	65
Total	293

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 $449,243 and $16,680, respectively, for the year ended September 30, 2018.

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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2017.

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

Inflation	2.75%
Salary increases	2.75%, plus service based merit increases
Investment rate of return	7.50%

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, 2017, 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 2.75% 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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed equity	5%	3.36%
Domestic fixed income	20%	2.11%
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, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 11,720,481	$ 10,204,856	$ 1,515,625
Changes for the year:			
Service cost	251,434	-	251,434
Interest	897,667	-	897,667
Differences between expected and actual experience	97,947	-	97,947
Assumption changes	18,218	-	18,218
Contributions-employer	-	449,243	(449,243)
Net investment income	-	1,545,722	(1,545,722)
Benefit payments, including refunds of employee contributions	(454,222)	(454,222)	-
Administrative expense	-	(30,861)	30,861
Net changes	811,043	1,509,882	(698,838)
Ending Balance	$ 12,531,524	$ 11,714,738	$ 816,786

The changes in the components of the net pension liability of the CVB for the year ended September 30, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 527,908	$ 459,642	$ 68,266
Changes for the year:			
Service cost	9,335	-	9,335
Interest	33,330	-	33,330
Differences between expected and actual experience	3,637	-	3,637
Assumption changes	676		676
Contributions-employer	-	16,680	(16,680)
Net investment income	-	57,390	(57,390)
Benefit payments, including refunds of employee contributions	(16,865)	(16,865)	-
Administrative expense	-	(1,146)	1,146
Net changes	30,114	56,059	(25,946)
Ending Balance	$ 558,022	$ 515,701	$ 42,320

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 multi-year 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	$ 2,559,936	$ 816,787	$ (595,997)
CVB's net pension liability	95,046	42,320	(22,128)

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, 2018, 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, 2018, the City recognized pension expense of $128,677. At September 30, 2018, 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	$ -	$ 601,643
Changes in actuarial assumptions	13,664	33,922
Differences between expected and actual experience	73,461	221,580
Contributions subsequent to the measurement date	419,508	-
Total	$ 506,633	$ 857,145

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 $419,508 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, 2019. 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:	
2019	$ (353,710)
2020	(82,053)
2021	(184,216)
2022	(150,040)
Total	$ (770,020)

For the year ended September 30, 2018, the CVB recognized pension expense of $4,778. At September 30, 2018, 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	$ -	$ 22,338
Changes in actuarial assumptions	508	1,260
Differences between expected and actual experience	2,727	8,227
Contributions subsequent to the measurement date	15,576	-
Total	$ 18,811	$ 31,825

CVB contributions subsequent to the measurement date of $15,576 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, 2019. 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:	
2019	$ (13,133)
2020	(3,047)
2021	(6,840)
2022	(5,571)
Total	$ (28,590)

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of September 30, 2018, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 32,241
Nonmajor Governmental Funds	Nonmajor Governmental Funds	14,054
		$ 46,295

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, 2018, consisted of the following:

Transfer To	Transfer From	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 181,635
General Fund	Water and Sewer Fund	80,069
General Fund	Solid Waste Fund	7,571
Multiple Grant Fund	Nonmajor Governmental Funds	5,086
Multiple Grant Fund	General Fund	12,645
Multiple Grant Fund	Water and Sewer Fund	794
General Fund	Nonmajor Governmental Funds	416,690
Nonmajor Governmental Funds	General Fund	331,830
Debt Service Fund	General Fund	194,744
Debt Service Fund	Nonmajor Governmental Funds	331,829
		$ 1,562,893

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, 2018, $1,068,436 of hotel/motel tax was collected. Of the total collected, approximately 44%, or $470,112, was used for the promotion of tourism within the City, 17%, or $181,634, for the construction of a facility for visitor center purposes, and 39%, or $416,690 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, 2018, the City paid $10,365 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, 2018, the City paid the Authority $551,010. 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 $8,278 in contributions to the Plan during the year ended September 30, 2018.

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.

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,

	2018	2017	2016	2015
Total pension liability				
Service cost	**$ 251,434**	$ 256,503	$ 293,505	$ 379,215
Interest on total pension liability	**897,667**	844,819	819,415	815,948
Changes of benefit terms	**-**	-	-	(788)
Differences between expected and actual experience	**97,947**	(75,002)	(227,985)	(639,510)
Changes of assumptions	**18,218**	-	-	(170,632)
Benefit payments, including refunds of employee contributions	**(454,222)**	(413,460)	(396,687)	(282,290)
Net change in total pension liability	**811,043**	612,860	488,248	101,943
Total pension liability - beginning	**11,720,481**	11,107,621	10,771,439	10,669,496
Total pension liability - ending (a)	**12,531,524**	11,720,481	11,259,687	10,771,439
Plan fiduciary net position				
Contributions - employer	**449,243**	517,045	719,594	738,720
Net investment income	**1,545,722**	1,022,025	87,249	871,224
Benefit payments, including refunds of employee contributions	**(454,222)**	(413,460)	(396,687)	(282,289)
Administrative expenses	**(30,861)**	(17,428)	(20,733)	(16,466)
Net change in fiduciary net position	**1,509,882**	1,108,182	389,423	1,311,189
Plan fiduciary net position - beginning	**10,204,856**	9,096,674	8,831,787	7,520,598
Plan fiduciary net position - ending (b)	**11,714,738**	10,204,856	9,221,210	8,831,787
CIty's net pension liability - ending (a) - (b)	**$ 816,786**	$ 1,515,625	$ 2,038,477	$ 1,939,652
Plan fiduciary net position as a percentage of total pension liability	**93.5%**	87.1%	81.9%	82.0%
Covered-employee payroll	**$ 5,218,944**	$ 5,089,703	$ 4,937,012	$ 5,301,208
CIty's net pension liability as a percentage of covered-employee payroll	**15.7%**	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,

	2018	2017	2016	2015
Actuarially determined contribution	**$ 435,084**	$ 465,923	$ 540,333	$ 741,849
Contributions in relation to the actuarially determined contribution	**435,084**	465,923	540,333	741,849
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered payroll	**$ 5,428,240**	$ 5,218,944	$ 5,089,703	$ 4,937,012
Contributions as a percentage of covered payroll	**8.0%**	8.9%	10.6%	15.0%

Notes to the Schedule:

Valuation Date	January 1, 2018
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	7.50%
Projected Salary Increases	2.75% 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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER30, 2018

	Special Revenue Funds						Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Downtown Development Authority Fund	Tax Allocation District 1	Hotel/Motel Tax Fund	Revenue Bond Fund	
ASSETS								
Cash	$ 34,076	$ 685	$ 695	$ 39,844	$ 2,001	$ -	$ 139,344	$ 216,645
Accounts receivable, net	-	-	-	653	-	82,669	-	83,322
Due from other funds	-	-	-	-	-	-	14,054	14,054
Total assets	$ 34,076	$ 685	$ 695	$ 40,497	$ 2,001	$ 82,669	$ 153,398	$ 314,021
LIABILITIES								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 5	$ 5
Due to other funds	-	-	-	-	-	46,295	-	46,295
Due to component unit	-	-	-	-	-	36,374	-	36,374
Unearned revenue	12,392	-	-	4,796	-	-	-	17,188
Total liabilities	12,392	-	-	4,796	-	82,669	5	99,862
FUND BALANCES								
Restricted for:								
Public safety	21,684	-	-	-	-	-	-	21,684
Housing and economic development	-	685	695	35,701	2,001	-	-	39,082
Debt service	-	-	-	-	-	-	153,393	153,393
Total fund balances	21,684	685	695	35,701	2,001	-	153,393	214,159
Total liabilities and fund balances	$ 34,076	$ 685	$ 695	$ 40,497	$ 2,001	$ 82,669	$ 153,398	$ 314,021

CITY OF KINGSLAND, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds						Debt Service Fund	Total Nonmajor Governmental Funds
	Drug Forfeiture Fund	Revolving Loan Fund	Kingsland Development Authority Fund	Downtown Development Authority Fund	Tax Allocation District 1	Hotel/Motel Tax Fund	Revenue Bond Fund	
Revenues:								
Other taxes	$ -	$ -	$ -	$ -	$ 2,001	$ -	$ -	$ 2,001
Hotel/Motel taxes	-	-	-	-	-	1,068,436	-	1,068,436
Interest revenue	27	-	-	40	-	-	-	67
Miscellaneous	-	-	23,890	16,143	-	-	-	40,033
Total revenues	27	-	23,890	16,183	2,001	1,068,436	-	1,110,537
Expenditures:								
Current:								
Public safety	3,760	-	-	-	-	-	-	3,760
Housing and economic development	-	-	23,890	14,861	-	470,112	-	508,863
Debt service:								
Principal	-	-	-	-	-	-	88,318	88,318
Interest and other charges	-	-	-	-	-	-	43,682	43,682
Total expenditures	3,760	-	23,890	14,861	-	470,112	132,000	644,623
Excess (deficiency) of revenues over (under) expenditures	(3,733)	-	-	1,322	2,001	598,324	(132,000)	465,914
Other financing sources (uses)								
Transfers in	-	-	331,830	-	-	-	181,634	513,464
Transfers out	-	-	(331,830)	(5,086)	-	(598,324)	-	(935,240)
Total other financing sources (uses)	-	-	-	(5,086)	-	(598,324)	181,634	(421,776)
Net change in fund balances	(3,733)	-	-	(3,764)	2,001	-	49,634	44,138
Fund balances, beginning of year	25,417	685	695	39,465	-	-	103,759	170,021
Fund balances, end of year	$ 21,684	$ 685	$ 695	$ 35,701	$ 2,001	$ -	$ 153,393	$ 214,159

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 **Tax Allocation District 1 Fund** was established to account for the receipt of the incremental increase of property taxes over the base years and expenditures committed to economic development.

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

DRUG FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 40,000	$ 40,000	$ -	$ (40,000)
Interest revenue	25	25	27	2
Total revenues	40,025	40,025	27	(39,998)
Expenditures:				
Current:				
Public safety	40,025	40,025	3,760	36,265
Total expenditures	40,025	40,025	3,760	36,265
Net change in fund balances	-	-	(3,733)	(3,733)
Fund balances, beginning of year	25,417	25,417	25,417	-
Fund balances, end of year	$ 25,417	$ 25,417	$ 21,684	$ (3,733)

CITY OF KINGSLAND, GEORGIA

REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	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
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ 23,890	$ 23,890	$ -
Total revenues	-	23,890	23,890	-
Expenditures:				
Intergovernmental	-	23,890	23,890	-
Total expenditures	-	23,890	23,890	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	530,127	331,830	331,830	-
Transfers out	(530,127)	(331,830)	(331,830)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	695	695	695	-
Fund balances, end of year	$ 695	$ 695	$ 695	$ -

CITY OF KINGSLAND, GEORGIA

DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest revenue	$ 30	$ 30	$ 40	$ 10
Miscellaneous	21,200	21,200	16,143	(5,057)
Total revenues	21,230	21,230	16,183	(5,047)
Expenditures:				
Housing and economic development	21,230	16,144	14,861	1,283
Total expenditures	21,230	16,144	14,861	1,283
Excess of revenues over expenditures	-	5,086	1,322	(3,764)
Other financing sources (uses):				
Transfers out	-	(5,086)	(5,086)	-
Total other financing sources (uses)	-	(5,086)	(5,086)	-
Net change in fund balances	-	-	(3,764)	(3,764)
Fund balances, beginning of year	39,465	39,465	39,465	-
Fund balances, end of year	$ 39,465	$ 39,465	$ 35,701	$ (3,764)

CITY OF KINGSLAND, GEORGIA

TAX ALLOCATION DISTRICT 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 1,800	$ 1,800	$ 2,001	$ 201
Total revenues	1,800	1,800	2,001	201
Expenditures:				
Housing and economic development	1,800	1,800	-	1,800
Total expenditures	1,800	1,800	-	1,800
Net change in fund balances	-	-	2,001	2,001
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 2,001	$ 2,001

CITY OF KINGSLAND, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Other taxes	$ 965,910	$ 1,068,478	$ -	$ (1,068,478)
Total revenues	965,910	1,068,478	-	(1,068,478)
Expenditures:				
Housing and economic development	425,000	470,130	470,112	18
Total expenditures	425,000	470,130	470,112	18
Excess of revenues over expenditures	540,910	598,348	(470,112)	(1,068,460)
Other financing uses:				
Transfers out	(540,910)	(598,348)	(598,324)	24
Total other financing uses	(540,910)	(598,348)	(598,324)	24
Net change in fund balances	-	-	(1,068,436)	(1,068,436)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ (1,068,436)	$ (1,068,436)

CITY OF KINGSLAND, GEORGIA

REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	86,838	86,838	88,318	(1,480)
Interest and other charges	45,162	45,162	43,682	1,480
Total expenditures	132,000	132,000	132,000	-
Deficiency of revenues under expenditures	(132,000)	(132,000)	(132,000)	-
Other financing sources:				
Transfers in	132,000	132,000	181,634	49,634
Total other financing sources	132,000	132,000	181,634	49,634
Net change in fund balances	-	-	49,634	49,634
Fund balances, beginning of year	103,759	103,759	103,759	-
Fund balances, end of year	$ 103,759	$ 103,759	$ 153,393	$ 49,634

CITY OF KINGSLAND, GEORGIA

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	659,000	473,800	472,315	1,485
Interest and other charges	48,669	52,795	54,258	(1,463)
Total expenditures	707,669	526,595	526,573	22
Deficiency of revenues under expenditures	(707,669)	(526,595)	(526,573)	22
Other financing sources:				
Transfers in	707,669	526,595	526,573	(22)
Total other financing sources	707,669	526,595	526,573	(22)
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, 2018

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	2,556,113	400,291	2,956,404
Resurfacing projects	700,000	700,000	134,224	-	134,224
Sidewalk projects	100,000	100,000	82,542	-	82,542
Miscellaneous repair and improvements	335,000	335,000	161,037	-	161,037
Water and sewer projects	8,096,629	8,096,629	1,797,102	189,702	1,986,804
	$ 16,639,629	$ 16,639,629	$ 5,035,718	$ 589,993	$ 5,625,711

CITY OF KINGSLAND, GEORGIA

BALANCE SHEET
COMPONENT UNITS

SEPTEMBER 30, 2018

	Georgia Gateway CID	Convention and Visitors Bureau
ASSETS		
Cash and cash equivalents	$ 8,548	$ 528,748
Due from primary government	-	40,463
Prepaid items	-	435
Total assets	8,548	569,646
LIABILITIES		
Accounts payable	7,362	14,335
Accrued liabilities	-	7,697
Total liabilities	7,362	22,032
FUND BALANCES		
Nonspendable:		
Prepaid items	-	435
Unassigned	1,186	547,179
Total fund balances	$ 1,186	$ 547,614
Amounts reported for discretely presented component units in the statement of net position are different because:		
Fund balances of governmental funds	$ 1,186	$ 547,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-	1,892,315
Deferred outflows of resources are not available to pay current period expenditures and, therefore, are not reported in the funds.	-	18,811
Compensated absences payable are not due and payable in the curent period and, therefore, are not reported in the funds	-	(11,304)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	-	(42,320)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	-	(31,825)
Net position of discretely presented component units	$ 1,186	$ 2,373,291

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Georgia Gateway CID	Convention and Visitors Bureau
Revenues		
Intergovernmental	$ 11,492	$ 470,112
Miscellaneous	1,050	28,652
Total revenues	12,542	498,764
Expenditures		
Current:		
Housing and economic development	11,428	368,261
Total expenditures	11,428	368,261
Net change in fund balances	1,114	130,503
Fund balances, beginning of year	72	417,111
Fund balances, end of year	$ 1,186	$ 547,614
Amounts reported for discretely presented component units in the statement of activities are different because:		
Net change in fund balances	$ 1,114	$ 130,503
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.	-	(60,604)
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.	-	14,741
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.	-	(1,429)
Change in net position of discretely presented component units	$ 1,114	$ 83,211

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 – 78**
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 ..... **79 – 86**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **87 – 90**
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 ..... **91 – 93**
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 ..... **94 – 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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental Activities[1]										
Invested in capital assets, net of related debt	$ 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	$ 22,687,488
Restricted	-	-	70,440	157,415	157,415	157,415	1,234,433	2,286,205	1,714,330	3,073,831
Unrestricted	731,030	473,901	639,879	284,571	148,462	1,347,324	(3,072,498)	(441,116)	974,916	2,356,728
Total governmental activities net assets	$ 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	$ 28,118,047
Business-type activities										
Invested in capital assets, net of related debt	$ 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	$ 23,622,718
Unrestricted	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	8,419,517
Total business-type activities net assets	$ 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	$ 32,042,235
Primary government										
Invested in capital assets, net of related debt	$ 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	$ 46,310,206
Restricted	-	-	70,440	157,415	157,415	157,415	1,234,433	2,286,205	1,714,330	3,073,831
Unrestricted	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	10,776,245
Total primary government net assets	$ 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	$ 60,160,282

[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 FY 2010 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 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	$ 2,066,782
Judicial	468,914	586,457	720,472	593,966	595,657	549,263	474,513	486,418	361,302	429,069
Public safety	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	4,863,191
Public works	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	2,826,863
Housing and development	1,112,641	764,028	725,654	730,052	788,147	878,009	570,565	580,202	1,073,496	1,058,525
Intergovernmental	-	294,782	292,298	632,291	312,217	349,340	-	-	-	-
Interest on LT debt	228,773	249,123	229,995	334,323	102,952	179,184	387,423	118,055	103,626	97,940
Total government activities expenses	$ 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	$ 11,342,370
Business-type activities:										
Water and sewer	$ 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	$ 4,794,231
Solid waste	798,420	711,315	818,472	822,268	828,511	794,693	878,821	774,541	801,088	959,125
Total business-type activities expenses	$ 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	$ 5,753,356
Total primary government expenses	$ 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	$ 17,095,726
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 491,971	$ 403,994	$ 465,758	$ 260,265	$ 256,795	$ 467,797	$ 439,553	$ 407,156	$ 427,990	$ 669,550
Judicial	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	188,772	38,196	122,751	44,476	4,973	15,990	-	-	914,056	1,068,512
Public works	7,090	-	-	-			-	-	-	-
Housing and development	177,901	-	-	-			-	18,375	36,424	40,033
Operating grants and contr.	45,644	226,683	266,774	569,802	94,922	77,930	354,914	848,854	139,073	315,478
Capital grants and contr.	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	1,954,999
Total gov't activities program revenues	$ 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	$ 4,048,572
Business-type activities:										
Charges for services:										
Water and sewer	$ 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	$ 7,081,898
Solid waste	854,220	863,611	862,256	874,997	888,949	897,632	907,835	892,968	933,146	1,044,644
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	460,962
Total business-type activities program revenues	$ 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	$ 8,587,504
Total primary government program revenues	$ 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	$ 12,636,076

(Continued)

CITY OF KINGSLAND, GEORGIA

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

	Fiscal Years									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Program Revenues										
Net (expense)/revenue										
Governmental activities	$ (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)	$ (7,293,798)
Business-type activities	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	2,834,148
Total primary government net expense	$ (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)	$ (4,459,650)
General Revenues and Other										
Governmental activities:										
Taxes:										
Property taxes	$ 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	$ 3,760,916
Sales taxes	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	2,012,448
Other taxes	828,240	901,410	930,582	1,839,115	1,833,110	2,005,966	3,616,752	3,564,303	3,706,704	3,632,995
Unrestricted grants and contri.	20,815	329,193	325,411	120,202	5,000	-	-	-	-	-
Unrestricted invest. earnings	7,155	1,331	984	1,328	1,563	1,695	5,411	16,783	46,829	106,736
Miscellaneous	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	431	-	-	-	(195,198)	(439,166)	(2,517,514)	(417,556)	(264,361)	88,434
Total governmental activities	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	9,601,529
Business-type activities:										
Investment earnings	108,377	65,948	32,522	23,328	17,686	10,746	9,763	10,493	24,063	47,073
Investment expense	-	-	-	-	-	-	-	-	-	-
Penalties and Fees	-	-	-	-	-	-	-	99,279	-	-
Miscellaneous	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	(431)	-	-	-	195,198	439,165	2,517,514	417,556	264,361	(88,434)
Total business-type activiites	135,101	119,382	64,421	207,423	232,258	467,910	2,556,319	540,787	291,671	(41,361)
Total primary government	$ 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	$ 9,560,168
Changes in Net Position										
Governmental activities	$ 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	$ 2,307,731
Business-type activities	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	2,792,787
Total primary government	$ 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	$ 5,100,518

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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental activities:										
General government	$ 511,348	$ 403,994	$ 587,259	$ 792,777	$ 687,895	$ 467,797	$ 873,798	$ 3,334,715	$ 427,990	$ 669,550
Judicial	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	946,541
Public safety	215,039	232,123	268,024	81,766	28,623	15,990	3,975	53,815	257,971	437,449
Public works	1,962,222	2,223,119	392,681	-	1,533,580	1,121,265	-	770,820	2,244,300	1,954,999
Housing and development	177,901	32,756	-	-	238	-	-	18,375	36,424	40,033
Intergovernmental	-	-	-	-	878,932	3,156,799	-	-	-	-
Interest on long-term debt	-	-	-	-	-	196	5,412	-	-	-
Subtotal governmental activities	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	4,048,572
Business-type activities:										
Water and sewer	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	7,542,860
Solid waste	854,220	863,611	862,256	874,997	888,949	897,632	999,603	892,968	933,146	1,044,644
Subtotal business-type activities	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	8,587,504
Total primary government	$ 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	$ 12,636,076

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 FY 2010 reflecting the presentation change of the CVB. Beginning in FY 2010 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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund[1]										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	669,333	635,933	-	-	-	-	-			
Nonspendable	-	-	201,652	195,890	218,686	227,846	208,126	205,127	208,014	226,282
Restricted	-	-	70,440	70,879	82,339	89,887	85,698	16,482	-	-
Assigned	-	-	-	-	-		917,889	1,914,077	1,898,954	2,173,301
Unassigned	-	-	296,901	309,417	100,293	296,836	-		681,208	1,249,128
Total general fund	$ 669,333	$ 635,933	$ 568,993	$ 576,186	$ 401,318	$ 614,569	$ 1,211,713	$ 2,135,686	$ 2,788,176	$ 3,648,711
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved reported in:										
Special revenue funds	90,122	46,795	-	-	-	-	-	-	-	-
Capital projects funds	(1,311,292)	(1,449,649)	-	-	-	-	-	-	-	-
Debt service funds	60,047	46,940	-	-	-	-	-	-	-	-
Restricted										
Special revenue funds	-	-	31,556	25,192	30,256	26,792	59,353	83,879	66,262	60,766
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	3,013,065
Debt service funds	-	-	-	-	-	-	-	-	103,759	153,393
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)	(31,722)
Total all other governmental funds	$ (1,161,123)	$ (1,355,914)	$ (31,641)	$ (45,565)	$ (60,785)	$ 1,072,564	$ 1,155,144	$ 2,306,374	$ 1,669,907	$ 3,195,502

[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 FY 2010 reflecting the presentation change of the CVB. Beginning in FY 2010 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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Revenues										
Taxes	$ 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	$ 3,755,752
Sales taxes	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	1,748,091
Other taxes	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	3,897,349
Licenses and permits	347,070	279,963	331,208	256,721	272,159	311,129	333,186	407,156	380,675	564,475
Intergovernmental	547,230	831,004	604,866	687,074	475,140	833,232	438,220	2,978,573	2,502,271	2,391,430
Charges for services	174,975	55,432	148,999	62,200	45,774	31,802	25,077	18,375	27,648	28,730
Fines and forfeitures	966,013	1,573,636	1,680,470	1,426,817	1,425,735	1,323,592	991,838	1,201,442	795,158	946,541
Interest	7,155	1,331	984	1,328	1,689	1,995	5,412	16,783	46,829	107,754
Miscellaneous	78,587	106,483	102,257	110,137	118,329	462,439	287,830	106,226	56,091	116,381
Total revenues	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	13,556,503
Expenditures										
General government	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	1,954,986
Judicial	472,792	586,307	719,891	593,614	593,925	545,247	472,505	484,410	352,907	426,133
Public Safety	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	4,658,096
Public works	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	2,083,875
Housing & development	1,051,907	692,788	658,919	670,465	665,278	650,541	463,914	482,849	997,230	1,047,549
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	294,782	413,799	632,291	312,217	349,340	384,774	453,328	-	-
Capital outlay	3,423,522	2,508,604	140,113	579,164	847,613	2,411,559	767,183	2,026,903	1,663,711	818,950
Debt service:										
Principal	445,853	506,484	505,405	240,761	254,174	202,250	257,849	564,639	1,270,798	560,633
Interest	223,253	247,880	229,389	209,310	201,290	173,932	129,573	116,983	103,626	97,940
Total expenditures	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	11,648,162
Excess of revenues over (under) expenditures	(3,140,726)	(177,285)	1,255,582	(187,329)	(14,959)	1,208,198	3,007,081	1,523,954	149,336	1,908,341
Other Financing Sources (Uses):										
Capital lease proceeds	507,894	-	-	171,750	-	555,950	170,001	184,619	116,706	186,410
TAN proceeds	-	-	-	-	-	-	-	770,820	-	-
Long-term debt proceeds	2,382,100	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	1,750	8,848	20,069	21,620	20,156	13,367	14,342	-
Transfers in	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	1,562,893
Transfers out	(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)	(1,474,459)
Total other financing sources (uses)	2,890,425	-	1,750	180,598	(175,129)	138,404	(2,327,357)	551,250	(133,313)	274,844
Net change in fund balance	$ (250,301)	$ (177,285)	$ 1,257,332	$ (6,731)	$ (190,088)	$ 1,346,602	$ 679,724	$ 2,075,204	$ 16,023	$ 2,183,185
Debt service as a percentage of non-capital expenditures	6.42%	7.68%	6.92%	4.19%	4.48%	3.98%	4.13%	7.15%	13.06%	6.08%

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 FY 2010 reflecting the presentation change of the CVB. Beginning in FY 2010 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	Occupancy	Other	Total
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
2018	3,755,752	3,702,072	1,068,437	2,828,912	11,355,173
Change 2009-2018	11.4%	19.2%	46.6%	46.1%	24.2%

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 FY 2010 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
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%
2018	17	416,642,488	10,132,100	2,449,334	3,431,276	12,889,938	419,765,260	8.50	1,049,413,150	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

		City of Kingsland			Overlapping Rates[1]					
					Camden County			School Board		
Fiscal Year	Digest Tax Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage[2]	Operating Millage	Debt Service Millage	Total School Millage
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
2018	17	6.85	1.65	8.50	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

	2018			2009		
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]**
Georgia Power Company	$ 5,820,026	1	1.39%	$ 2,488,315	8	0.53%
Soncel Inc	5,640,533	2	1.34%	6,420,447	2	1.36%
Lowes Home Centers Inc	4,451,273	3	1.06%	6,109,069	3	1.30%
Rayonier Atlantic Timber	2,946,005	4	0.70%			
Kingsland Dev. Co LP	2,495,903	5	0.59%	3,157,031	4	0.67%
A t Williams Oil Co	1,585,229	6	0.38%	2,659,092	7	0.56%
Royal Pont Apartmetns LP	1,576,711	7	0.38%	2,171,966	9	0.46%
SS Kingsland LLC	1,361,749	8	0.32%			0.00%
Ashton Cove LP	1,360,867	9	0.32%	1,786,538	10	
Dessai Brothers LLc	1,357,640	10	0.32%			
Sawyer & Associates, Inc				11,073,287	1	2.35%
Waterfront Group Florida LLC				2,857,753	5	0.61%
MSJC Bertha Property Holding				2,813,196	6	0.60%
Total	$ 28,595,936		6.81%	$ 41,536,694		6.55%

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	
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
2018	17	3,388,530	3,371,424	99.50%	-	3,371,424	99.50%	17,106
		$ 35,507,016	$ 38,150,423		$ 1,476,985	$ 41,392,592		$ 128,979

Sources: Camden County Board of Equalization 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]
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%	706.72	0.69%	17,077
2018	2,042,068	-	661,593	800,693	5,118,748	1,116,053	-	284,667	10,023,822	0.96%	587.27	0.54%	17,077

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		
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%	-
2018	-	-	-	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, 2018

Jurisdiction	New Debt Outstanding	Percentage Applicable to City of Kingsland[1]	Amount Applicable to City of Kingsland
Camden County, Georgia - Overlapping Debt	$ -	33.63%	$ -
Subtotal Overlapping Debt			-
City of Kingsland, Georgia - Direct Debt			-
Total Direct and Overlapping Debt			$ -

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]									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Debt limit	$ 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	$ 41,976,526
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 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	$ 41,976,526
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	432,655,198
Less Exempt:	12,889,938
Total taxable assessed value:	419,765,260
Debt limit (10% of total taxable assessed value)	41,976,526
Debt applicable to limit:	-
Legal debt margin	$ 41,976,526

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	
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
2018	7,081,898	3,153,471	3,928,427	1,478,562	118,264	2.46

[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]
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	17,077 [6]	53,044 [6]	1,848,798 [6]	34,854 [6]	20,931	9,252	4.6%
2018	17,077 [6]	53,044 [6]	1,848,798	34,854 [6]	21,021	9,350	4.1%

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, 2018 rate is for December 2018. 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 and 2018.

CITY OF KINGSLAND, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2018			2009		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Kings Bay Naval Submarine Base	8,879	1	42.24%	8,979	1	44.47%
Camden County School System	1,210	2	5.76%	1462	2	7.24%
Lockheed Missiles & Space	479	3	2.28%	479	3	2.37%
Camden County Government	398	4	1.89%	396	5	1.96%
Express Scripts	366	5	1.74%	454	4	2.25%
Southeast Georgia Health System	300	6	1.43%	293	7	1.45%
Wal-Mart Supercenter	225	7	1.07%	366	6	1.81%
City of Kingsland Government	172	8	0.82%	197	8	0.98%
City of St Marys Government	140	9	0.67%	173	9	0.86%
Lowe's Home Improvement	137	10	0.65%	127	10	0.63%
Total	12,306		58.54%	12,926		64.02%

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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General government										
Administration	6	6	6	6	5.4	5.4	3.8	3.8	3.8	3.8
Information Technology	–	–	–	–	2.7	2.7	1.8	2.7	2.7	2.7
Finance	4.5	4.5	4.5	4.5	7.15	7.15	6.5	6.5	6.5	6.34
Municipal Court	2.5	2.5	2.5	3	3	3	2	2	2	2
Police	48	48	48	48	48	48	42	42	42	42
Fire	30	30	30	30	30	30	29	29	29.5	29
Public Works	30	29	29	29	27	27	25	24.5	24.5	26.5
Planning and Zoning	9	9	9	9	8	8	7	7	9	8
Economic Development	2	2	2	3	2.5	2	1	1	1.25	1
Fleet Services	6	6	6	6	3.75	3.75	4.13	3.75	3.38	3.57
Tourism (CVB Fund)	6.5	6.5	6.5	6.5	5.5	5.5	5	5	4.5	5.5
Water/Sewer Fund										
Administration	7	7	7	7	4.6	4.6	4.2	4.2	4.2	4.2
Information Technology	3	3	3	3	0.3	0.3	0.2	0.3	0.3	0.3
Finance	6.5	6.5	6.5	6.5	3.85	3.85	3.5	3.5	3.5	3.41
Fleet Services	–	–	–	–	1.25	1.25	1.37	1.25	1.13	1.18
Operations	29	29	29	29	26	26	23	23.5	23.5	23.5
Sanitation										
Operations	7	8	8	8	8	8	8	8	9	9
Total	136.5	197	197	199	187	187	168	168	171	172

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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund										
Administration										
Number of Council Meetings	21	21	21	18	20	18	23	21	22	22
Number of Ordinances Adopted	11	8	10	8	9	5	9	6	9	12
Number of New Employees Processed	37	19	23	39	24	27	43	35	33	48
Finance										
Total Receipts	$ 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	$ 20,072,069
Cash Receipts	$ 933,682	$ 982,031	$ 1,053,302	$ 1,000,055	$ 1,083,399	$ 974,156	$ 876,483	$ 809,684	$ 748,218	$ 685,145
Check Receipts	$ 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	$ 12,419,744
Credit Card Receipts	$ 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	$ 1,707,011
Electronic Funds Processed	$ 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	$ 3,686,070
Web Receipts Processed	*	*	*	*	*	*	$ 173,099	$ 1,327,415	$ 1,288,135	$ 1,574,099
Employees on Direct Deposit	89%	89%	91%	90%	92%	85%	89%	93%	95%	94%
Accounts Payable Checks Issued	4,836	4,297	4,084	3,996	3,687	3,891	3,895	3,887	3,789	3,698
Court										
Cases/Citations Processed	7,861	12,019	12,240	10,199	8,946	7,594	6,234	7,219	3,907	5,907
CITY OF KINGSLAND, GEORGIA	24	42	18	51	90	122	67	72	39	47
Suspension Notices Issued	1,210	2,039	2,230	2,057	1,619	1,388	1,096	1,246	679	970
Police										
Average Response Time (in minutes)	1:00	4:00	4:00	3:00	4:00	4:00	5:00	4:00	4:00	5:00
Violent Crimes/Assaults	225	184	48	202	219	225	185	78	36	287
Fire										
Average Response Time										
(Fire)	4:33	4:42	5:05	4:14	5:29	5:22	5:18	5:38	5:38	4:45
(EMS)	4:49	5:00	6:14	4:19	4:20	4:27	*	*	*	*
Firefighters per Call	11	10	11	13	8	13	16	17	7	16
Number of New Hydrants	182	61	38	38	11	4	3	12	6	4
Public Works										
Ditches Cleaned (miles)[1]	70.50	15.00	1.11	14.39	101.86	17.25	13.49	5.64	27.58	96.38
Sidewalk Repair (feet)	465	410	485	2,123	-	2,660	2,205	726	-	496
Pot-hole/Wash-out Repair	79	56	47	113	208	281	326	443	332	475

(Continued)

CITY OF KINGSLAND, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Years									
Function/Program	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Planning and Zoning										
Residential Permits Issued										
Single Family	103	46	51	19	11	66	59	125	130	153
Multi-Family	-	12	-	-	-	-	12	-	12	21
New Business License Issued	260	238	282	243	197	205	197	229	153	148
Fleet										
Number of Tires Replaced	326	349	451	444	382	81	53	161	211	198
Number of Preventive										
Maintenance Procedures	308	290	306	377	322	186	64	256	60	42
Vehicle Alignments Performed	24	30	46	41	24	20	10	24	32	36
CVB Fund										
Tourism										
Memberships	22	20	25	28	18	24	36	25	25	35
Travel Shows Attended	22	27	35	53	46	120	76	61	87	116
Advertisement/ Print Media	50	29	154	100	360	57	92	91	93	69
Training/ Meetings	107	63	100	149	69	77	70	142	172	98
Water Fund										
Administration										
Average Monthly Water Bills Sent	6,874	6,902	6,878	6,959	7,068	7,139	7,260	7,432	7,590	7,714
Information Technology										
Average Monthly Visitors to Website	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	2,017
Operations										
Drinking Water (millions of gallons)	670.877	655.339	645.153	609.599	586.147	617.343	575.788	587.494	587.702	594.694
Wastewater										
Wastewater Treated (million of gallons)	697.383	589.259	594.200	575.539	610.958	639.434	613.849	644.844	644.123	757.015
Solid Waste Fund										
Refuse Collected (in tons)	5,811	6,118	5,969	5,528	5,977	6,005	7,474	8,062	9,819	9,860
Average Number of Customers Served Monthly	5,053	5,158	5,151	5,254	5,348	5,413	5,493	5,615	5,738	5,870

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	40	42	32	36	41	40	47	43	48	40
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks										
Engine	6	6	6	6	6	6	6	6	8	5
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	1	1	1	1	1
Public works										
Streets Owned and Maintained (miles)	70.9	76.3	89.3	89.3	89.3	89.3	89.3	89	89	90.5
Service Trucks	15	15	15	15	17	15	16	16	20	14
Tourism										
Welcome Centers	1	1	1	2	2	1	1	1	1	1
Water										
Service Trucks	21	19	19	19	16	10	17	21	24	20
Fire Hydrants	1,333	1,394	1,432	1,470	1,481	1,485	1,497	1,507	1,513	1,517
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	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Solid Waste										
Garbage Can Collection Trucks	6	5	6	6	6	5	5	6	6	6
Other Collection Trucks[2]	5	5	4	4	4	4	4	5	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, 2018, 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 26, 2019.

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. Given these limitations, during out audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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 26, 2019

CITY OF KINGSLAND, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ 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

A single audit was not performed for the fiscal year ended September 30, 2018 due to the City not expending in excess of $750,000 in federal funds.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION II
FEDERAL AWARDS FINDINGS AND RESPONSES

Not applicable.

CITY OF KINGSLAND, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

STATUS OF PRIOR YEAR AUDIT FINDINGS

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: The City was reported numerous assets that actually belonged to the Convention and Visitors Bureau. The City capitalized amounts for road resurfacing that should have been expensed.

Status: Resolved.

2017-002 – Deferred Outflows of Resources

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

Condition: The City and the CVB did not properly record deferred outflows of resources.

Status: Resolved.