CITY OF ST. MARYS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

PREPARED BY
City Finance Department

CITY OF ST. MARYS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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418 Osborne Street
St Marys, Georgia 31558
912-510-4000

December 17, 2021

To the Honorable Mayor, City Council, and Citizens of the City of St. Marys, Georgia:

The Finance Department is pleased to present this Annual Comprehensive Financial Report ("ACFR") for the City of St. Marys, Georgia (the "City") for the year ended June 30, 2021. A copy of this report is on file with the Finance Department for public inspection and is located in the Customer Service Department. A copy will be filed with the State Auditor's office to fulfill the requirements set forth.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements. As management, we emphasize that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Mauldin & Jenkins, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2021. The Independent Auditor's Report is located at the front of the financial section of this report. Generally Accepted Accounting Principles ("GAAP") requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report. Additionally, the Governmental Finance Officers Association ("GFOA") had not completed their review of the fiscal year 2020 Comprehensive Annual Financial Report as of the date of this letter. The 2019 award was included in the current year ACFR.

Government Overview

The City was established around 1792 and incorporated in 1802 by the State of Georgia. The City is situated at the southeast corner of Georgia in Camden County. The City is the gateway to Cumberland Island National Seashore. According to the United States Census Bureau, the City has a total area of 20.3 square miles, of which 18.8 square miles of it is land, and 1.5 square miles of it is water. The City government serves a population of 18,567 per the 2019 estimated census. The City's Charter states the City, a municipal corporation, shall exercise and enjoy all powers of self-government not specifically prohibited by the Constitution, the general laws of the State of Georgia, or by the Charter, including all powers, functions, rights, privileges, and immunities necessary or desirable to promote or protect the safety, health, peace, security, good order, comfort, convenience, and general welfare of the City and of its

inhabitants and all implied powers necessary to carry into execution all powers granted as fully and completely as if these powers were enumerated in the Charter.

The City provides full service for its citizens, which includes police and fire protection, community planning and development, building-code enforcement services, construction/road repair, water and sewer utilities, along with other support duties for the City government. The City is authorized to levy a property tax on both real and personal property located within its boundaries. As set forth in the Charter, the City has a Mayor and six Council members elected for four-year terms of office. The Mayor shall be the Chief Executive Officer of the City and shall have general supervision over its affairs. Each Council member shall hold a designated Council post. All terms of office shall begin on the first Thursday after January 1 of the year following election to such office.

The financial reporting entity of the City includes all the funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included as part of the City. Each June, the Council adopts the budget for the upcoming year in the form of an ordinance. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department and is closely monitored throughout the year. Additionally, expenditures, revenues and performance data are monitored in order to ensure the successful implementation of the City's service plan. As conditions change or circumstances are altered, the budget process allows for amendments. The City, as a first-time submittal, received the Distinguished Budget Award from the GFOA for the fiscal year 2012 budget and has been awarded the same honor for the following fiscal years. The City received the Certificate of Achievement in Financial Reporting for the fiscal year 2014 and the same recognition for the following fiscal years and the Certificate of Achievement in Popular Annual Financial Reporting for the fiscal year 2018 through 2020.

Budget Adjustments/Amendments

From time to time, it becomes necessary for the City to adjust or amend the adopted budget. This process is regulated by the Official Code of Georgia Annotated (“O.C.G.A.”) along with local policies.

Per O.C.G.A. §36-81-3:

1. An increase in appropriations at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such an amendment shall be adopted by ordinance or resolution.

2. Transfers of appropriations with any fund below the local government's legal level of control shall require only the approval of the budget officer.

In the City, the amount for salaries and benefits for each department may not be increased without the approval of the City Council. However, department heads shall have the authority to transfer appropriations within a department (within the same fund) from one line item to another (other than increasing salaries and benefits) subject to the approval of the City Manager and/or the Finance Director.

Local Economy

The City is located in Camden County and is considered to be a tourist destination. The federal government is a significant economic presence thanks to Kings Bay Naval Base and the United States Coast Guard. Besides the Naval Base, the City's top employer is Southeast Georgia Health Systems, which provides healthcare service to our area. As of June 2021, unemployment in the Camden County area was 5.4% compared to 5.9% nationally and 4.1% for the State of Georgia as a whole.

Palpable growth is evident when looking at the census numbers. The City's population has grown significantly since 1990 (from 8,187 to 19,361 based on the latest US Census estimates). Growth has come from many factors, which include the Naval Base, United States Coast Guard, retirees, and others wanting to enjoy the warm climate, economic conditions, and proximity to major transit areas such as I-95 and the Jacksonville Airport.

The City has seen growth in building fees within the last few years. We look forward to additional residential growth along with commercial growth. Planned development in the City is in the works that will include a marina with approximately 181 wet slips, 212 dry stacks, townhomes, apartments, retail units, restaurants, and the possibility of new commercial establishments. Other interests include an Aquaponics facility and several new residential developments.

Within the area, the City is currently working on initiatives to develop a commercial spaceport site, and our sister city has seen growth in commercial and residential development. Along with the Camden County Joint Development Authority, the City's Economic Development Department continues to promote inclusive and sustainable economic growth not only to St. Marys, but also to our community.

Long-term Financial Planning

As of June 30, 2021, an unassigned fund balance in the General Fund was favorable to the policy guidelines set by the City for budgetary and planning purposes. It has been the goal to ensure the City maintains and continues to keep, at a minimum, unassigned fund balance in its General Fund of no less than four months of regular General Fund operating revenues or regular General Fund operating expenditures (GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions)*. The City does plan to draw on fund balance in the fiscal year 2022 budget.

The City has made great strides to improve service levels and improve the financial integrity of the City. The fiscal year 2022 budget was a challenge again this year due to the COVID-19 pandemic. The entire country was looking at an economic downturn due to travel restrictions, quarantine of individuals, and the shutdown of many businesses. The City maintained the budget due to the unforeseen future of the pandemic. The City tax digest saw a slight increase and the City decided to adopt a millage rate at the rollback rate.

The budget presents a balance between continuing to provide an outstanding quality of life for our citizens while minimizing the cost associated with operations. It is the City Council's desire to maintain a stable financial position as we wait to see how the economy progresses in the future.

In addition to the annual operating budget, the City prepares a five-year capital plan that is updated on a yearly basis. The most recent plan update for years 2022 through 2026 identifies projects and funding that total $7.19 million and includes major categories of water and sewer, public buildings, parks and recreation, community development, drainage, streets, and traffic improvements. The General Fund is projected to contribute $2.24 million of the funding for the five-year plan.

Major Initiatives

The City continues its efforts to provide excellent service and to provide the best possible quality of life for its citizens.

The City Council has approved upgrades to City facilities, the construction of a City marina, drainage project, road, streets, and trails. Building a City marina will help improve tourism and attract more traffic in the City's downtown area to promote growth. The City will continue its efforts to work on drainage projects around the City to eliminate flooding. The City will continue to change over its meter program to increase efficiency with meter reading and billing. Also, the City continues to use Special Purpose Local Option Sales Tax ("SPLOST") VIII funds to help assist with its bond debt payment, which eliminates the cost being passed on to its citizens.

Acknowledgments

The preparation and completion of the ACFR represents the culmination of numerous efforts by many City employees. We want to express our sincere appreciation to all the staff of the City and the certified public accounting firm of Mauldin & Jenkins, CPA.

The ACFR reflects our ongoing commitment to the citizens of the City and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

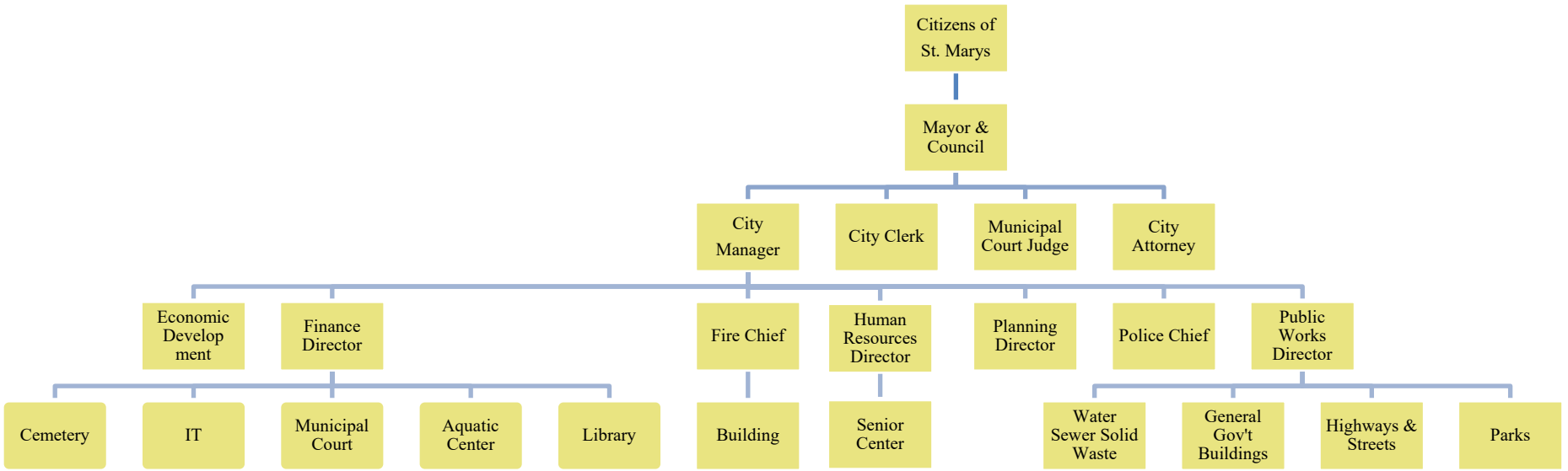
Respectfully submitted,



Marsha Klecan
Finance Director

CITY OF ST. MARYS, GEORGIA

ORGANIZATIONAL CHART
JUNE 30, 2021



CITY OF ST. MARYS, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020

ELECTED

Mayor
John F. Morrissey

City Council

Artie Jones, Jr.	Post 1
Jim Goodman	Post 2
Jim Gant	Post 3
David Reilly	Post 4
Allen Rassi	Post 5
Lisa James	Post 6

APPOINTED

City Manager
Robert Horton

Deborah Walker-Reed	City Clerk
Marsha Klecan	Finance Director
Donna Larsen	Human Resources Director
Steven Blackerby	City Attorney
Michael Wilkie	Police Chief
Tom Lacker	Fire Chief
Chris Cox	City Engineer
Bobby Marr	Utilities Director

CITY OF ST. MARYS, GEORGIA

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Marys
Georgia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of St. Marys, Georgia
St. Marys, 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 St. Marys, Georgia** (the "City"), as of and for the year ended June 30, 2021, 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 June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General 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 16), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 55 and 56), the Schedule of City Contributions – Retirement Plan (on page 57), 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 fund statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated §48-8-121, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements of the City.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 17, 2021

CITY OF ST. MARYS, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Within this section of the City of St. Marys, Georgia's (the "City") annual financial statements, management is pleased to offer readers this narrative overview and analysis of the financial activities of the City of St. Marys, Georgia for the fiscal year ended June 30, 2021. The information presented here should be used in conjunction with the additional information provided in this annual comprehensive financial report, which follows this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City as of June 30, 2021, exceeded its liabilities on June 30, 2021, by $71.2 million (net position). Of this amount, $17.7 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by $2.7 million.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $10.3 million, an increase of $1.5 million in comparison with the prior year. Approximately 78% of this total amount, $8 million, is available for spending at the City's discretion (unassigned fund balance).

- As of the close of the current fiscal year, the City's business-type funds reported a combined ending net position of $42.7 million, an increase of $1.6 million in comparison with the prior year. Approximately 23% of this total amount, $10 million, is available for spending at the City's discretion (unrestricted net position).

- At the end of the current fiscal year, an unassigned fund balance for the General Fund was a positive $8.1 million, or a positive 75%, of total General Fund expenditures.

During the current fiscal year, the City did not issue new debt for the governmental or business-type funds. The governmental funds had a decrease of $434,018 in debt service. The business-type funds had a decrease of $2,789,969 in debt service. The total overall change in debt service was a decrease of $3,223,987. These amounts do not include compensated absences or the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The *statement of net position* presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two 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. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities. This statement presents information on four component units of the City.

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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and welfare, judicial, housing and development, culture and recreation, and interest on long-term debt. The business-type activities of the City include Water and Sewer, Sanitation and the Aquatic Center.

The government-wide financial statements can be found on pages 17 – 20 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as 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.

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 several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Special Purpose Local Option Sales Tax ("SPLOST") VIII Fund because they are considered major funds. Data from the other 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* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund.

The basic governmental fund financial statements can be found on pages 21 – 26 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Solid Waste Fund, and Aquatic Center Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Solid Waste Fund, which are considered major funds of the City, and the Aquatic Center Fund, which is considered a nonmajor fund of the City.

The basic proprietary fund financial statements can be found on pages 27 – 30 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 – 54 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents schedule of changes in the City's net pension liability – defined benefit retirement plan and the schedule of City contributions – defined benefit retirement plan as required supplementary information beginning on page 55 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 58 – 66 of this report.

Statistical Section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information; such as, 10-year presentation of revenues, expenditures, and tax rates. This statistical section can be found on pages 67 – 87 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 plus deferred outflows of resources exceeded liabilities by $66.5 million at the close of the most recent fiscal year. The table below summarizes the City's net position for governmental activities, business-type activities, and the government as a whole.

City of St. Marys - Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
ASSETS						
Current and other assets	**$ 10,986,020**	$ 9,499,917	**$ 12,130,738**	$ 10,444,232	**$ 23,116,758**	$ 19,944,149
Capital assets	**19,602,710**	20,148,294	**62,075,855**	64,578,432	**81,678,565**	84,726,726
Total assets	**30,588,730**	29,648,211	**74,206,593**	75,022,664	**104,795,323**	104,670,875
Deferred outflows of resources	**-**	-	**3,449,501**	3,736,960	**3,449,501**	3,736,960
LIABILITIES						
Other liabilities	**659,556**	371,480	**973,286**	920,622	**1,632,842**	1,292,102
Long-term liabilities	**1,152,038**	1,578,345	**33,946,923**	36,735,580	**35,098,961**	38,313,925
Net pension liability	**294,033**	306,665	**-**	-	**294,033**	306,665
Total liabilities	**2,105,627**	2,256,490	**34,920,209**	37,656,202	**37,025,836**	39,912,692
Deferred inflows of resources	**3,409**	6,508	**-**	-	**3,409**	6,508
Net position:						
Net investment in capital assets	**18,677,531**	18,789,097	**31,641,804**	31,641,871	**50,319,335**	50,430,968
Restricted	**2,096,502**	2,667,851	**1,100,899**	1,629,514	**3,197,401**	4,297,365
Unrestricted	**7,705,661**	5,928,265	**9,993,182**	7,832,037	**17,698,843**	13,760,302
Total net position	**$ 28,479,694**	$ 27,385,213	**$ 42,735,885**	$ 41,103,422	**$ 71,215,579**	$ 68,488,635

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position.

By far the largest portion of the City's net position, $50.3 million (70.7%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $3.2 million (4.5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of $17.7 million (24.8%) is the unrestricted net position that may be used to meet the government's ongoing obligations of the City.

Governmental activities during the fiscal year ended June 30, 2021, increased the City’s net position by $1.1 million. Business-type activities during the same period increased the net position by $1.6 million for a total increase in net position of $2.7 million. The following table shows the revenue and expenses by activity for the total primary government.

City of St. Marys - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Revenues						
Program revenues:						
Charges for services	$ **1,627,443**	$ 1,568,776	$ **9,881,605**	$ 8,232,790	$ **11,509,048**	$ 9,801,566
Capital grants and contributions	**3,372,958**	3,578,031	**-**	-	**3,372,958**	3,578,031
General revenues:						
Property taxes	**4,436,872**	4,585,293	**-**	-	**4,436,872**	4,585,293
Franchise taxes	**1,054,684**	1,043,888	**-**	-	**1,054,684**	1,043,888
Sales taxes	**2,692,904**	2,151,902	**-**	-	**2,692,904**	2,151,902
Hotel/Motel taxes	**177,155**	128,652	**-**	-	**177,155**	128,652
Other taxes	**1,626,457**	1,553,550	**-**	-	**1,626,457**	1,553,550
Unrestricted investment earnings	**7,980**	7,417	**1,981**	13,142	**9,961**	20,559
Gain on sale of capital assets	**-**	-	**3,356**	-	**3,356**	-
Total revenues	**14,996,453**	14,617,509	**9,886,942**	8,245,932	**24,883,395**	22,863,441
Expenses						
Governmental activities:						
General government	**3,070,770**	1,828,789	**-**	-	**3,070,770**	1,828,789
Public safety	**4,094,602**	4,366,745	**-**	-	**4,094,602**	4,366,745
Public works	**3,730,828**	3,068,719	**-**	-	**3,730,828**	3,068,719
Health and welfare	**182,863**	183,951	**-**	-	**182,863**	183,951
Judicial	**231,414**	164,460	**-**	-	**231,414**	164,460
Culture and recreation	**310,826**	482,502	**-**	-	**310,826**	482,502
Housing and development	**748,899**	1,247,176	**-**	-	**748,899**	1,247,176
Interest on long-term debt	**31,770**	47,516	**-**	-	**31,770**	47,516
Business-type activities:						
Water and sewer	**-**	-	**7,982,230**	7,800,699	**7,982,230**	7,800,699
Solid waste	**-**	-	**1,284,532**	1,233,861	**1,284,532**	1,233,861
Aquatic center	**-**	-	**487,717**	411,282	**487,717**	411,282
Total expenses	**12,401,972**	11,389,858	**9,754,479**	9,445,842	**22,156,451**	20,835,700
Increase (decrease) in net position before transfers	**2,594,481**	3,227,651	**132,463**	(1,199,910)	**2,726,944**	2,027,741
Transfers	**(1,500,000)**	(1,250,000)	**1,500,000**	1,250,000	**-**	-
Increase in net position	**1,094,481**	1,977,651	**1,632,463**	50,090	**2,726,944**	2,027,741
Net position, beginning of year	**27,385,213**	25,407,562	**41,103,422**	41,053,332	**68,488,635**	66,460,894
Net position, end of year	$ **28,479,694**	$ 27,385,213	$ **42,735,885**	$ 41,103,422	$ **71,215,579**	$ 68,488,635

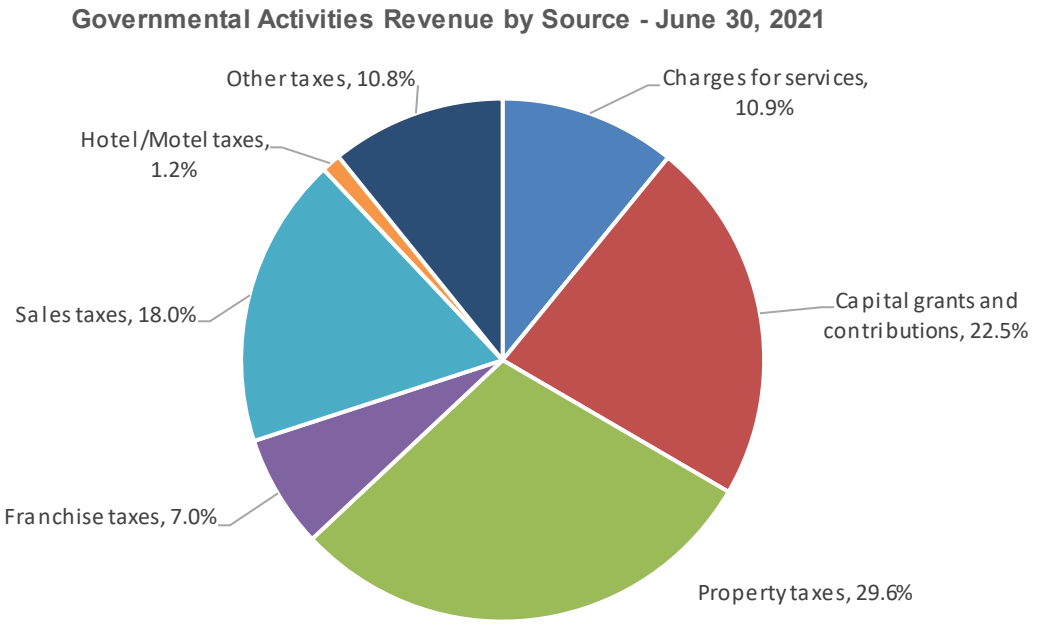
Changes in Net Position. The City's total revenues before transfers were $24.9 million in the fiscal year 2021. Expenses were $22.2 million. Governmental and business-type activities combined provided a $2.7 million increase in net position.

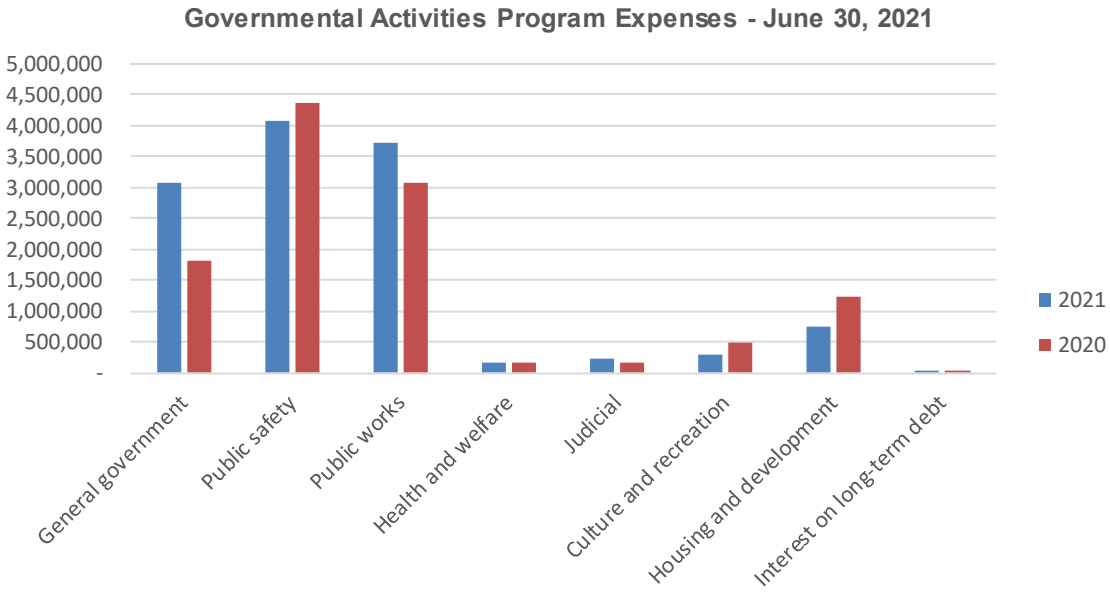
Governmental activities revenues, before transfers, were $15 million and included $1.6 million for charges for services, $3.4 million for grants and contributions, and $10 million in taxes and other revenues. The most significant governmental activities expenses were for public safety of $4.1 million, public works of $3.7 million, and the general government of $3 million.

Business-type activity revenues, before transfers, were $9.9 million and included $9.9 million in charges for services and a very small amount of other revenues. The most significant business-type activity expenses were personal services of $1.5 million, purchased and contracted services of $2.9 million, and depreciation of $2.7 million.

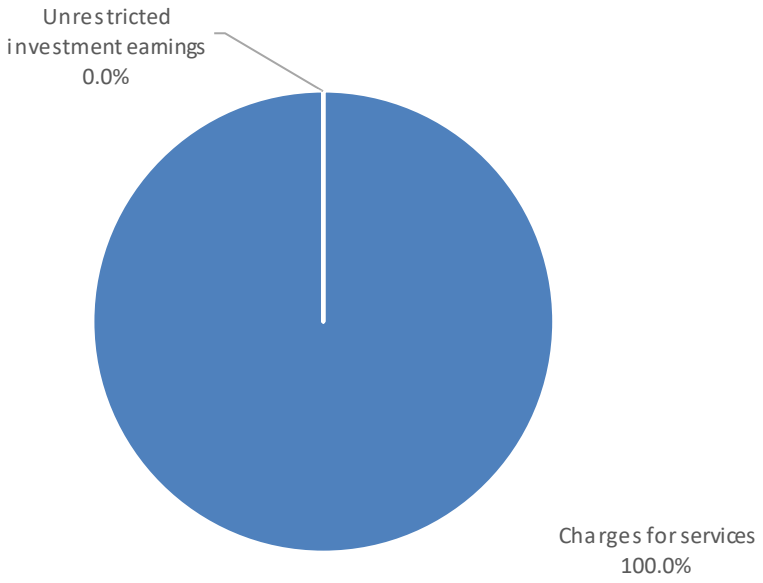
City of St. Marys - Changes in Net Position

	Total		Increase	Percentage
	2021	2020	(Decrease)	Change
Revenues				
Program revenues:				
Charges for services	$ **11,509,048**	$ 9,801,566	$ 1,707,482	17.4%
Capital grants and contributions	**3,372,958**	3,578,031	(205,073)	-5.7%
General revenues:				
Property taxes	**4,436,872**	4,585,293	(148,421)	-3.2%
Franchise taxes	**1,054,684**	1,043,888	10,796	1.0%
Sales taxes	**2,692,904**	2,151,902	541,002	25.1%
Hotel/Motel taxes	**177,155**	128,652	48,503	37.7%
Other taxes	**1,626,457**	1,553,550	72,907	4.7%
Unrestricted investment earnings	**9,961**	20,559	(10,598)	-51.5%
Gain on sale of capital assets	**3,356**	-	3,356	0.0%
Total revenues	**24,883,395**	22,863,441	2,019,954	8.8%
Expenses				
Governmental activities:				
General government	**3,070,770**	1,828,789	1,241,981	67.9%
Public safety	**4,094,602**	4,366,745	(272,143)	-6.2%
Public works	**3,730,828**	3,068,719	662,109	21.6%
Health and welfare	**182,863**	183,951	(1,088)	-0.6%
Judicial	**231,414**	164,460	66,954	40.7%
Culture and recreation	**310,826**	482,502	(171,676)	-35.6%
Housing and development	**748,899**	1,247,176	(498,277)	-40.0%
Interest on long-term debt	**31,770**	47,516	(15,746)	-33.1%
Business-type activities:				
Water and sewer	**7,982,230**	7,800,699	181,531	2.3%
Solid waste	**1,284,532**	1,233,861	50,671	4.1%
Aquatic center	**487,717**	411,282	76,435	18.6%
Total expenses	**22,156,451**	20,835,700	1,320,751	6.3%
Increase in net position	**2,726,944**	2,027,741	699,203	34.5%
Net position, beginning of year	**68,488,635**	66,460,894	2,027,741	3.1%
Net position, end of year	$ **71,215,579**	$ 68,488,635	$ 2,726,944	4.0%

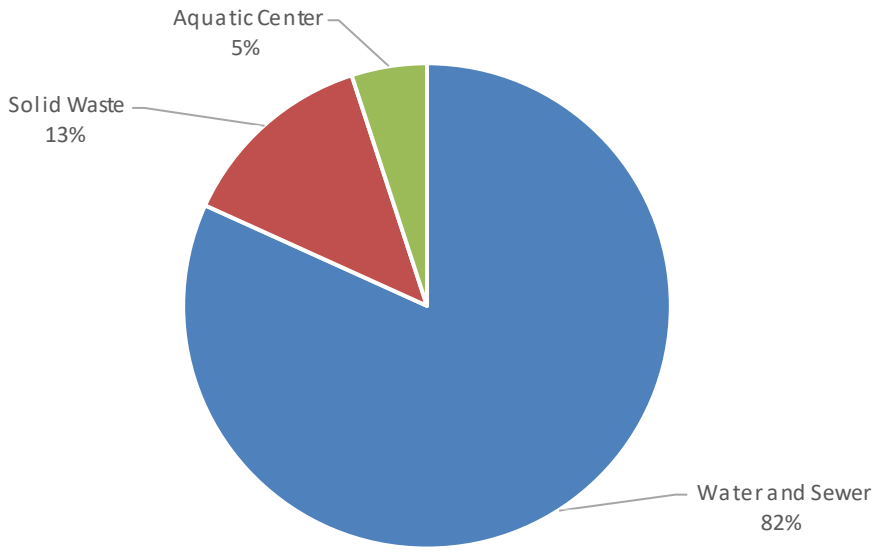

Governmental Activities Revenue by Source - June 30, 2021
Other taxes, 10.8%
Charges for services, 10.9%
Hotel/Motel taxes, 1.2%
Sales taxes, 18.0%
Capital grants and contributions, 22.5%
Franchise taxes, 7.0%
Property taxes, 29.6%


Governmental Activities Program Expenses - June 30, 2021
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
General government
Public safety
Public works
Health and welfare
Judicial
Culture and recreation
Housing and development
Interest on long-term debt
2021
2020

Business-Type Activities - Revenues By Source - June 30, 2021



Business-Type - Expenses By Source - June 30, 2021



Revenue Impacts. The most significant revenue changes included charges for services, sales taxes, and Hotel/Motel taxes which increased 17.4%, 25.1% and 37.7%, respectively. These increases are all attributable to lower revenues in the prior year as a result of pandemic related closures.

Expense Impacts. The most significant expense changes included general government (increased 67.9%), public works (increased 21.6%) and the Aquatic Center (increased 18.6%). These increases for public works and the aquatic center are the result of the City's effort to be conservative during the pandemic in the prior year. The general government expenditures saw a significant increase as there were fewer capital expenditures that were moved from the fund level expenditure category to capital assets at the government-wide level.

Financial Analysis of the City's Funds

The City of St. Marys uses fund accounting which ensures and demonstrates compliance with finance-related legal requirements.

Fund Balance

Fund	Fund Balance 6/30/2020	Revenues/ Sources	Expenses/ Uses	Over (under) Exp./Uses	Fund Balance 6/30/2021
General Fund	$ 6,213,244	$ 12,816,144	$ 10,791,295	$ 2,024,849	**$ 8,238,093**
SPLOST VIII Fund	384,122	2,056,357	1,500,000	556,357	**940,479**
Nonmajor Governmental Funds	2,143,459	491,035	1,546,811	(1,055,776)	**1,087,683**
Total	$ 8,740,825	$ 15,363,536	$ 13,838,106	$ 1,525,430	**$ 10,266,255**

Major Government Funds

As of June 30, 2021, the City's governmental funds reported a combined fund balance of $10.3 million, which is a net increase of $1.5 million from the previous year.

General Fund's fund balance increased by $2 million and was $8.2 million at the end of the year. This increase was mainly due to fewer projects in the downtown area and increased post-pandemic revenue collection.

The SPLOST VIII Fund's fund balance increased by $.6 million and was $.9 million at the end of the year. The revenues exceeded the expenditures. These funds are restricted for capital projects and fluctuate based on current capital activity.

Enterprise Funds:
The enterprise funds, which include the City's Water and Sewer Fund, Solid Waste Fund, and Aquatic Center Fund (nonmajor), reported a combined cash and cash equivalents balance of $11.5 million at the end of the fiscal year June 30, 2021. Of this amount, $1.6 million is reported as restricted assets.

The Water and Sewer Fund had ending net position of $41.2 million for the fiscal year 2021. This was an increase of $1.7 million from the previous year. Of the balance, $30.7 million is the net investment in capital assets, and $1.1 million is reported as restricted net position, leaving $9.4 million as unrestricted.

The Solid Waste Fund had ending net position of $.5 million for the fiscal year 2021, which was only a slight increase over the prior year.

The Aquatic Center Fund had ending net position balance of $1 million for the fiscal year 2021. This was a decrease of $.1 million from the previous year. Of the balance, $1 million is invested in capital assets.

General Fund Budget Highlights:
The budget was prepared according to Georgia Law. The fiscal year 2021 original revenue budget was $9.5 million. The original budget was amended to $10.5 million. The major increase is in taxes and intergovernmental revenue. Both did not anticipate such increases. The final budgeted revenues increased 10%, or $1 million. The total budgeted expenditures increased by $1.1 million, or 9.5%, from the original budget due to capital projects.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, governmental activities and business-type activities had capital assets of $81.7 million (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment, and recreation and park facilities. This represents a 3.6% decrease, or $3 million overall. Governmental and business-type activities decreased by $.5 million and $2.5 million, or 2.7% and 3.9%, respectively. These decreases are due to depreciation expense exceeding asset additions.

City of St. Marys Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Land	**$ 2,085,907**	$ 2,085,907	**$ 846,727**	$ 846,727	**$ 2,932,634**	$ 2,932,634
Construction in progress	**208,881**	2,827,775	**-**	125,479	**208,881**	2,953,254
Infrastructure	**11,125,204**	9,261,025	**57,952,903**	60,348,943	**69,078,107**	69,609,968
Buildings	**3,314,798**	3,525,601	**2,750,701**	2,944,048	**6,065,499**	6,469,649
Improvements	**1,742,139**	1,934,553	**-**	-	**1,742,139**	1,934,553
Machinery and equipment	**1,125,781**	513,433	**525,524**	313,235	**1,651,305**	826,668
	$ 19,602,710	$ 20,148,294	**$ 62,075,855**	$ 64,578,432	**$ 81,678,565**	$ 84,726,726

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

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

At June 30, 2021, the City had $.9 million of outstanding debt related to governmental activities and $33.9 million of outstanding debt related to business-type activities, for a total of $34.8 million compared to the previous year's total of $38 million. This is a decrease of $3.2 million. These amounts do not include compensated absences or the net pension liability.

At the end of 2021, the business-type activities had a bonded debt of $31.5 million. This amount is secured by the full faith and credit of the City. The City maintains an "AA" rating from Standards & Poor's.

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

Factors Affecting the Fiscal Year 2022 Budget

The major increases in the fiscal year 2022 budget are due to capital equipment approved and new projects for the new year. The City-wide budget for fiscal year 2022 was set at $28,604,304. The City tax digest saw a slight increase and the City decided to adopt a millage rate at the rollback rate. The taxes collected will enable the City to maintain its current level of service and provide significant capital equipment needs for safety concerns with public safety and public works and the downtown boating infrastructure project.

Fiscal Year 2022 Major Initiatives

The City will continue its efforts by focusing on providing the most responsive and progressive public services within the resources provided so that our citizens can enjoy the best possible quality of life.

1. In Spring 2019, voters approved a 1% Special Purpose Local Option Sales Tax (“SPLOST”) VIII. These funds will be used for bond debt retirement to keep from passing the cost to citizens.
2. Council approved funds for marketing the City.
3. Council approved $20,000 for enhancements of the "Gateway" of the City.
4. Road enhancements with the Local Maintenance Improvement Grant will continue.
5. Upgrades will continue at the Coast Guard facility housed with the Police Department.
6. The City will continue to address projects outlined in the renaissance plan.
7. The City will complete additional projects related to the Douglas Drive Drainage.

8. The City will continue the installation of $100,000 in radio water-read meters.
9. Continued temporary help will be used to assist with the maintenance of the historic Oak Grove Cemetery.
10. The City will continue its marina project at approximately $1.7 million.
11. The City will refurbish the Tilden Morris Marshwalk.
12. The City continues to work toward bringing in new business and retaining current businesses in the City. The following tools will be considered to assist the City in this effort:

    - Identify vendors conducting business with various entities (i.e., base, school district, etc.) to ascertain potential opportunities for local vendors;
    - Continue business recruiting;
    - Develop a marketing plan for the community;
    - Promote appearance and safety at Exit 1;
    - Create incentives to attract business.

The fiscal year 2022 projections continue to be conservative yet realistic.

Economic Factors

The City economy shows signs of improvement. This improvement is realized through the increase in sales tax collections. Also, there is an increase in housing sales, residential and commercial buildings. The Coastal Pines Technical College, located in Kingsland, our sister city, has opened for students. This will provide numerous jobs for the community and additional educational opportunities for our citizens. The City has a prime site under contract and for the development of an aerospace industrial park. A favorable Environmental Impact Study for the site was released in March 2018, and the City is moving forward with the project. Please visit www.spaceportcamden.us for more information.

The City has seen growth in residential building and is currently working with several potential residential developments for future growth. The City is looking forward to commercial growth in the near future, which includes a new development proposed on the old mill site and airport. Also, the City is looking at several other growth opportunities for its Intracoastal Gateway site and MEDS site.

Requests for Information

This financial report is designed to provide a general overview of the City of St. Marys' finances for citizens, taxpayers, customers, investors and creditors and all others with an interest in the City. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Finance Department at the City of St. Marys, 418 Osborne Street, St. Marys, Georgia 31558, by telephone (912) 510-4000, or email at jennifer.brown@stmarysga.gov.

CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 9,904,703	$ 9,815,820	$ 19,720,523
Taxes receivable	90,571	-	90,571
Accounts receivable, net of allowances	130,453	702,008	832,461
Prepaid expenses	114,474	101,134	215,608
Due from other governments	621,240	-	621,240
Internal balances	124,176	(124,176)	-
Due from component units	403	-	403
Due from primary government	-	-	-
Restricted assets, cash and cash equivalents	-	1,635,952	1,635,952
Capital assets			
Non-depreciable	2,294,788	846,727	3,141,515
Depreciable, net of accumulated depreciation	17,307,922	61,229,128	78,537,050
Total assets	30,588,730	74,206,593	104,795,323
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding loss	-	3,449,501	3,449,501
LIABILITIES			
Accounts payable	530,200	304,537	834,737
Accrued liabilities	102,927	244,585	347,512
Due to component units	26,429	-	26,429
Due to primary government	-	-	-
Customer deposits	-	409,315	409,315
Unearned revenue	-	14,849	14,849
Compensated absences due within one year	226,859	63,371	290,230
Capital leases due within one year	215,470	-	215,470
Capital leases due in more than one year	144,235	-	144,235
Notes payable due within one year	177,874	386,438	564,312
Notes payable due in more than one year	387,600	1,952,907	2,340,507
Net pension liability due in more than one year	294,033	-	294,033
Bonds payable due within one year	-	2,550,000	2,550,000
Bonds payable due in more than one year	-	28,994,207	28,994,207
Total liabilities	2,105,627	34,920,209	37,025,836
DEFERRED INFLOWS OF RESOURCES			
Pension	3,409	-	3,409
NET POSITION			
Net investment in capital assets	18,677,531	31,641,804	50,319,335
Restricted for capital projects	2,083,729	-	2,083,729
Restricted for debt service	-	1,100,899	1,100,899
Restricted for public safety	12,773	-	12,773
Unrestricted	7,705,661	9,993,182	17,698,843
Total net position	$ 28,479,694	$ 42,735,885	$ 71,215,579

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

Component Units			
Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
$ 11,582	$ 43,814	$ 81,407	$ 275,681
-	-	-	-
-	-	215	8,332
-	-	2,615	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	26,429	-
-	-	-	-
332,234	620,000	-	-
-	-	-	-
343,816	663,814	110,666	284,013
-	-	-	-
-	1,858	5,020	-
-	-	621	-
-	-	-	-
-	-	403	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,858	6,044	-
-	-	-	-
332,234	620,000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
11,582	41,956	104,622	284,013
$ 343,816	$ 661,956	$ 104,622	$ 284,013

CITY OF ST. MARYS, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 3,070,770	$ 1,215,895	$ -	$ 1,032,374
Public safety	4,094,602	343,331	-	-
Public works	3,730,828	63,856	-	2,280,425
Health and welfare	182,863	-	-	-
Judicial	231,414	-	-	-
Culture and recreation	310,826	4,361	-	60,159
Housing and development	748,899	-	-	-
Interest on long-term debt	31,770	-	-	-
Total governmental activities	12,401,972	1,627,443	-	3,372,958
Business-type activities:				
Water and sewer	7,982,230	8,219,432	-	-
Solid waste	1,284,532	1,286,459	-	-
Aquatic center	487,717	375,714	-	-
Total business-type activities	9,754,479	9,881,605	-	-
Total primary government	$ 22,156,451	$ 11,509,048	$ -	$ 3,372,958
Component units				
Industrial Development Authority	$ 300	$ -	$ -	$ -
Downtown Development Authority	29,861	3,600	25,000	-
Convention and Visitors Bureau	154,200	1,533	205,505	-
Cemetery Authority	11,840	30,521	-	-
Total component units	$ 196,201	$ 35,654	$ 230,505	$ -
General revenues:				
Property taxes				
Franchise taxes				
Sales taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position							
			Component Units			
Governmental Activities	Business-type Activities	Total	Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
$ (822,501)	$ -	$ (822,501)	$ -	$ -	$ -	$ -
(3,751,271)	-	(3,751,271)	-	-	-	-
(1,386,547)	-	(1,386,547)	-	-	-	-
(182,863)	-	(182,863)	-	-	-	-
(231,414)	-	(231,414)	-	-	-	-
(246,306)	-	(246,306)	-	-	-	-
(748,899)	-	(748,899)	-	-	-	-
(31,770)	-	(31,770)	-	-	-	-
(7,401,571)	-	(7,401,571)	-	-	-	-
-	237,202	237,202	-	-	-	-
-	1,927	1,927	-	-	-	-
-	(112,003)	(112,003)	-	-	-	-
-	127,126	127,126	-	-	-	-
(7,401,571)	127,126	(7,274,445)	-	-	-	-
-	-	-	(300)	-	-	-
-	-	-	-	(1,261)	-	-
-	-	-	-	-	52,838	-
-	-	-	-	-	-	18,681
-	-	-	(300)	(1,261)	52,838	18,681
4,436,872	-	4,436,872	-	-	-	-
1,054,684	-	1,054,684	-	-	-	-
2,692,904	-	2,692,904	-	-	-	-
177,155	-	177,155	-	-	-	-
1,626,457	-	1,626,457	-	-	-	-
7,980	1,981	9,961	5	22	33	57,751
-	3,356	3,356	-	-	-	-
-	-	-	-	-	1,690	16,749
(1,500,000)	1,500,000	-	-	-	-	-
8,496,052	1,505,337	10,001,389	5	22	1,723	74,500
1,094,481	1,632,463	2,726,944	(295)	(1,239)	54,561	93,181
27,385,213	41,103,422	68,488,635	344,111	663,195	50,061	190,832
$ 28,479,694	$ 42,735,885	$ 71,215,579	$ 343,816	$ 661,956	$ 104,622	$ 284,013

CITY OF ST. MARYS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	SPLOST VIII Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 7,887,241	$ 570,040	$ 1,447,422	$ 9,904,703
Taxes receivable	90,571	-	-	90,571
Accounts receivable	104,024	-	26,429	130,453
Prepaid items	114,474	-	-	114,474
Due from other governments	250,801	370,439	-	621,240
Due from other funds	435,779	-	49,941	485,720
Due from component units	403	-	-	403
Advance to other funds	30,000	-	-	30,000
Total assets	$ 8,913,293	$ 940,479	$ 1,523,792	$ 11,377,564
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 467,473	$ -	$ 62,727	$ 530,200
Accrued liabilities	101,852	-	1,075	102,927
Due to component units	-	-	26,429	26,429
Due to other funds	45,666	-	345,878	391,544
Total liabilities	614,991	-	436,109	1,051,100
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	60,209	-	-	60,209
FUND BALANCES				
Non-spendable:				
Prepaid items	114,474	-	-	114,474
Advances to other funds	30,000	-	-	30,000
Restricted for:				
Capital projects	-	940,479	1,143,250	2,083,729
Public safety	-	-	12,773	12,773
Unassigned	8,093,619	-	(68,340)	8,025,279
Total fund balances	8,238,093	940,479	1,087,683	10,266,255
Total liabilities, deferred inflows of resources and fund balances	$ 8,913,293	$ 940,479	$ 1,523,792	$ 11,377,564

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

CITY OF ST. MARYS, GEORGIA

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total governmental fund balances.	$	10,266,255
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		19,602,710
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		(226,859)
Net pension liability		(294,033)
Note payable		(565,474)
Capital leases		(359,705)
Certain pension related deferred inflows are not reported in the funds.		(3,409)
Certain property tax revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		60,209
Net position of governmental activities.	$	28,479,694

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

CITY OF ST. MARYS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	SPLOST VIII Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 10,138,320	$ -	$ 177,155	$ 10,315,475
Licenses and permits	577,940	-	-	577,940
Intergovernmental	1,032,374	2,056,198	284,227	3,372,799
Fines and forfeitures	339,546	-	-	339,546
Charges for services	81,792	-	-	81,792
Interest income	6,667	159	1,313	8,139
Other revenues	599,825	-	28,340	628,165
Total revenues	12,776,464	2,056,357	491,035	15,323,856
Expenditures				
Current:				
General government	2,610,685	-	-	2,610,685
Public safety	4,186,983	-	2,263	4,189,246
Public works	2,250,370	-	-	2,250,370
Health and welfare	182,994	-	-	182,994
Judicial	231,414	-	-	231,414
Culture and recreation	289,898	-	-	289,898
Housing and development	573,163	-	177,155	750,318
Capital outlay	-	-	1,327,713	1,327,713
Debt service:				
Principal	434,018	-	-	434,018
Interest and fiscal charges	31,770	-	-	31,770
Total expenditures	10,791,295	-	1,507,131	12,298,426
Excess (deficiency) of revenues over (under) expenditures	1,985,169	2,056,357	(1,016,096)	3,025,430
Other financing sources (uses)				
Transfers in	39,680	-	-	39,680
Transfers out	-	(1,500,000)	(39,680)	(1,539,680)
Total other financing sources (uses)	39,680	(1,500,000)	(39,680)	(1,500,000)
Net change in fund balances	2,024,849	556,357	(1,055,776)	1,525,430
Fund balances, beginning of year	6,213,244	384,122	2,143,459	8,740,825
Fund balances, end of year	$ 8,238,093	$ 940,479	$ 1,087,683	$ 10,266,255

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

CITY OF ST. MARYS, 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 JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds.	$	1,525,430
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		774,188
Depreciation expense		(1,317,185)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations to other funds) is to decrease net position.		(2,587)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(327,403)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on capital leases and notes		434,018
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 governmental funds:		
Compensated absences		(7,711)
Net pension liability and deferred inflows of resources related to pension		15,731
	$	1,094,481

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

CITY OF ST. MARYS, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 8,184,000	$ 8,789,595	$ 10,138,320	$ 1,348,725
Licenses and permits	430,500	430,500	577,940	147,440
Intergovernmental	-	331,630	1,032,374	700,744
Fines and forfeitures	170,000	170,000	339,546	169,546
Interest	5,200	5,200	6,667	1,467
Charges for services	93,635	93,635	81,792	(11,843)
Miscellaneous	654,600	682,187	599,825	(82,362)
Total revenues	9,537,935	10,502,747	12,776,464	2,273,717
Expenditures				
Current				
General government:				
Legislative	250,982	256,307	227,130	29,177
Executive	354,340	373,480	350,068	23,412
Finance	1,107,160	1,060,526	998,215	62,311
Building and plant	213,865	714,934	663,006	51,928
Human resources	155,050	166,225	156,413	9,812
Information technology	230,460	230,860	215,853	15,007
Total general government	2,311,857	2,802,332	2,610,685	191,647
Public safety:				
Fire	1,885,094	1,991,866	1,828,509	163,357
Police	2,532,425	2,624,071	2,358,474	265,597
Total public safety	4,417,519	4,615,937	4,186,983	428,954
Public works;				
Public works administration	1,402,058	1,432,557	1,327,145	105,412
Highways and streets administration	765,315	971,815	818,868	152,947
Cemetery	139,599	139,599	104,357	35,242
Total public works	2,306,972	2,543,971	2,250,370	293,601
Judicial:				
Municipal court	178,171	253,221	231,414	21,807
Total judicial	178,171	253,221	231,414	21,807
Health and welfare:				
Senior citizens center	93,015	197,036	182,994	14,042
Total health and welfare	93,015	197,036	182,994	14,042
Culture and recreation:				
Culture and recreation administration	1,329,666	1,329,666	28,785	1,300,881
Library administration	290,465	293,190	261,113	32,077
Total culture and recreation	1,620,131	1,622,856	289,898	1,332,958

(Continued)

CITY OF ST. MARYS, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Housing and development:				
Protective inspection administration	$ 154,796	$ 154,796	$ 108,983	$ 45,813
Planning and zoning	271,720	280,070	273,373	6,697
Special facilities	28,700	47,600	40,275	7,325
Economic development	83,377	83,377	57,655	25,722
Code enforcement	94,513	94,513	92,877	1,636
Total housing and development	633,106	660,356	573,163	87,193
Debt service:				
Principal	415,181	413,906	434,018	(20,112)
Interest	28,339	29,614	31,770	(2,156)
Total debt service	443,520	443,520	465,788	(22,268)
Total expenditures	12,004,291	13,139,229	10,791,295	2,347,934
Excess (deficiency) of revenues over (under) expenditures	(2,466,356)	(2,636,482)	1,985,169	4,621,651
Other financing sources (uses)				
Sale of capital assets	8,500	8,500	-	(8,500)
Transfers in	1,214,246	1,214,246	39,680	(1,174,566)
Total other financing sources (uses)	1,222,746	1,222,746	39,680	(1,183,066)
Net change in fund balances	(1,243,610)	(1,413,736)	2,024,849	3,438,585
Fund balances, beginning of year	6,213,244	6,213,244	6,213,244	-
Fund balances, end of year	$ 4,969,634	$ 4,799,508	$ 8,238,093	$ 3,438,585

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

CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

ASSETS	Major Enterprise Funds: Water and Sewer Fund	Major Enterprise Funds: Solid Waste Fund	Nonmajor Enterprise Fund: Aquatic Center Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 9,154,653	$ 533,204	$ 127,963	$ 9,815,820
Restricted cash and cash equivalents	1,635,952	-	-	1,635,952
Accounts receivable, net	593,450	108,098	460	702,008
Prepaid expenses	94,504	2,297	4,333	101,134
Total current assets	11,478,559	643,599	132,756	12,254,914
NON-CURRENT ASSETS				
Non-depreciable	846,727	-	-	846,727
Depreciable, net of accumulated depreciation	60,243,477	-	985,651	61,229,128
Total non-current assets	61,090,204	-	985,651	62,075,855
Total assets	72,568,763	643,599	1,118,407	74,330,769
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding loss	3,449,501	-	-	3,449,501
LIABILITIES				
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS				
Accounts payable	168,223	97,543	38,771	304,537
Accrued interest payable	77,630	-	-	77,630
Other accrued liabilities	164,508	1,394	1,053	166,955
Due to other funds	89,901	-	4,275	94,176
Unearned revenue	-	-	14,849	14,849
Current portion of compensated absences	49,217	5,525	8,629	63,371
Current portion of notes payable	386,438	-	-	386,438
Current portion of bonds payable	2,550,000	-	-	2,550,000
Total current liabilities, payable from current assets	3,485,917	104,462	67,577	3,657,956
CURRENT LIABILITIES, PAYABLE FROM RESTRICTED ASSETS				
Customer deposits	409,315	-	-	409,315
Total current liabilities, payable from restricted assets	409,315	-	-	409,315
LONG-TERM LIABILITIES				
Revenue bonds payable, net	28,994,207	-	-	28,994,207
Notes payable	1,952,907	-	-	1,952,907
Advances from other funds	-	-	30,000	30,000
Total long-term liabilities	30,947,114	-	30,000	30,977,114
Total liabilities	34,842,346	104,462	97,577	35,044,385
NET POSITION				
Net investment in capital assets	30,656,153	-	985,651	31,641,804
Restricted for debt service	1,100,899	-	-	1,100,899
Unrestricted	9,418,866	539,137	35,179	9,993,182
Total net position	$ 41,175,918	$ 539,137	$ 1,020,830	$ 42,735,885

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

CITY OF ST. MARYS, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water and Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
OPERATING REVENUE				
Sanitation fees	$ -	$ 1,241,402	$ -	$ 1,241,402
Admission fees	-	-	227,539	227,539
Concessions	-	-	95,327	95,327
Water sales	3,168,064	-	-	3,168,064
Sewer sales	2,984,763	-	-	2,984,763
Tap and capacity recovery fees	804,275	-	-	804,275
Reconnection fees	54,690	-	-	54,690
Construction fees	990,340	-	-	990,340
Penalties	111,500	21,858	-	133,358
Miscellaneous	105,800	23,199	52,848	181,847
Total operating revenues	8,219,432	1,286,459	375,714	9,881,605
OPERATING EXPENSES				
Personnel services	1,166,788	88,706	218,971	1,474,465
Purchased and contracted services	1,740,611	1,158,473	40,777	2,939,861
Supplies	1,269,139	37,353	128,466	1,434,958
Depreciation	2,588,354	-	99,503	2,687,857
Amortization	287,458	-	-	287,458
Total operating expenses	7,052,350	1,284,532	487,717	8,824,599
Operating income (loss)	1,167,082	1,927	(112,003)	1,057,006
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,981	-	-	1,981
Interest expense	(929,880)	-	-	(929,880)
Gain on disposal of capital assets	3,356	-	-	3,356
Total non-operating expenses, net	(924,543)	-	-	(924,543)
Income (loss) before transfers	242,539	1,927	(112,003)	132,463
TRANSFERS				
Transfers in	1,500,000	-	-	1,500,000
Total transfers	1,500,000	-	-	1,500,000
Change in net position	1,742,539	1,927	(112,003)	1,632,463
Total net position, beginning of year	39,433,379	537,210	1,132,833	41,103,422
Total net position, end of year	$ 41,175,918	$ 539,137	$ 1,020,830	$ 42,735,885

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

CITY OF ST. MARYS, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water and Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 8,154,769	$ 1,275,426	$ 375,254	$ 9,805,449
Payments to suppliers	(3,031,040)	(1,191,891)	(137,725)	(4,360,656)
Payments to employees	(1,166,142)	(87,928)	(223,728)	(1,477,798)
Net cash provided by (used in) operating activities	3,957,587	(4,393)	13,801	3,966,995
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on revenue bonds payable	(2,550,000)	-	-	(2,550,000)
Principal payments on notes payable	(239,969)	-	-	(239,969)
Interest paid	(936,301)	-	-	(936,301)
Transfers in - SPLOST	1,500,000	-	-	1,500,000
Proceeds from the sale of capital assets	3,356	-	-	3,356
Purchase of capital assets	(185,280)	-	-	(185,280)
Net cash used in capital and related financing activities	(2,408,194)	-	-	(2,408,194)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,981	-	-	1,981
Net cash provided by investing activities	1,981	-	-	1,981
Net change in cash	1,551,374	(4,393)	13,801	1,560,782
Cash and cash equivalents, beginning of year	9,239,231	537,597	114,162	9,890,990
Cash and cash equivalents, end of year	$ 10,790,605	$ 533,204	$ 127,963	$ 11,451,772
Classified as				
Cash and cash equivalents	$ 9,154,653	$ 533,204	$ 127,963	$ 9,815,820
Restricted assets:				
Current cash and cash equivalents	1,635,952	-	-	1,635,952
	$ 10,790,605	$ 533,204	$ 127,963	$ 11,451,772

(Continued)

CITY OF ST. MARYS, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds		Nonmajor Enterprise Fund	
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 1,167,082	$ 1,927	(112,003)	$ 1,057,006
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	2,588,354	-	99,503	2,687,857
Change in assets and liabilities				
Increase in accounts receivable	(83,768)	(11,033)	(460)	(95,261)
(Increase) decrease in prepaid expenses	(2,050)	648	334	(1,068)
Decrease in deferred outflows of resources	287,458	-	-	287,458
Increase (decrease) in accounts payable	(1,968)	3,287	23,730	25,049
Increase (decrease) in accrued liabilities	16,398	585	(5,230)	11,753
Increase in customer deposits	19,105	-	-	19,105
Increase in compensated absences	646	193	473	1,312
Increase in unearned revenue	-	-	3,179	3,179
Increase (decrease) in due to other funds/advances	(33,670)	-	4,275	(29,395)
Net cash provided by (used in) operating activities	$ 3,957,587	$ (4,393)	$ 13,801	$ 3,966,995

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Marys, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental 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. Reporting Entity

The City was incorporated August 15, 1910, under the provisions of the laws of the State of Georgia. A new City charter was adopted February 8, 1981. The City operates under a Council/City Manager form of government and provides the following services to its citizens: public safety, public works, recreation, public improvements, and general and administrative services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Units

The Industrial Development Authority of St. Marys (the "IDA") is governed by a seven-member board, the majority of which are appointed by the City's City Council. The City is able to impose its will on the IDA, as it is funded by the City. The IDA is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the IDA.

The Downtown Development Authority of St. Marys (the "DDA") is governed by a seven-member board, the majority of which are appointed by the City's City Council. The City is able to impose its will on the DDA as it is funded by the City. The DDA is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the DDA.

The St. Marys Convention and Visitors Bureau (the "CVB") is governed by a nine-member board appointed by the City's City Council. The City is able to significantly influence the programs, projects and activities of the CVB, as it is funded entirely by the City, and its budget is approved and amended by City Council. The CVB is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the CVB.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Oak Grove Cemetery Authority (the "Authority") is governed by a five-member board, the majority of which are appointed by the City's City Council. The City is able to impose its will on the Authority. The Authority is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the Authority.

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 non-fiduciary activities of the primary government and its component units.

For the most part, the effect of interfund activity has been removed from these statements, however, interfund services provided and used are not eliminated in the process of consolidation. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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 considered 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 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 are generally 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 VIII Fund** is used to account for the revenues and expenditures relating to the 2018 1% Special Purpose Local Option Sales Tax.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities necessary to provide water and sewer services to the City's residents.

The **Solid Waste Fund** accounts for the fees and expenses associated with garbage collection and disposal services provided to the City's residents.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital projects fund*** accounts for the acquisition and/or construction of capital facilities.

Amounts reported as *program revenues* include: 1) charges for services 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 *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets of governmental funds are adopted on a modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is not employed by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. State statutes authorize the City to invest in the following: 1) obligations of Georgia or any other state; 2) obligations of the United States; 3) obligations fully insured or guaranteed by the United States government or one of its agencies; 4) obligations of any corporation of the United States government; 5) prime bankers' acceptances; 6) the State of Georgia local government investment pool; 7) repurchase agreements; and 8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. Investments are reported at fair value.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other fund's (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on both the government-wide and proprietary fund financial statements because their use is limited by applicable bond covenants.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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 column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

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

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 – 50
Infrastructure	30
Improvements	5 – 50
Machinery and equipment	3 – 10

J. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused personal leave. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the period incurred.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. 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. Fund balances are classified as follows:

- ***Non-spendable*** – Fund balances are reported as non-spendable 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance (Continued)

- ***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 to assign fund balances.

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

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

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

M. Management 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 one item that qualified for reporting in this category. The deferred refunding loss, which is reported in the government-wide and proprietary fund statements of net position, results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two 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 item relates to the City's retirement plan and is reported in the government-wide statement of net position. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources.

O. 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 St. Marys 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 respective 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.

NOTE 2. LEGAL COMPLIANCE

Budgets. The City employs the following procedures in establishing its annual budget:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means for financing them.

2. Prior to any action by the Council, the Council holds a public hearing on the budget, giving notice in the official newspaper of the City, at least ten days prior to such hearing.

3. The budget is then revised and adopted or amended by the Council at a regular meeting in June.

4. This budget may be revised during the year only by formal action of the Council in a regular or special called meeting. No increase to the budget may be made without a provision for financing such an increase.

5. Budgetary control is exercised at the department, function or activity, and major object of expenditures group for capital and grant projects within each fund. The legal level of budgetary control is the department level. Budgets for the City may be increased or decreased as the City Council deems appropriate. Budgets are adopted for the General and Special Revenue funds. Capital project funds adopt a project length budget. The supplementary budgetary appropriations made during the year were not material.

Actual Expenditures Exceeded Appropriations. Debt service expenditures in the General Fund exceeded appropriations in the amount of $22,268. Culture and recreation expenditures in the Hotel/Motel Tax Fund exceeded appropriations in the amount of $53,735.

Fund Deficit. The Tax Allocation District Fund reported a fund deficit of $68,340 as of June 30, 2021. This deficit will be reduced by future revenues generated by the fund.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021, are summarized as follows:

Amounts as presented on the City-wide statement of net position:		
Cash and cash equivalents	$	19,720,523
Restricted cash and cash equivalents		1,635,952
Component Units - cash and cash equivalents		412,484
Total	$	21,768,959
Cash deposited with financial institutions	$	20,945,056
Cash deposited with Georgia Fund 1		823,903
Total	$	21,768,959

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 June 30, 2021, the City's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

As of June 30, 2021, the City had the following investment:

Investment	Maturity	Fair Value
Georgia Fund 1	36-day weighted-average	$ 823,903

Georgia Fund 1 was created under the Official Code of Georgia Annotated ("O.C.G.A.) §36-83-8 as a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds. 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 value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The pool is regulated by the Georgia Office of State Treasurer.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits all operating investments to instruments that mature within one year. Asset investment funds shall be diversified to eliminate risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of maturities.

Custodial Credit Risk – Deposits. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City's deposits were fully collateralized in compliance with the state requirements.

Fair Value Measurements. 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. The City does not maintain any other investments that would require reporting in the fair value hierarchy.

NOTE 4. RECEIVABLES

Property taxes are levied by the City based on the assessed value of property as of January 1. Property taxes attach as an enforceable lien on property as of January 17, 2021. Taxes were levied on October 6, 2020, and payable on or before December 16, 2020. Property taxes not collected by December 17th are considered and reported as delinquent taxes receivable. Property taxes levied for the year ended June 30, 2021, are recorded as receivables, net of estimated uncollectibles.

In the governmental funds, the net receivables collected during the year ended June 30, 2021, and expected to be collected by August 31, 2021, are recognized as revenues for the year ended June 30, 2021, whereas, net receivables estimated to be collectible subsequent to August 31, 2021, are recorded as revenue when received.

NOTE 4. RECEIVABLES (CONTINUED)

Receivables at June 30, 2021, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST VIII	Nonmajor Governmental Funds	Water and Sewer	Solid Waste	Nonmajor Enterprise Fund	Total
Receivables							
Taxes	$ 121,217	$ -	$ -	$ -	$ -	$ -	$ 121,217
Accounts	104,024	-	26,429	1,041,949	175,261	460	1,348,123
Due from other governments	250,801	370,439	-	-	-	-	621,240
Less allowance for uncollectibles	(30,646)	-	-	(448,499)	(67,163)	-	(546,308)
Net total receivable	$ 445,396	$ 370,439	$ 26,429	$ 593,450	$ 108,098	$ 460	$ 1,544,272

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,085,907	$	$ -	$ -	$ 2,085,907
Construction in progress	2,827,775	545,718	-	(3,164,612)	208,881
Total	4,913,682	545,718	-	(3,164,612)	2,294,788
Capital assets, being depreciated:					
Infrastructure	14,453,060	-	-	2,398,379	16,851,439
Buildings	7,685,042	-	-	5,915	7,690,957
Improvements	6,853,512	-	-	-	6,853,512
Machinery and equipment	9,704,171	228,470	(136,151)	760,318	10,556,808
Total	38,695,785	228,470	(136,151)	3,164,612	41,952,716
Less accumulated depreciation for:					
Infrastructure	(5,192,035)	(534,200)	-	-	(5,726,235)
Buildings	(4,159,441)	(216,718)	-	-	(4,376,159)
Improvements	(4,918,959)	(192,414)	-	-	(5,111,373)
Machinery and equipment	(9,190,738)	(373,853)	133,564	-	(9,431,027)
Total	(23,461,173)	(1,317,185)	133,564	-	(24,644,794)
Total capital assets, being depreciated, net	15,234,612	(1,088,715)	(2,587)	3,164,612	17,307,922
Governmental activities capital assets, net	$ 20,148,294	$ (542,997)	$ (2,587)	$ -	$ 19,602,710

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 846,727	$ -	$ -	$ -	$ 846,727
Construction in progress	125,479	-	(125,479)	-	-
Total	972,206	-	(125,479)	-	846,727
Capital assets, being depreciated:					
Buildings	8,114,260	-		-	8,114,260
Infrastructure	95,966,326	-		-	95,966,326
Furniture, fixtures, and equipment	3,984,534	185,280	125,479	-	4,295,293
Total	108,065,120	185,280	125,479	-	108,375,879
Less accumulated depreciation for:					
Buildings	(5,170,212)	(193,347)		-	(5,363,559)
Infrastructure	(35,617,383)	(2,396,040)		-	(38,013,423)
Furniture, fixtures, and equipment	(3,671,299)	(98,470)		-	(3,769,769)
Total	(44,458,894)	(2,687,857)	-	-	(47,146,751)
Total capital assets, being depreciated, net	63,606,226	(2,502,577)	125,479	-	61,229,128
Business-type activities capital assets, net	$ 64,578,432	$ (2,502,577)	$ -	$ -	$ 62,075,855

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

Governmental activities:	
General government	$ 496,905
Public safety	391,820
Public works	343,039
Culture and recreation	85,421
Total governmental activities	$ 1,317,185
Business-type activities:	
Water and sewer fund	$ 2,588,354
Aquatics center fund	99,503
Total business-type activities	$ 2,687,857

Component Units. The IDA and DDA maintain parcels of land with historical costs of $332,234 and $620,000, respectively.

NOTE 6. LONG-TERM DEBT

Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's Water and Sewer Fund's revenue bonds outstanding at June 30, 2021, are as follows:

Series 2017 $38,270,000 Water Revenue Bonds, due in annual installments of $265,000 to $2,895,000 through December 1, 2032, plus interest 2.74%	$ 31,544,207

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2022	$ 2,475,000	$ 830,974	$ 3,305,974
2023	2,400,000	764,186	3,164,186
2024	2,445,000	897,810	3,342,810
2025	2,495,000	630,132	3,125,132
2026 – 2030	13,220,000	2,087,745	15,307,745
2031 – 2033	8,509,207	353,324	8,862,531
Total	$ 31,544,207	$ 5,564,171	$ 37,108,378

Notes Payable

The City has incurred debt to the Georgia Environmental Facilities Authority ("GEFA") for construction of various water and sewer system projects and various improvements to the water and sewer system.

These notes are as follows at June 30, 2021:

Interest Rate	Term	Fiscal Year Due Date	Amount
3.00%	20 years	2025	$ 1,231,722
3.81%	20 years	2033	642,741
1.09%	20 years	2035	203,493
1.40%	15 years	2035	261,389
			$ 2,339,345

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

The City's GEFA notes payable debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2022	$ 386,438	$ 58,486	$ 444,924
2023	397,868	47,056	444,924
2024	409,641	35,283	444,924
2025	374,318	26,559	400,877
2026	90,400	21,110	111,510
2027 – 2031	490,301	66,211	556,512
2032 – 2035	190,379	5,905	196,284
Total	$ 2,339,345	$ 260,610	$ 2,599,955

In June 2019, the City entered into a note payable agreement with a financial institution to finance the purchase of a radio communication system. The note is payable monthly over a term of six years at a rate of 2.82%. The note payable debt service requirement to maturity is as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2022	$ 177,874	$ 14,027	$ 191,901
2023	183,098	8,803	191,901
2024	188,428	3,473	191,901
2025	16,074	38	16,112
Total	$ 565,474	$ 26,341	$ 591,815

Leases

The City has entered into lease agreements as lessee for financing the acquisition of vehicles and other equipment. The agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date the equipment is acquired.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Leases (Continued)

The City reported equipment acquired under capital leases with a total acquisition value of $1,393,923 at June 30, 2021. The City reported accumulated depreciation and depreciation expense as of June 30, 2021, on these assets in the amounts of $1,286,976 and $175,041, respectively.

The following is a schedule of the future minimum lease payments under these capital leases, and the net present value of the net minimum lease payments at June 30, 2021.

	Governmental Activities
Fiscal year ending June 30,	
2022	$ 230,420
2023	145,965
Total minimum lease payments	376,385
Less amounts representing interest	(16,680)
Present value of future minimum lease payments	$ 359,705

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 615,510	$ -	$ (255,805)	$ 359,705	$ 215,470
Notes payable	743,687	-	(178,213)	565,474	177,874
Net pension liability	306,665	84,351	(96,983)	294,033	-
Compensated absences	219,148	300,807	(293,096)	226,859	226,859
Governmental activity long-term liabilities	$ 1,885,010	$ 385,158	$ (824,097)	$ 1,446,071	$ 620,203
Business-type activities:					
Bonds payable	$ 34,094,207	$ -	$ (2,550,000)	$ 31,544,207	$ 2,550,000
Notes payable	2,579,314	-	(239,969)	2,339,345	386,438
Compensated absences	62,059	79,625	(78,313)	63,371	63,371
Business-type activity long-term liabilities	$ 36,735,580	$ 79,625	$ (2,868,282)	$ 33,946,923	$ 2,999,809

For governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 345,878
General Fund	Water and sewer fund	89,901
Nonmajor governmental funds	Nonmajor enterprise fund	4,275
Nonmajor governmental funds	General Fund	45,666
		$ 485,720

Advance To	Advance From	
General Fund	Nonmajor enterprise fund	$ 30,000

These balances resulted from time lag between the dates the: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Additionally, at June 30, 2021, the City's General Fund has advanced the Aquatic Center Fund $30,000.

The composition of interfund transfers as of June 30, 2021, is as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 39,680
Water and Sewer Fund	SPLOST Fund	1,500,000
		$ 1,539,680

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

NOTE 8. PENSION PLANS

Plan Description

The City of St. Marys Retirement Plan (the "Plan") is an agent multiple-employer noncontributory defined benefit pension plan administered by Georgia Municipal Association through the Georgia Municipal Employees Benefit System ("GMEBS"). The Plan covers all City employees who had attained a service period of one year or more by the date that the Plan was closed to new entrants in 1996. The City has authorized the GMEBS Board to establish and amend all Plan provisions.

GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, P.O. Box 105377, Atlanta, Georgia 30348.

NOTE 8. PENSION PLANS (CONTINUED)

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Employees, during the time the Plan was open to new entrants, were eligible for participation after one year of continuous service. Participants became vested after ten years of service.

Employee Participation

At June 30, 2021, the following employees were covered by the Plan:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to, but not receiving benefits	8
Total	36

Contributions

The funding policy for the Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the Plan. The City is required to contribute at an actuarially determined rate. As there are no active participants, the contribution has remained at the 2011 dollar amount and is no longer being shown as a percentage of payroll.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%

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.

NOTE 8. PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

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, 2020 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Domestic fixed income	20%	1.96
Real estate	10%	4.76
Global fixed income	5%	3.06
Cash	0%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.375%. 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 8. PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	$ 923,828	$ 617,163	$ 306,665
Changes for the year			
Interest	64,418	-	64,418
Differences between expected and actual experience	10,887	-	10,887
Contributions - employer	-	44,381	(44,381)
Net investment income	-	52,602	(52,602)
Benefit payments, including refunds of employee contributions	(100,731)	(100,731)	-
Administrative expense	-	(9,046)	9,046
Net changes	(25,426)	(12,794)	(12,632)
Ending Balance	$ 898,402	$ 604,369	$ 294,033

The required schedule of changes in the City'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, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 348,779	$ 294,033	$ 245,081

NOTE 8. PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

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, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of $28,650 and deferred inflows of resources related to pensions of $3,409 resulting from an investment earnings difference between projected and actual investments. This deferred inflow of resources will be recognized in pension expense as follows:

Year ending June 30:		
2022	$	(7,797)
2023		1,528
2024		4,760
2025		(1,900)
Total	$	(3,409)

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City has established a defined contribution pension plan (the “Plan”) that is administered by the Variable Annuity Life Insurance Company for all of its full-time employees. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City Council. At June 30, 2021, there were 130 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to a maximum of $19,500 for the year ended June 30, 2021. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City contributes an amount equal to 7% of each participant’s compensation. Total employer contributions for the year ended June 30, 2021, were $234,342. Total employee contributions for the year ended June 30, 2021 were $166,211.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission (“CRC”) and is required to pay annual dues thereto. During the year ended June 30, 2021, the City paid $22,257 in such dues. Membership in the CRC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from the Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

NOTE 11. RELATED ORGANIZATIONS

The City Council is responsible for the appointment of a board member to the Southeast Georgia Consolidated Housing Authority. However, the City has no further accountability for this organization. During the year ended June 30, 2021, the City did not provide any contributions to the Southeast Georgia Consolidated Housing Authority.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts 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 pool’s agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the 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 City contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverages.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 6%. Expenditures of the tax were used to promote tourism as required by O.C.G.A. §48-13-50. For the year ended June 30, 2021, $177,155 of hotel/motel tax was collected. Of the total collected, 100% was used for the promotion of tourism.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

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

Construction Commitments

In addition to the liabilities enumerated in the balance sheet at June 30, 2021, the City has contractual commitments on uncompleted contracts of $169,445.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. MARYS, GEORGIA

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

	2021	2020	2019
Total pension liability			
Interest on total pension liability	**$ 64,418**	$ 63,277	$ 65,937
Differences between expected and actual experience	**10,887**	25,920	11,400
Changes of assumptions	**-**	-	-
Benefit payments, including refunds of employee contributions	**(100,731)**	(110,034)	(115,574)
Other changes	**-**	45,957	-
Net change in total pension liability	**(25,426)**	25,120	(38,237)
Total pension liability - beginning	**923,828**	898,708	936,945
Total pension liability - ending (a)	**$ 898,402**	$ 923,828	$ 898,708
Plan fiduciary net position			
Contributions - employer	**$ 44,381**	$ 37,456	$ 36,135
Net investment income	**52,602**	14,929	65,859
Benefit payments, including refunds of member contributions	**(100,731)**	(110,034)	(115,574)
Administrative expenses	**(9,046)**	(8,999)	(9,943)
Net change in plan fiduciary net position	**(12,794)**	(66,648)	(23,523)
Plan fiduciary net position - beginning	**617,163**	683,811	707,334
Plan fiduciary net position - ending (b)	**$ 604,369**	$ 617,163	$ 683,811
City's net pension liability - ending (a) - (b)	**$ 294,03**	$ 306,66	$ 214,89
Plan fiduciary net position as a percentage of the total pension liability	**67.3%**	66.8%	76.1%
Covered payroll	**$ -**	$ -	$ -
Net pension liability as a percentage of covered payroll	**0.0%**	0.0%	0.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

2018	2017	2016	2015
$ 71,041	$ 65,625	$ 67,785	$ 69,743
(3,979)	124,702	12,987	1,546
13,951	-	-	2,191
(121,442)	(119,457)	(97,821)	(99,674)
-	-	-	-
(40,429)	70,870	(17,049)	(26,194)
977,374	906,504	923,553	949,747
$ 936,945	$ 977,374	$ 906,504	$ 923,553
$ 35,443	$ 22,683	$ 19,285	$ 19,285
97,638	76,881	12,598	88,859
(121,442)	(119,457)	(97,821)	(99,674)
(11,048)	(7,861)	(7,167)	(5,996)
591	(27,754)	(73,105)	2,474
706,743	734,497	807,602	805,128
$ 707,334	$ 706,743	$ 734,497	$ 807,602
$ 229,61[illegible]	$ 270,63[illegible]	$ 172,00[illegible]	$ 115,95[illegible]
75.5%	72.3%	81.0%	87.4%
$ -	$ 47,778	$ 49,178	$ 49,178
0.0%	566.4%	349.8%	235.8%

CITY OF ST. MARYS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS - RETIREMENT PLAN
FOR THE FISCAL YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017
Actuarially determined contribution	**$ 45,831**	$ 37,456	$ 37,456	$ 35,443	$ 19,285
Contributions in relation to the actuarially determined contribution	**45,831**	44,381	37,456	35,443	19,285
Contribution deficiency (excess)	**$ -**	$ (6,925)	$ -	$ -	$ -
Covered payroll	**$ -**	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	**0.0%**	0.0%	0.0%	0.0%	0.0%

	2016
Actuarially determined contribution	$ 19,285
Contributions in relation to the actuarially determined contribution	19,285
Contribution deficiency (excess)	$ -
Covered payroll	$ 47,778
Contributions as a percentage of covered payroll	40.4%

Notes to the Schedule:

Valuation Date	January 1, 2021
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 the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return On Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

The schedule will present 10 years of information once it is accumulated.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF ST. MARYS, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund – To account for excise taxes on lodgings and accommodations.

Tax Allocation District Fund – To account for the additional incremental property tax within the City's tax allocation district.

Confiscated Assets Fund – To account for confiscated and condemned funds received and disbursed for law enforcement expenditures.

Multiple Grants Fund – To account for small grants received from various agencies.

Capital Project Funds

SPLOST Fund – To account for the revenues and expenditures relating to the 2008 and 2013 1% Special Purpose Local Option Sales Tax.

Capital Project Fund – To account for appropriations and expenditures related to various City construction projects.

CITY OF ST. MARYS, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund	Multiple Grants Fund	SPLOST	Capital Project	
Cash and cash equivalents	$ -	$ 156,626	$ 12,773	$ 1,405	$ 1,071,868	$ 204,750	$ 1,447,422
Accounts receivable	26,429	-	-	-	-	-	26,429
Due from other funds	-	35,077	-	-	14,864	-	49,941
Total assets	$ 26,429	$ 191,703	$ 12,773	$ 1,405	$ 1,086,732	$ 204,750	$ 1,523,792
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ 1,405	$ 61,322	$ -	$ 62,727
Accrued liabilities	-	1,075	-	-	-	-	1,075
Due to component units	26,429	-	-	-	-	-	26,429
Due to other funds	-	258,968	-	-	86,910	-	345,878
Total liabilities	26,429	260,043	-	1,405	148,232	-	436,109
FUND BALANCE (DEFICIT)							
Restricted for:							
Capital projects	-	-	-	-	938,500	204,750	1,143,250
Public safety	-	-	12,773	-	-	-	12,773
Unassigned	-	(68,340)	-	-	-	-	(68,340)
Total fund balance (deficit)	-	(68,340)	12,773	-	938,500	204,750	1,087,683
Total liabilities and fund balance	$ 26,429	$ 191,703	$ 12,773	$ 1,405	$ 1,086,732	$ 204,750	$ 1,523,792

CITY OF ST. MARYS, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue				Capital Projects		Total
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund	Multiple Grants Fund	SPLOST	Capital Project	Nonmajor Governmental Funds
REVENUES							
Taxes	$ 177,155	$ -	$ -	$ -	$ -	$ -	$ 177,155
Intergovernmental	-	60,159	-	20,548	-	203,520	284,227
Interest	-	71	5	-	836	401	1,313
Miscellaneous	-	11,700	16,640	-	-	-	28,340
Total revenues	177,155	71,930	16,645	20,548	836	203,921	491,035
EXPENDITURES							
Current:							
Public safety	-	-	2,263	-	-	-	2,263
Housing and development	177,155	-	-	-	-	-	177,155
Capital outlay	-	-	-	-	947,015	380,698	1,327,713
Total expenditures	177,155	-	2,263	-	947,015	380,698	1,507,131
Excess (deficiency) of revenues over (under) expenditures	-	71,930	14,382	20,548	(946,179)	(176,777)	(1,016,096)
Other financing uses							
Transfers out	-	-	(1,823)	(20,548)	-	(17,309)	(39,680)
Total other financing uses	-	-	(1,823)	(20,548)	-	(17,309)	(39,680)
Net change in fund balances	-	71,930	12,559	-	(946,179)	(194,086)	(1,055,776)
FUND BALANCE (DEFICIT), beginning of year	-	(140,270)	214	-	1,884,679	398,836	2,143,459
FUND BALANCE (DEFICIT), end of year	$ -	$ (68,340)	$ 12,773	$ -	$ 938,500	$ 204,750	$ 1,087,683

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL/MOTEL TAX FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 123,420	$ 123,420	$ 177,155	$ 53,735
Total revenues	123,420	123,420	177,155	53,735
Expenditures				
Current:				
Housing and development	123,420	123,420	177,155	(53,735)
Total expenditures	123,420	123,420	177,155	(53,735)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX ALLOCATION DISTRICT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 35,000	$ 35,000	$ 60,159	$ 25,159
Interest	25	25	71	46
Miscellaneous	-	-	11,700	11,700
Total revenues	35,025	35,025	71,930	36,905
Expenditures				
Capital outlay	35,025	35,025	-	35,025
Total expenditures	35,025	35,025	-	35,025
Net change in fund balances	-	-	71,930	71,930
Fund balance (deficit), beginning of year	(140,270)	(140,270)	(140,270)	-
Fund balance (deficit), end of year	$ (140,270)	$ (140,270)	$ (68,340)	$ 71,930

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CONFISCATED ASSETS FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Miscellaneous	$ -	$ -	$ 16,640	$ 16,640
Total revenues	-	-	16,640	16,640
Expenditures				
Current:				
Housing and development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	16,640	16,640
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 16,640	$ 16,640

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MULTIPLE GRANTS FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 1,214,246	$ 1,214,246	$ 20,548	$ (1,193,698)
Total revenues	1,214,246	1,214,246	20,548	(1,193,698)
Other financing uses				
Transfers out	(1,214,246)	(1,214,246)	(20,548)	1,193,698
Total other financing uses	(1,214,246)	(1,214,246)	(20,548)	1,193,698
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF ST. MARYS, GEORGIA

SCHEDULES OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SPLOST 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Bond debt	$ 11,000,000	$ 11,000,000	$ 7,648,250	$ -	$ 7,648,250
Improvements	4,327,918	4,327,918	1,196,723	947,015	2,143,738
Equipment/vehicles capital outlay	2,503,375	2,503,375	288,461	-	288,461
Totals	$ 17,831,293	$ 17,831,293	$ 9,133,434	$ 947,015	$ 10,080,449

SPLOST 2019

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Bond debt	$ 9,600,000	$ 9,600,000	$ 1,250,000	$ 1,500,000	$ 2,750,000
Improvements	2,525,729	2,525,729	-	-	-
Equipment/vehicles capital outlay	1,250,000	1,250,000	-	-	-
Totals	$ 13,375,729	$ 13,375,729	$ 1,250,000	$ 1,500,000	$ 2,750,000

CITY OF ST. MARYS, GEORGIA

DISCRETELY PRESENTED COMPONENT UNITS

Industrial Development Authority – Responsible for the development and coordination of economic growth projects in the City and for the redevelopment of property owned or acquired by the City for the best economic use for the citizens of the City.

Downtown Development Authority – Responsible for the development and coordination of economic growth projects in the City and for the redevelopment of property owned or acquired by the City for the best economic use for the citizens of the City.

Convention and Visitors Center Bureau – Established to foster and promote tourism within the City.

Cemetery Authority – Established to account for the operation, care and maintenance of the Historic Oak Grove Cemetery.

CITY OF ST. MARYS, GEORGIA

BALANCE SHEET
COMPONENT UNITS
JUNE 30, 2021

ASSETS	Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
Cash and cash equivalents	$ 11,582	$ 43,814	$ 81,407	$ 275,681
Accounts receivable	-	-	215	8,332
Prepaid items	-	-	2,615	-
Due from primary government	-	-	26,429	-
Total assets	$ 11,582	$ 43,814	$ 110,666	$ 284,013
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ -	$ 1,858	$ 5,020	$ -
Due to primary government	-	-	403	-
Accrued expenses	-	-	621	-
Total liabilities	-	1,858	6,044	-
FUND BALANCE				
Unassigned	11,582	41,956	104,622	284,013
Total fund balances	11,582	41,956	104,622	284,013
Total liabilities and fund balance	$ 11,582	$ 43,814	$ 110,666	$ 284,013

CITY OF ST. MARYS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
REVENUES				
Intergovernmental revenue	$ -	$ 25,000	$ 205,505	$ -
Charges for services	-	-	1,533	30,521
Rental income	-	3,600	-	-
Interest revenue	5	22	33	57,751
Miscellaneous	-	-	1,690	16,749
Total revenues	5	28,622	208,761	105,021
EXPENDITURES				
Current:				
Housing and development	300	29,861	154,200	11,840
Net change in fund balance	(295)	(1,239)	54,561	93,181
FUND BALANCE, beginning of year	11,877	43,195	50,061	190,832
FUND BALANCE, end of year	$ 11,582	$ 41,956	$ 104,622	$ 284,013

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's ACFR 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

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Financial Trends ..... **67 – 72**
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 ..... **73 – 78**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **79 – 82**
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 ..... **83 and 84**
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 ..... **85 – 87**
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 ST. MARYS, GEORGIA

NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	$ 17,935,379	$ 17,535,360	$ 16,700,483	$ 16,237,254	$ 15,368,187	$ 14,854,805	$ 14,015,824	$ 15,613,634	$ 18,789,097	$ 18,677,531
Restricted	431,679	550,242	1,182,601	1,116,711	1,704,547	1,886,056	2,567,159	3,349,525	2,667,851	2,096,502
Unrestricted	4,598,226	5,155,188	5,597,625	5,832,944	6,376,327	5,992,197	5,369,412	6,444,403	5,928,265	7,705,661
Total governmental activities net position	$ 22,965,284	$ 23,240,790	$ 23,480,709	$ 23,186,909	$ 23,449,061	$ 22,733,058	$ 21,952,395	$ 25,407,562	$ 27,385,213	$ 28,479,694
Business-type activities:										
Net investment in capital assets	$ 31,791,521	$ 29,671,562	$ 28,338,804	$ 29,984,972	$ 32,154,292	$ 32,075,270	$ 27,807,151	$ 28,031,822	$ 31,641,871	$ 31,641,804
Restricted	1,395,412	1,425,145	1,606,046	1,554,362	1,608,546	2,049,167	1,840,323	1,840,323	1,629,514	1,100,899
Unrestricted	5,001,818	4,940,356	4,989,481	5,367,531	5,422,506	5,144,676	11,081,797	11,181,187	7,832,037	9,993,182
Total business-type activities net position	$ 38,188,751	$ 36,037,063	$ 34,934,331	$ 36,906,865	$ 39,185,344	$ 39,269,113	$ 40,729,271	$ 41,053,332	$ 41,103,422	$ 42,735,885
Primary government:										
Net investment in capital assets	$ 49,726,900	$ 47,206,922	$ 45,039,287	$ 46,222,226	$ 47,522,479	$ 46,930,075	$ 41,822,975	$ 43,645,456	$ 50,430,968	$ 50,319,335
Restricted	1,827,091	1,975,387	2,788,647	2,671,073	3,313,093	3,935,223	4,407,482	5,189,848	4,297,365	3,197,401
Unrestricted	9,600,044	10,095,544	10,587,106	11,200,475	11,798,833	11,136,873	16,451,209	17,625,590	13,760,302	17,698,843
Total primary government net position	$ 61,154,035	$ 59,277,853	$ 58,415,040	$ 60,093,774	$ 62,634,405	$ 62,002,171	$ 62,681,666	$ 66,460,894	$ 68,488,635	$ 71,215,579

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF ST. MARYS, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Primary government:										
Governmental activities										
General government	$ 2,091,188	$ 2,390,846	$ 2,115,069	$ 2,161,037	$ 2,373,458	$ 2,762,387	$ 5,663,402	$ 2,306,567	$ 1,828,789	$ 3,070,770
Public safety	4,116,046	3,961,427	3,888,423	3,858,552	3,940,511	4,069,083	4,262,525	4,009,102	4,366,745	4,094,602
Public works	2,227,367	1,964,028	1,942,397	2,245,806	1,927,762	2,213,808	1,936,690	2,476,956	3,068,719	3,730,828
Health and welfare	116,492	111,221	118,747	129,908	129,467	145,040	152,029	168,699	183,951	182,863
Judicial	201,782	188,216	176,296	165,599	176,330	187,872	188,366	173,484	164,460	231,414
Culture and recreation	521,389	501,057	437,819	456,448	507,216	520,280	379,147	429,153	482,502	310,826
Housing and development	438,725	483,860	682,444	603,979	659,695	737,632	744,961	711,232	1,247,176	748,899
Interest on long-term debt	3,821	1,786	727	20	2,151	25,381	25,614	30,958	47,516	31,770
Total governmental activities expenses	9,716,810	9,602,441	9,361,922	9,621,349	9,716,590	10,661,483	13,352,734	10,306,151	11,389,858	12,401,972
Business-type activities										
Water and sewer	8,068,328	8,046,125	7,856,298	7,961,580	8,025,543	8,291,427	7,575,655	7,814,485	7,800,699	7,982,230
Solid waste	1,143,276	986,859	998,489	1,020,589	1,065,162	1,222,388	1,156,030	1,172,093	1,233,861	1,284,532
Aquatic center	409,451	408,567	441,899	434,759	465,014	449,460	433,650	525,076	411,282	487,717
Total business-type activities expenses	9,621,055	9,441,551	9,296,686	9,416,928	9,555,719	9,963,275	9,165,335	9,511,654	9,445,842	9,754,479
Total primary government expenses	19,337,865	19,043,992	18,658,608	19,038,277	19,272,309	20,624,758	22,518,069	19,817,805	20,835,700	22,156,451
Program revenues										
Governmental activities										
Charges for services:										
General government	1,101,935	986,902	838,573	969,520	1,001,862	1,093,999	1,221,504	1,176,408	1,314,381	1,215,895
Public safety	431,856	369,934	5,684	1,147	550	993	235,348	169,025	187,444	343,331
Public works	45,154	27,232	72,071	38,266	38,112	43,135	64,213	79,487	59,622	63,856
Health and welfare	-	-	25,000	30,000	30,000	30,000	-	-	-	-
Judicial	-	-	318,859	242,778	294,720	202,089	-	-	-	-
Culture and recreation	56,090	43,437	6,124	4,924	4,866	4,564	12,178	11,430	7,329	4,361
Housing and development	-	-	16,300	14,914	15,568	11,572	-	-	-	-
Operating grants and contributions	305,498	191,685	157,803	8,618	67,767	261,385	-	-	-	-
Capital grants and contributions	565,399	1,119,677	851,770	3,646,965	4,619,371	2,183,873	4,602,481	4,554,489	3,578,031	3,372,958
Total governmental activities program revenues	2,505,932	2,738,867	2,292,184	4,957,132	6,072,816	3,831,610	6,135,724	5,990,839	5,146,807	5,000,401
Business-type activities										
Charges for services [a]										
Water and sewer	6,250,565	6,067,511	6,078,703	6,285,199	6,430,451	6,778,955	7,324,144	6,886,387	6,786,927	8,219,432
Solid waste	1,069,520	1,066,800	1,034,804	1,054,474	1,068,811	1,164,094	1,189,039	1,224,432	1,240,429	1,286,459
Aquatic center	332,148	332,912	354,069	392,422	407,946	404,773	433,845	461,209	205,434	375,714
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	614,258	590,526	-	-	-	-	-	-
Total business-type activities program revenues	$ 7,652,233	$ 7,467,223	$ 8,081,834	$ 8,322,621	$ 7,907,208	$ 8,347,822	$ 8,947,028	$ 8,572,028	$ 8,232,790	$ 9,881,605
Total primary government program revenues	$ 10,158,165	$ 10,206,090	$ 10,374,018	$ 13,279,753	$ 13,980,024	$ 12,179,432	$ 15,082,752	$ 14,562,867	$ 13,379,597	$ 14,882,006

(Continued)

CITY OF ST. MARYS, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position										
Primary government										
Governmental activities:										
Property taxes	$ 3,367,477	$ 3,191,238	$ 3,321,216	$ 3,219,206	$ 3,585,232	$ 3,520,121	$ 3,722,766	$ 4,339,628	$ 4,585,293	$ 4,436,872
Franchise taxes	910,675	887,266	905,317	1,070,546	1,011,980	996,179	969,126	1,032,606	1,043,888	1,054,684
Sales taxes	1,956,799	1,905,129	1,907,852	1,916,715	1,795,049	1,753,020	1,844,924	2,005,315	2,151,902	2,692,904
Hotel/motel taxes	104,033	103,943	118,907	138,298	140,460	157,570	139,172	140,216	128,652	177,155
Other taxes	1,048,986	1,111,129	1,146,466	1,187,316	1,260,860	1,348,895	1,408,542	1,466,945	1,553,550	1,626,457
Unrestricted investment earnings	11,032	7,775	8,460	8,007	4,859	5,034	5,867	6,360	7,417	7,980
Gain on sale of capital assets	-	-	-	12,963	-	-	-	8,378	-	-
Miscellaneous	-	-	131	19,825	3,586	2,351	-	-	-	-
Transfers	(91,553)	(67,400)	(102,639)	(3,031,768)	(3,896,100)	(1,669,300)	(1,654,050)	(1,228,969)	(1,250,000)	(1,500,000)
Total governmental activities general revenues and changes in net position	7,307,449	7,139,080	7,305,710	4,541,108	3,905,926	6,113,870	6,436,347	7,770,479	8,220,702	8,496,052
Business-type activities										
Unrestricted investment earnings	12,271	4,710	3,898	4,498	4,726	7,867	16,731	23,922	13,142	1,981
Gain on sale of assets	-	28,662	-	26,185	3,779	-	7,684	10,796	-	3,356
Miscellaneous	15,132	20,101	5,583	4,390	22,385	22,055	-	-	-	-
Transfers	91,553	67,400	102,639	3,031,768	3,896,100	1,669,300	1,654,050	1,228,969	1,250,000	1,500,000
Total business type activities general revenues and changes in net position	118,956	120,873	112,120	3,066,841	3,926,990	1,699,222	1,678,465	1,263,687	1,263,142	1,505,337
Total primary government general revenues and other changes in net position	7,426,405	7,259,953	7,417,830	7,607,949	7,832,916	7,813,092	8,114,812	9,034,166	9,483,844	10,001,389
Change in net position										
Governmental activities	96,571	275,506	235,972	(123,109)	262,152	(716,003)	(780,663)	3,455,167	1,977,651	1,094,481
Business-type activities	(1,849,866)	(1,853,455)	(1,102,732)	1,972,534	2,278,479	83,769	1,460,158	324,061	50,090	1,632,463
Total primary government change in net position	$ (1,753,295)	$ (1,577,949)	$ (866,760)	$ 1,849,425	$ 2,540,631	$ (632,234)	$ 679,495	$ 3,779,228	$ 2,027,741	$ 2,726,944

[a] Revenue growth from year to year due mostly to increased rates for services due to rising energy costs.

CITY OF ST. MARYS, GEORGIA

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 231,136	$ 115,494	$ 97,190	$ 107,651	$ 113,760	$ 284,805	$ 102,159	$ 140,530	$ 219,391	$ 144,474
Restricted	25,000	6,250	6,250	6,250	6,250	-	25,000	-	-	-
Unassigned	4,205,195	4,959,599	5,437,868	6,001,980	6,573,053	6,146,644	5,700,629	6,935,073	5,993,853	8,093,619
Total General Fund	4,461,331	5,081,343	5,541,308	6,115,881	6,693,063	6,431,449	5,827,788	7,075,603	6,213,244	8,238,093
All other governmental funds										
Nonspendable, reported in										
Special Revenue Funds	77	77	-	-	-	-	-	-	-	-
Restricted, reported in										
Special Revenue Funds	406,679	543,992	406,443	406,443	406,443	408,143	415,091	214	214	12,773
Capital Projects Funds	-	-	769,908	704,018	1,291,854	1,477,913	2,127,068	3,349,311	2,667,637	2,083,729
Unassigned	-	(4,024)	-	-	-	-	-	(201,853)	(140,270)	(68,340)
Total all other governmental funds	406,756	540,045	1,176,351	1,110,461	1,698,297	1,886,056	2,542,159	3,147,672	2,527,581	2,028,162
Total all governmental funds	$ 4,868,087	$ 5,621,388	$ 6,717,659	$ 7,226,342	$ 8,391,360	$ 8,317,505	$ 8,369,947	$ 10,223,275	$ 8,740,825	$ 10,266,255

CITY OF ST. MARYS, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 7,368,519	$ 7,276,692	$ 7,430,502	$ 7,742,339	$ 7,818,328	$ 7,757,088	$ 8,088,289	$ 8,995,271	$ 9,172,707	$ 10,315,475
Licenses and permits	416,059	348,420	360,696	384,527	470,557	519,316	599,329	489,223	464,527	577,940
Intergovernmental	870,897	1,311,362	1,009,573	3,654,763	4,686,684	2,444,807	3,386,191	3,337,784	2,362,156	3,372,799
Fines and forfeitures	431,856	369,934	331,474	249,957	302,847	209,762	228,945	161,689	182,998	339,546
Charges for services	127,975	67,652	92,955	85,531	81,706	86,323	96,162	116,115	81,489	81,792
Interest income	11,032	7,775	8,460	8,827	5,313	5,484	6,345	7,253	7,480	8,139
Contributions and donations	-	-	131	19,825	3,586	2,351	-	-	-	-
Other revenues	659,145	641,499	497,486	581,534	530,568	570,951	1,824,619	1,885,135	2,055,574	628,165
Total revenues	9,885,483	10,023,334	9,731,277	12,727,303	13,899,589	11,596,082	14,229,880	14,992,470	14,326,931	15,323,856
Expenditures										
Current:										
General government	1,672,844	1,732,397	1,738,710	1,836,652	1,911,051	2,069,025	5,253,261	3,302,377	3,755,946	2,610,685
Public safety	3,825,585	3,795,139	3,723,237	3,730,462	4,841,963	3,854,980	4,204,586	3,885,279	4,144,992	4,189,246
Public works	1,476,893	1,510,809	1,603,428	1,659,960	1,703,434	2,153,565	1,828,184	3,367,540	3,258,701	2,250,370
Health and welfare	116,492	111,221	118,747	129,908	129,467	145,040	129,591	144,634	164,977	182,994
Judicial	201,782	188,216	176,296	165,599	176,330	187,872	188,376	173,498	164,426	231,414
Culture and recreation	477,569	439,315	346,379	406,381	459,233	460,441	362,028	366,767	486,505	289,898
Housing and development	398,102	460,368	650,942	579,536	625,370	699,243	720,609	687,998	1,210,689	750,318
Capital outlay	565,399	982,128	219,605	2,072,855	2,350,735	328,513	25,320	549,756	827,854	1,327,713
Debt service:										
Principal	166,731	51,055	40,653	10,188	15,024	197,898	246,183	326,990	497,775	434,018
Interest and fiscal charges	3,884	1,885	808	42	2,151	25,381	25,614	30,958	47,516	31,770
Total expenditures	8,905,281	9,272,533	8,618,805	10,591,583	12,214,758	10,121,958	12,983,752	12,835,797	14,559,381	12,298,426
Excess (deficiency) of revenues over (under) expenditures	980,202	750,801	1,112,472	2,135,720	1,684,831	1,474,124	1,246,128	2,156,673	(232,450)	3,025,430

(Continued)

CITY OF ST. MARYS, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
Proceeds from the sale of capital assets	$ -	$ 2,500	$ -	$ 12,963	$ -	$ -	$ 16,851	$ 8,378	$ -	$ -
Issuance of note payable	119,700	-	-	-	1,160,987	-	-	-	-	-
Issuance of lease payable	-	-	-	-	-	121,321	443,513	917,246	-	-
Transfers in	417,324	307,674	295,352	-	100,116	261,385	26,218	704,310	722,288	39,680
Transfers out	(424,234)	(307,674)	(315,500)	(1,640,000)	(1,780,916)	(1,930,685)	(1,680,268)	(1,933,279)	(1,972,288)	(1,539,680)
Total other financing sources	112,790	2,500	(20,148)	(1,627,037)	(519,813)	(1,547,979)	(1,193,686)	(303,345)	(1,250,000)	(1,500,000)
Net change in fund balances	$ 1,092,992	$ 753,301	$ 1,092,324	$ 508,683	$ 1,165,018	$ (73,855)	$ 52,442	$ 1,853,328	$ (1,482,450)	$ 1,525,430
Debt service as a percentage of noncapital expenditures	2.10%	0.60%	0.49%	0.10%	0.16%	2.33%	2.24%	3.95%	3.95%	4.21%

CITY OF ST. MARYS, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(in thousands)

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Hotel/Motel Tax	Other [1]	Total
2012	$ 3,367,477	$ 910,675	$ 1,956,799	$ 104,003	$ 1,048,986	$ 7,387,940
2013	3,177,293	887,267	1,905,129	103,943	1,548,132	7,621,764
2014	3,351,960	905,317	1,907,852	118,907	1,146,466	7,430,502
2015	3,219,206	1,070,545	1,916,715	138,298	1,187,316	7,532,080
2016	3,623,352	1,011,979	1,795,049	140,460	1,260,860	7,831,700
2017	3,520,121	996,179	1,753,020	157,570	1,348,895	7,775,785
2018	3,674,169	969,126	1,844,924	139,172	1,460,899	8,088,290
2019	4,314,071	1,032,606	2,005,315	140,216	1,503,063	8,995,271
2020	4,254,119	1,043,888	2,151,902	128,652	1,594,146	9,172,707
2021	4,714,375	1,054,684	2,692,904	177,155	1,676,358	10,315,475

Notes: [1] Includes alcohol business taxes, hotel/motel taxes, insurance premium taxes and franchise fees.

CITY OF ST. MARYS, GEORGIA

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

Fiscal Year Ended June 30,	Digest Tax Year	Real and Personal Property	Motor Vehicle	Motor Homes	Other Property [a]	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2012	2011	$ 608,273,055	$ 32,560,440	$ 1,127,433	$ -	$ 12,973,950	$ 628,986,978	5.35	$ 1,572,467,445	40%
2013	2012	554,314,317	33,340,400	1,157,065	-	12,241,670	576,570,112	5.32	1,441,425,280	40%
2014	2013	504,286,654	35,668,380	1,126,965	-	13,743,563	527,338,436	5.32	1,318,346,090	40%
2015	2014	496,366,175	31,256,660	1,085,535	62,406	12,971,648	515,799,128	5.35	1,289,497,820	40%
2016	2015	496,146,425	22,194,870	1,206,391	107,589	13,020,628	506,634,647	6.00	1,266,586,618	40%
2017	2016	506,736,859	16,144,250	1,174,178	211,540	15,242,710	509,024,117	6.00	1,272,560,293	40%
2018	2017	530,237,860	11,898,750	1,127,255	91,622	15,342,710	528,012,777	6.00	1,320,031,943	40%
2019	2018	585,686,467	8,819,800	1,241,502	-	10,666,412	585,081,357	6.50	1,462,703,393	40%
2020	2019	587,870,913	7,341,110	1,292,712	211,727	19,665,894	577,050,568	6.60	1,442,626,420	40%
2021	2020	599,872,675	6,155,100	1,640,292	18,419	29,632,199	578,054,287	6.59	1,445,135,718	40%

Source: Camden County Tax Commissioner.

[a] Other property consists of agricultural, utilities, heavy truck, etc.

CITY OF ST. MARYS, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per $1,000 of assessed value)

Fiscal Year	Digest Year	City Direct Rate	Overlapping Rates			Total Direct and Overlapping Rates
			Camden County	Camden County Board of Education	State	
2012	2011	5.351	11.700	15.500	0.250	32.801
2013	2012	5.321	11.700	15.500	0.250	32.771
2014	2013	5.321	11.700	15.500	0.150	32.671
2015	2014	5.351	11.940	15.820	0.100	33.211
2016	2015	6.000	12.940	16.000	0.500	35.440
2017	2016	6.000	13.940	16.000	-	35.940
2018	2017	6.000	13.940	16.000	-	35.940
2019	2018	6.500	13.405	16.000	-	35.905
2020	2019	6.600	15.790	16.000	-	38.390
2021	2020	6.586	15.790	16.000	-	38.376

Source: Camden County Tax Commissioner.

CITY OF ST. MARYS, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
Taxpayer	Taxable Assessed Value (In thousands)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (In thousands)	Rank	Percentage of Total City Taxable Assessed Value
Georgia Power Company	$ 23,476,387	1	4.06%	$ 14,728,528	3	2.34%
Georgia Pacific St. Marys	18,199,854	2	3.15%	11,972,580	4	1.90%
Brant Creek LLC	11,107,218	3	1.92%	9,110,603	7	1.45%
Strata Hiddenbay LLLC	10,220,772	4	1.77%	-		-
Old Weed and Ready Plantation LLC	9,007,707	5	1.56%	11,706,861	5	1.86%
GA Sharpstone LLC Etal	8,070,034	6	1.40%	-		-
PFJ Southeast LLC	6,815,937	7	1.18%	-		-
Walmart Real Estate	6,662,922	8	1.15%	14,761,551	2	2.35%
Express Scripts Inc	6,236,115	9	1.08%	-		-
Walmart Stores East LLP	6,182,116	10	1.07%	7,461,410	10	1.19%
Point Peter LLC	-		-	19,415,989	1	3.09%
Osprey Development	-		-	11,199,188	6	1.78%
Winding River LLC	-		-	8,659,399	8	1.38%
Nicholson Travel Plaza	-		-	7,625,707	9	1.21%
Total	$ 105,979,062		18.33%	$ 116,641,816		18.55%

Source: City of St. Marys Finance and Tax Department.

CITY OF ST. MARYS, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Digest Tax Year	Taxes Levied for the Fiscal Year [a]	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	
2012	2011	$ 3,234,429	$ 2,986,509	92.33%	$ 149,593	$ 3,136,102	96.96%	$ 98,327
2013	2012	2,757,956	2,622,660	95.09%	28,517	2,651,177	96.13%	106,780
2014	2013	2,571,779	2,536,290	98.62%	32,095	2,568,385	99.87%	3,394
2015	2014	2,760,041	2,704,564	97.99%	29,925	2,734,489	99.07%	25,552
2016	2015	3,039,808	2,863,049	94.19%	-	2,863,049	94.19%	176,759
2017	2016	3,054,145	2,853,424	93.43%	-	2,853,424	93.43%	200,721
2018	2017	3,168,077	3,027,631	95.57%	81,438	3,109,069	98.14%	59,008
2019	2018	3,737,645	3,617,590	96.79%	71,519	3,689,109	98.70%	48,536
2020	2019	3,796,129	3,640,050	95.89%	92,569	3,732,619	98.33%	63,510
2021	2020	3,807,443	3,794,131	99.65%	-	3,794,131	99.65%	13,312

Source: City of St. Marys Finance and Tax Department.

[a] Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2019 are used for fiscal year ended in 2020).

CITY OF ST. MARYS, GEORGIA

WATER SEWER RATES
LAST TEN FISCAL YEARS

Fiscal Year	Gallons of Water Consumed	Total Direct Rate					
		Water Base Rate	Per Gallon Variable Rate		Wastewater Base Rate	Per Gallon Variable Rate	
			0 Through 6,000 (per 1,000)	6,001 and Over (per 1,000)		0 Through 6,000 (per 1,000)	6,001 and Over (per 1,000)
2012	527,599,000	20.45	2.860	3.280	20.45	2.860	3.280
2013	335,285,000	20.45	2.860	3.280	20.45	2.860	3.280
2014	408,472,868	20.45	2.860	3.280	20.45	2.860	3.280
2015	414,243,799	20.45	2.860	3.280	20.45	2.860	3.280
2016	427,130,000	20.45	2.860	3.280	20.45	2.860	3.280
2017	434,247,200	20.45	2.860	3.280	20.45	2.860	3.280
2018	434,530,600	20.45	2.860	3.280	20.45	2.860	3.280
2019	433,825,910	20.45	2.860	3.280	20.45	2.860	3.280
2020	460,253,600	20.45	2.860	3.280	20.45	2.860	3.280
2021	464,523,400	20.15	2.860	3.280	20.45	2.860	3.280

Source: City of St. Marys Water Department.

CITY OF ST. MARYS, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property [1]	Percentage of Personal Income	Per Capita [1]
	Notes Payable	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases				
2012	$ -	$ 102,037	$ 43,870,000	$ 3,455,218	$ -	$ 47,427,255	3.02%	8.1%	$ 2,694
2013	-	50,983	43,585,000	4,134,321	-	47,770,304	3.31%	8.0%	2,691
2014	-	10,330	43,285,000	3,862,414	-	47,157,744	3.58%	8.3%	2,627
2015	-	-	41,320,000	3,581,972	-	44,901,972	3.48%	7.6%	2,499
2016	-	1,145,963	39,245,000	3,359,584	-	43,750,547	3.45%	7.3%	2,419
2017	-	1,069,386	40,560,000	3,398,847	138,965	45,167,198	3.55%	7.2%	2,507
2018	-	1,266,716	37,984,207	3,092,592	84,054	42,427,569	3.21%	6.7%	2,332
2019	917,246	939,726	36,054,207	3,048,334	33,148	40,992,661	2.80%	7.5%	2,208
2020	743,687	615,510	34,094,207	2,579,314	-	38,032,718	2.64%	5.0%	1,964
2021	565,474	359,705	31,544,207	2,339,345	-	34,808,731	2.41%	**	**

** Information not readily available

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

[1] See Assessed Value and Estimated Actual Value of Taxable Property for property values and Demographic and Economic Statistics for population data.

CITY OF ST. MARYS, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [1]
2012	$ 41,289,652	6.56%	$ 2,300
2013	41,099,251	7.13%	2,287
2014	41,162,534	7.81%	2,276
2015	39,522,534	7.66%	2,193
2016	37,745,227	7.45%	2,074
2017	1,880,000	0.37%	101
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-

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

[1] See Assessed Value and Estimated Actual Value of Taxable Property for property values and Demographic and Economic Statistics for population data.

CITY OF ST. MARYS, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	$ 66,752	$ 64,196	$ 58,881	$ 54,108	$ 52,877	$ 51,966	$ 50,902	$ 52,801	$ 58,508	$ 57,805
Total net debt applicable to limit	41,290	41,099	41,163	39,523	37,745	1,880	-	-	-	-
Legal debt margin	$ 25,462	$ 23,097	$ 17,718	$ 14,585	$ 15,132	$ 50,086	$ 50,902	$ 52,801	$ 58,508	$ 57,805
Total net debt applicable to the limit as a percentage of debt limit	61.86%	64.02%	69.91%	73.04%	71.38%	3.62%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021	
Total assessed value	$ 607,686
Less Exempt	29,632
Total taxable assessed value	578,054
Debt limit (10% of total taxable assessed value)	57,805
Debt applicable to limit	-
Legal debt margin	$ 57,805

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.

[(a)] Digest tax year levied actually funds for the following fiscal year (i.e., taxes levied for 2020 are used for fiscal year ended in 2021).

CITY OF ST. MARYS, GEORGIA

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(in thousands)

Fiscal Year	Operating Revenue [1]	Direct Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	$ 6,251	$ 3,209	$ 3,042	$ 275	$ 166	$ 441	6.90
2013	6,068	3,236	2,832	260	165	425	6.66
2014	6,079	3,139	2,940	255	167	422	6.97
2015	6,285	3,330	2,955	255	162	417	7.09
2016	6,430	3,468	2,962	275	151	426	6.95
2017	6,779	3,564	3,215	550	249	799	4.02
2018	7,324	3,605	3,719	286	1,044	1,330	2.80
2019	6,886	3,826	3,060	1,930	1,014	2,944	1.04
2020	6,787	3,891	2,896	1,960	962	2,922	0.99
2021	8,219	4,177	4,042	2,550	900	3,450	1.17

Note: Amounts above are in thousands.

[1] Operating revenue includes operating revenue and interest of the water and sewer fund.

[2] Direct operating expenses do not include depreciation or amortization expense.

CITY OF ST.MARYS, GEORGIA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Personal Income [1] (In thousands)	Per Capita Personal Income [2]	Unemployment Rate [3]
2012	17,606	$ 586,579	$ 33,317	8.90%
2013	17,755	598,817	33,727	9.60%
2014	17,949	569,432	31,725	7.50%
2015	17,968	588,523	32,754	6.00%
2016	18,088	598,749	33,102	5.50%
2017	18,019	628,034	34,854	4.60%
2018	18,196	634,203	34,854	3.80%
2019	18,567	547,021	29,462	3.80%
2020	19,361	760,152	39,262	5.40%
2021	**	**	**	**

** Information not readily available

[1] **Source** - U.S. Bureau of the Census.
[2] **Source** - U.S. Bureau of Economic Analysis.
[3] **Source** - U.S. Bureau of Labor Statistics for all of Camden County.

CITY OF ST.MARYS, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Southeast Georgia Health Systems	319	1	1.74%	260	3	1.62%
Express Scripts	290	2	1.58%	423	1	2.64%
Wal-Mart Supercenter	249	3	1.36%	321	2	2.00%
City of St. Marys	143	4	0.78%	160	4	1.00%
General Dynamics	126	5	0.69%	-		-
Georgia Pacific St. Marys	60	6	0.33%	73	5	0.46%
Pilot Travel Center 575	41	7	0.22%	-		-
Winn Dixie Store #0070	38	8	0.21%	-		-
BAE Systems	32	9	0.17%	-		-
Sarpj Papa Johns 2746	26	10	0.14%	-		-
ATN Inc AMTEL	-		-	51	6	0.32%
Corys Thunder	-		-	32	7	0.20%
Harvey's #2393	-		-	27	8	0.17%
The Wit Group Inc	-		-	27	8	0.17%
Sonic Drive In	-		-	25	10	0.16%
Total	1,324		7.23%	1,399		8.72%

Source: City of St. Marys Planning and Building Department.

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Governmental activities:										
General government	8	9	9	9	9	8	8	8	8	8
Public safety:										
Police department	37	36	36	34	34	34	34	34	34	34
Fire department	29	29	26	26	26	26	26	26	26	26
Public works	19	20	20	18	18	18	18	24	24	24
Health and welfare	2	2	2	2	2	2	3	2	2	2
Judicial	1	1	1	1	1	1	1	1	1	1
Culture and recreation	5	5	5	6	6	5	6	7	8	8
Housing and development	7	7	7	6	6	11	9	8	7	7
Business-type activities:										
Water and sewer	35	35	34	34	34	34	34	36	36	36
Solid waste	1	1	1	2	2	2	2	2	2	2
Aquatic center	9	9	-	-	-	-	-	9	9	9
Total	154	153	141	138	138	140	140	157	157	157

Source: City Finance Department.

CITY OF ST. MARYS, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
General government:										
Building permits issued	285	282	316	287	108	93	263	186	226	402
Building inspections conducted	1,609	1,621	1,815	2,110	2,367	3,282	3,705	3,004	2,733	3,866
Police:										
Physical arrests	759	652	376	515	518	568	581	384	**	**
Other violations	2,374	2,128	2,542	1,753	1,443	571	403	394	**	**
Traffic violations	3,369	3,088	3,208	2,713	3,081	2,287	2,182	1,618	**	**
Fire										
Emergency room	1,863	1,733	1,417	1,011	1,193	1,276	1,435	1,453	1,523	1,650
Fires extinguished	99	75	60	51	68	78	58	61	55	55
Inspections	279	250	50	70	300	325	336	315	315	600
Water:										
New connections	21	29	36	29	43	44	107	156	216	250
Volume (thousands of gallons per day)	1,445	1,103	1,363	1,388	1,430	1,471	1,410	1,409	1,330	1,477
Wastewater:										
Average daily sewage treatment (thousands of gallons per day)	1,521	1,900	1,985	1,468	1,903	2,992	2,244	1,805	2,740	3,675

** Information was not readily available.

Sources: Various City departments.

CITY OF ST. MARYS, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works - streets (miles)	107	107	107	107	107	107	107	107	107	107
Water:										
Fire hydrants	1,135	1,135	1,135	1,135	1,150	1,150	1,150	1,150	1,150	1,150
Storage capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Wastewater:										
Treatment capacity (thousands of gallons)	5,200	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Sources: Various City departments.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 City Council
City of St. Marys, Georgia
St. Marys, 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 St. Marys, Georgia** (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose 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 our 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 from 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 financial statements. 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 City'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

Savannah, Georgia
December 17, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and City Council
City of St. Marys, Georgia
St. Marys, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of St. Marys, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Savannah, Georgia
December 17, 2021

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Defense				
Passed through the Georgia Office of Planning and Budget				
Community Economic Adjustment Assistance	21.019	N/A	$ 971,940	$ -
Total U.S. Department of Defense Programs			971,940	-
U.S. Environmental Protection Agency				
(Passed through the Georgia Environmental Protection Division)				
Nonpoint Source Implementation Grants	66.460	751-190038	20,548	-
Total U.S. Environmental Protection Agency Programs			20,548	-
Department of Homeland Security				
(Passed through the Georgia Emergency Management Agency)				
Disaster Grants - Public Assistance	97.036	FEMA-4338-DR-GA	60,434	-
Total Department of Homeland Security Programs			60,434	-
Total Expenditures of Federal Awards			$ 1,052,922	$ -

CITY OF ST. MARYS, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal award activity of the City of St. Marys, Georgia (the "City") under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position, or cash flows of the City.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. NON-CASH ASSISTANCE

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2021.

NOTE 5. SUBRECIPIENTS

The City did not pass funding through to subrecipients during the fiscal year ended June 30, 2021.

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	**Coronavirus Relief Fund**

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

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CITY OF ST. MARYS, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.