TABLE OF CONTENTS

INTRODUCTORY SECTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of Transmittal</td>
<td>i - iv</td>
</tr>
<tr>
<td>Organizational Chart</td>
<td>v</td>
</tr>
<tr>
<td>List of Principal Officials</td>
<td>vi</td>
</tr>
<tr>
<td>Certificate of Achievement for Excellence in Financial Reporting</td>
<td>vii</td>
</tr>
</tbody>
</table>

FINANCIAL SECTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor's Report</td>
<td>1 - 3</td>
</tr>
<tr>
<td>Management's Discussion and Analysis</td>
<td>4 - 17</td>
</tr>
<tr>
<td>Basic Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Government-wide Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>18</td>
</tr>
<tr>
<td>Statement of Activities</td>
<td>19 and 20</td>
</tr>
<tr>
<td>Fund Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Balance Sheet – Governmental Funds</td>
<td>21</td>
</tr>
<tr>
<td>Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position</td>
<td>22</td>
</tr>
<tr>
<td>Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds</td>
<td>23</td>
</tr>
<tr>
<td>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities</td>
<td>24</td>
</tr>
<tr>
<td>General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual</td>
<td>25 and 26</td>
</tr>
<tr>
<td>Statement of Net Position – Proprietary Funds</td>
<td>27</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds</td>
<td>28</td>
</tr>
<tr>
<td>Statement of Cash Flows – Proprietary Funds</td>
<td>29 and 30</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>31 - 55</td>
</tr>
<tr>
<td>Required Supplementary Information:</td>
<td></td>
</tr>
<tr>
<td>Schedule of Changes in the City’s Net Pension Liability and Related Ratios</td>
<td>56</td>
</tr>
<tr>
<td>Schedule of City Contributions – Retirement Plan</td>
<td>57</td>
</tr>
<tr>
<td>Combining and Individual Fund Statements and Schedules:</td>
<td></td>
</tr>
<tr>
<td>Combining Balance Sheet – Nonmajor Governmental Funds</td>
<td>58</td>
</tr>
<tr>
<td>Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds</td>
<td>59</td>
</tr>
</tbody>
</table>
# CITY OF ST. MARYS, GEORGIA

## FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

---

<table>
<thead>
<tr>
<th>TABLE OF CONTENTS (CONTINUED)</th>
<th>Page</th>
</tr>
</thead>
</table>

## FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

<table>
<thead>
<tr>
<th>Statement / Schedule</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel/Motel Tax Fund</td>
<td>60</td>
</tr>
<tr>
<td>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Tax Allocation District Fund</td>
<td>61</td>
</tr>
<tr>
<td>Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Multiple Grants Fund</td>
<td>62</td>
</tr>
<tr>
<td>Schedule of Expenditures of Special Purpose Local Option Sales Tax – 2008 Issue</td>
<td>63</td>
</tr>
<tr>
<td>Schedule of Expenditures of Special Purpose Local Option Sales Tax – 2012 Issue</td>
<td>64</td>
</tr>
<tr>
<td>Balance Sheet – Component Units</td>
<td>65</td>
</tr>
<tr>
<td>Statement of Revenues, Expenditures and Changes in Fund Balances – Component Units</td>
<td>66</td>
</tr>
</tbody>
</table>

## STATISTICAL SECTION

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position by Activity</td>
<td>67</td>
</tr>
<tr>
<td>Changes in Net Position</td>
<td>68 and 69</td>
</tr>
<tr>
<td>Fund Balances – Governmental Funds</td>
<td>70</td>
</tr>
<tr>
<td>Changes in Fund Balances – Governmental Funds</td>
<td>71 and 72</td>
</tr>
<tr>
<td>General Governmental Revenues by Source</td>
<td>73</td>
</tr>
<tr>
<td>Assessed Value and Estimated Actual Value of Taxable Property</td>
<td>74</td>
</tr>
<tr>
<td>Direct and Overlapping Property Tax Rates</td>
<td>75</td>
</tr>
<tr>
<td>Principal Property Taxpayers</td>
<td>76</td>
</tr>
<tr>
<td>Property Tax Levies and Collections</td>
<td>77</td>
</tr>
<tr>
<td>Water Sewer Rates</td>
<td>78</td>
</tr>
<tr>
<td>Ratios of Outstanding Debt by Type</td>
<td>79</td>
</tr>
<tr>
<td>Ratios of General Bonded Debt Outstanding</td>
<td>80</td>
</tr>
<tr>
<td>Legal Debt Margin Information</td>
<td>81</td>
</tr>
<tr>
<td>Revenue Bond Coverage</td>
<td>82</td>
</tr>
<tr>
<td>Demographic Statistics</td>
<td>83</td>
</tr>
<tr>
<td>Principal Employers</td>
<td>84</td>
</tr>
<tr>
<td>Full-Time Equivalent City Government Employees</td>
<td>85</td>
</tr>
<tr>
<td>Operating Indicators by Function</td>
<td>86</td>
</tr>
<tr>
<td>Capital Asset Statistics by Function</td>
<td>87</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS (CONTINUED)

COMPLIANCE SECTION

<table>
<thead>
<tr>
<th>Schedule of Expenditures of Federal Awards</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes to Schedule of Expenditures of Federal Awards</td>
<td>89</td>
</tr>
<tr>
<td>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements</td>
<td>90 and 91</td>
</tr>
<tr>
<td>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance</td>
<td>92 and 93</td>
</tr>
<tr>
<td>Schedule of Findings and Questioned Costs</td>
<td>94 and 95</td>
</tr>
<tr>
<td>Summary Schedule of Prior Year Findings</td>
<td>96</td>
</tr>
</tbody>
</table>
December 31, 2018

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

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

The Finance Department is pleased to present this Comprehensive Annual Financial Report (CAFR) of the City of St Marys (the “City”) for the year ended June 30, 2018. A copy of this report is on file with the Finance Department for public inspection and located at the Customer Service Department. A copy will be filed with the State Auditor’s office to fulfill 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.

**Government Overview**

The City of St. Marys was established around 1792 and incorporated in 1802 by the State of Georgia. St. Marys is situated at the southeast corner of Georgia in Camden County. St Marys 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 17,161 per the 2010 census. The St. Marys Charter states the City of St. Marys, 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 this 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 this Charter.

The City of St. Marys 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 of St. Marys 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 Governmental Finance Officers Association (GFOA), for the FY2012 budget and has been awarded the same honor for the fiscal years 2013 - 2017 budgets. The City received the Certificate in Achievement in Financial Reporting for the fiscal years 2014 - 2017.

Budget Adjustments/Amendments

From time to time it becomes necessary for St. Marys to adjust or amend the adopted budget. This process is regulated by the Official Code of Georgia (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 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 St. Marys, 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 of St. Marys is located in Camden County and is considered to be a tourist destination, as well as, a bedroom community. 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 Express Scripts, which is a pharmaceutical call center. As of May 2018, unemployment in the Camden County area was 3.8% compared to 3.8% nationally and 4.2% 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 to today (8,187 to 18,019 est. 2017 by the United States census). Growth has come from many factors which include the Naval Base, United State Coast Guard, retirees and others wanting to enjoy the warm climate, economic conditions, and close 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. A planned development, in St. Marys, is in the works that will include a marina with approximately 181 wetslips, 212 dry stack, townhomes, apartments, retail units, restaurant, and senior living.
Within the area, the County is currently working on initiatives to develop a commercial spaceport site. Our sister city has seen growth within commercial development and has the potential for a future sports complex and resort entertainment site of 500 acres. Along with the Camden County Joint Development Authority, the City’s Economic Development Department continues to work on promoting economic growth.

**Long-term Financial Planning**

As of June 30, 2018, 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 maintain 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 2019 budget.

The City of St. Marys has made great strides to improve service levels and improve the financial integrity of the City. The fiscal year 2019 budget was a challenge again this year due to the effects of the declined economy in the past several years. The declined economy resulted in a decrease in sales tax revenues, property tax digest, and other taxes, which have not fully recovered. The City did make the decision to increase its millage rate from 6 mills to 6.5 mills in the fiscal year 2019 budget to help offset the cost.

However, the budget shows 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 increases in the future.

In addition to the annual operating budget, the City prepares a five-year capital plan that is updated on an annual basis. The most recent plan update for years 2019 through 2023 identifies projects and funding that total $8.2 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 $3.5 million of the funding for the five-year plan.

**Major Initiatives**

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

The city council has approved the purchase of a new radio system for public safety and public works. The new equipment, estimated at $1m, will eliminate dead spots that are located within the City limits and provide a safer environment for both city workers and citizens.

To promote economic growth and to begin implementation of the completed downtown strategic visioning and planning process, the downtown area which includes St. Marys Street and between Osborne Street and Wheeler Street will be updated in this next year. The improvements will include the reduction in the width of asphalt, the addition of greenery and expansion of the sidewalk on the north side of St. Marys Street. This project is estimated to be $.98m
The City continues its efforts to work on drainage projects around the City to help with the elimination of flooding. It continues to work to change over its meter program to help to increase efficiency with meter reading and billing. Efforts continue to rebuild our maritime facilities after the damage was realized from back to back hurricanes. Also, the City continues to use SPLOST to help assist with its bond debt payment. This eliminates the cost being passed on to its citizens.

**Acknowledgments**

The preparation and completion of the CAFR represent the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to all the staff of the City of St. Marys and the firm of Mauldin & Jenkins, LLC.

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

Respectfully submitted,

Jennifer Brown
Finance Director
City of St. Marys
Organizational Chart
CITY OF ST. MARYS, GEORGIA

PRINCIPAL OFFICIALS

ELECTED

Mayor
John F. Morrissey

City Council

Robert L. Nutter  Post 1
Elaine Powierski  Post 2
Jim Gant  Post 3
David Reilly  Post 4
Allen Rassi  Post 5
Linda P. Williams  Post 6

APPOINTED

City Manager
John J. Holman

Deborah Walker-Reed  City Clerk
Jennifer Brown  Finance Director
Donna Larson  Human Resources Director
Gary Moore  City Attorney
Tim Hatch  Police Chief
Robert Horton  Fire Chief
Chris Cox  City Engineer
Bobby Marr  Utilities Director
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, 2017

Christopher P. Morrill
Executive Director/CEO
INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of 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, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Opinions
In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, 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 17), the Schedule of Changes in the City’s Net Pension Liability and Related Ratios (on page 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 nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying 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 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements of the City.
The combining and individual nonmajor fund financial statements and schedules, the 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 nonmajor fund financial 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 31, 2018, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control over financial reporting and compliance.

Macon, Georgia
December 31, 2018
Within this section of the City of St. Marys, Georgia (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, 2018. The information presented here should be used in conjunction with the additional information provided in this annual financial report, which follows this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City as of June 30, 2018, exceeded its liabilities at June 30, 2017, by $62.7 million (net position). Of this amount, $16.5 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 $.7 million.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $8.4 million, an increase of $.05 million in comparison with the prior year. Approximately 68% of this total amount, $5.7 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 combined ending net position of $40.7 million, an increase of $1.46 million in comparison with the prior year. Approximately 27% of this total amount, $11.0 million is available for spending at the City's discretion (unrestricted net position).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was a positive $5.7 million or a positive 44.5% of total General Fund expenditures.

During the current fiscal year, the City did issue new debt for the Governmental funds of $443,513 and Business-type funds construction line of credit (note payable) of $500,000 with a total drawdown to date of $18,125. The Governmental funds had a decrease of $246,183 in debt service. The Business-type funds had a decrease of $2,955,084 in debt service. The total overall change in debt service was a decrease of $2,739,629. *Numbers do not include compensated absences or the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of St. Marys 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.
Management's discussion and analysis

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of St. Marys' 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 18 - 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.
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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 SPLOST 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 non-major 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 and SPLOST Fund. A budgetary comparison statement has been provided for the General Fund.

The basic governmental fund financial statements can be found on pages 21 and 24 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 non-major 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 - 55 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 56 of this report.

Other information. The combining statements referred to earlier in connection with non-major 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 page 67 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 $62.7 million at the close of the most recent fiscal year. The chart below summarizes the City’s net position for governmental activities, business-type activities, and the government as a whole.
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, $41.8 million (66.7%) 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, $4.4 million (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $16.5 million (26.3%) is unrestricted net position may be used to meet the government’s ongoing obligations of the City.

Governmental activities during the fiscal year ending June 30, 2018, decreased the City of St. Marys net position by $.781 million. Business-type activities during the same period increased the net position by $1.460 million for a total increase in net position of $.679 million. The following chart shows the revenue and expenses by activity for the total primary government.
**Government-wide Financial Analysis (Continued)**

City of St. Marys - Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>2018 Activities</th>
<th>2017 Activities</th>
<th>Business-type Activities</th>
<th>2018</th>
<th>2017</th>
<th>Total 2018</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,533,243</td>
<td>$1,386,352</td>
<td>$8,947,028</td>
<td>$10,480,271</td>
<td>$9,734,174</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital grants and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contributions</td>
<td>4,602,481</td>
<td>2,183,872</td>
<td></td>
<td>4,602,481</td>
<td>2,183,872</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>3,722,766</td>
<td>3,520,121</td>
<td></td>
<td>3,722,766</td>
<td>3,520,121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>969,126</td>
<td>996,179</td>
<td></td>
<td>969,126</td>
<td>996,179</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales taxes</td>
<td>1,844,924</td>
<td>1,753,020</td>
<td></td>
<td>1,844,924</td>
<td>1,753,020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel/Motel taxes</td>
<td>139,172</td>
<td>157,570</td>
<td></td>
<td>139,172</td>
<td>157,570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,408,542</td>
<td>1,348,895</td>
<td></td>
<td>1,408,542</td>
<td>1,348,895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>earnings</td>
<td>5,667</td>
<td>5,034</td>
<td>16,731</td>
<td>7,867</td>
<td>12,901</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sale of capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td>-</td>
<td>7,684</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>2,351</td>
<td>22,055</td>
<td>-</td>
<td>24,406</td>
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<td></td>
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<tr>
<td><strong>Total revenues</strong></td>
<td>14,226,121</td>
<td>11,614,779</td>
<td>8,971,443</td>
<td>8,377,744</td>
<td>23,197,564</td>
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</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>5,663,402</td>
<td>2,762,386</td>
<td></td>
<td>5,663,402</td>
<td>2,762,386</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>4,262,525</td>
<td>4,069,083</td>
<td></td>
<td>4,262,525</td>
<td>4,069,083</td>
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<tr>
<td>Public works</td>
<td>1,936,690</td>
<td>2,213,808</td>
<td></td>
<td>1,936,690</td>
<td>2,213,808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and welfare</td>
<td>152,029</td>
<td>145,040</td>
<td></td>
<td>152,029</td>
<td>145,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial</td>
<td>188,366</td>
<td>187,872</td>
<td></td>
<td>188,366</td>
<td>187,872</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>379,147</td>
<td>520,280</td>
<td></td>
<td>379,147</td>
<td>520,280</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and development</td>
<td>744,961</td>
<td>737,632</td>
<td></td>
<td>744,961</td>
<td>737,632</td>
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<td></td>
</tr>
<tr>
<td>Interest on long-term</td>
<td>25,614</td>
<td>25,381</td>
<td></td>
<td>25,614</td>
<td>25,381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td></td>
<td></td>
<td>7,575,655</td>
<td>8,291,427</td>
<td>8,291,427</td>
<td></td>
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<tr>
<td>Solid waste</td>
<td></td>
<td></td>
<td>1,156,030</td>
<td>1,222,388</td>
<td>1,222,388</td>
<td></td>
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<tr>
<td>Aquatic center</td>
<td></td>
<td></td>
<td>433,650</td>
<td>449,460</td>
<td>449,460</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>13,352,734</td>
<td>10,661,482</td>
<td>9,165,335</td>
<td>9,963,275</td>
<td>22,518,069</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net position before</td>
<td>873,387</td>
<td>953,297</td>
<td>(193,892)</td>
<td>(1,585,531)</td>
<td>679,495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(632,234)</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>(1,654,050)</td>
<td>(1,669,300)</td>
<td>1,654,050</td>
<td>1,669,300</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase (decrease) in</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net position</td>
<td>(780,663)</td>
<td>(716,003)</td>
<td>1,460,158</td>
<td>83,769</td>
<td>679,495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(632,234)</td>
<td></td>
</tr>
<tr>
<td>Net position, beginning</td>
<td>22,733,058</td>
<td>23,449,061</td>
<td>39,269,113</td>
<td>39,185,344</td>
<td>62,002,171</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of year</td>
<td>$21,952,395</td>
<td>$22,733,058</td>
<td>$40,729,271</td>
<td>$39,269,113</td>
<td>$62,681,666</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position, end of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Changes in net position.** The City’s total revenues before transfers were $23.2 million in fiscal year 2018. Expenses were $22.5 million. Governmental and business-type activities combined provided a $679 million increase in net position.
Government-wide Financial Analysis (Continued)

Governmental activities revenues, before transfers, were $14.2 million and included $1.5 million for charges for services, $4.6 for grants and contributions and $8.1 million in taxes and other revenues. The largest governmental activities expenses were for the general government of $5.7 million, public safety of $4.3 million, and public works of $1.9 million.

Business-type activity revenues, before transfers, were $8.97 million and included $8.95 million in charges for services and $0.02 in other revenues. The largest business-type activity expenses were personal services of $1.77 million, purchased and contracted services of $2.1 million, supplies of $1.14 million and depreciation of $2.6 million.

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2018</th>
<th>2017</th>
<th>Increase (Decrease)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$10,480,271</td>
<td>$9,734,174</td>
<td>$746,097</td>
<td>7.7%</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>-</td>
<td>261,385</td>
<td>(261,385)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>4,602,481</td>
<td>2,183,872</td>
<td>2,418,609</td>
<td>110.7%</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>3,722,766</td>
<td>3,520,121</td>
<td>202,645</td>
<td>5.8%</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>969,126</td>
<td>996,179</td>
<td>(27,053)</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Sales taxes</td>
<td>1,844,924</td>
<td>1,753,020</td>
<td>91,904</td>
<td>5.2%</td>
</tr>
<tr>
<td>Hotel/Motel taxes</td>
<td>139,172</td>
<td>157,570</td>
<td>(18,398)</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,408,542</td>
<td>1,348,895</td>
<td>59,647</td>
<td>4.4%</td>
</tr>
<tr>
<td>Unrestricted investment earnings</td>
<td>22,598</td>
<td>12,901</td>
<td>9,697</td>
<td>75.2%</td>
</tr>
<tr>
<td>Gain on sale of capital assets</td>
<td>7,684</td>
<td>-</td>
<td>7,684</td>
<td>100.0%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>24,406</td>
<td>(24,406)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Total revenues</td>
<td>23,197,564</td>
<td>19,992,523</td>
<td>3,205,041</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2018</th>
<th>2017</th>
<th>Increase (Decrease)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>5,663,402</td>
<td>2,762,386</td>
<td>2,901,016</td>
<td>105.0%</td>
</tr>
<tr>
<td>Public safety</td>
<td>4,262,525</td>
<td>4,069,083</td>
<td>193,442</td>
<td>4.8%</td>
</tr>
<tr>
<td>Public works</td>
<td>1,936,690</td>
<td>2,213,808</td>
<td>(277,118)</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>152,029</td>
<td>145,040</td>
<td>6,989</td>
<td>4.8%</td>
</tr>
<tr>
<td>Judicial</td>
<td>188,366</td>
<td>187,872</td>
<td>494</td>
<td>0.3%</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>379,147</td>
<td>520,280</td>
<td>(141,133)</td>
<td>-27.1%</td>
</tr>
<tr>
<td>Housing and development</td>
<td>744,961</td>
<td>737,632</td>
<td>7,329</td>
<td>1.0%</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>25,614</td>
<td>25,381</td>
<td>233</td>
<td>0.9%</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td>7,575,655</td>
<td>8,291,427</td>
<td>(715,772)</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Solid waste</td>
<td>1,156,030</td>
<td>1,222,388</td>
<td>(66,358)</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Aquatic center</td>
<td>433,650</td>
<td>449,460</td>
<td>(15,810)</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Total expenses</td>
<td>22,518,069</td>
<td>20,624,757</td>
<td>1,893,312</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

| Increase (decrease) in net position | 679,495 | (632,234) | 1,311,729 | -207.5% |

| Net position, beginning of year | 62,002,171 | 62,634,405 | (632,234) | -1.0% |
| Net position, end of year | $62,681,666 | $62,002,171 | $679,495 | 1.1% |
Governmental Activities Revenue by Source - June 30, 2018

- Charges for services, 10.8%
- Capital grants and contributions, 32.4%
- Property taxes, 26.2%
- Franchise taxes, 6.8%
- Sales taxes, 13.0%
- Hotel/Motel taxes, 1.0%
- Other taxes, 9.8%

Governmental Activities Program Expenses - June 30, 2018

- General government
- Public safety
- Public works
- Health and welfare
- Judicial
- Culture and recreation
- Housing and development
- Interest on long-term debt
**Charges for services**

- Charges for services: 99.6%

**Operating grants and contributions**
- Operating grants and contributions: -0.1%

**Unrestricted investment earnings**
- Unrestricted investment earnings: 0.2%

**Gain on sale of capital assets**
- Gain on sale of capital assets: 0.1%

### Business-Type Activities - Revenues By Source - June 30, 2018

- **Water and Sewer**: 83%
- **Solid Waste**: 12%
- **Aquatic Center**: 5%

### Business-Type - Expenses By Source - June 30, 2018

- **Water and Sewer**: 83%
- **Solid Waste**: 12%
- **Aquatic Center**: 5%
MANAGEMENT’S DISCUSSION AND ANALYSIS

Revenue Impacts. Operating grants and contributions decreased $261,385 or -100%, which is primarily due to a decrease in various grants received by the City. Capital grants and contributions increased by $2.4 million or 110.7%, which is due to funds received from hurricane damage. Hotel/motel taxes decreased $18,398 or -11.7%, which is due to a decrease in the portion received from the county government. Unrestricted investment earnings increased $9,697 or 75.2%, which is due to an increase in interest rates over the past year. Miscellaneous revenues decreased $24,406 or -100%. These revenues are not guaranteed from year to year.

Expense Impacts. General government increased $2,901,016 or 105%, which is primarily due to the hurricane IRMA expense. Public Works decreased $277,118 or -12.5%, which is primarily due to projects that were finished in fiscal year 2017. Culture and recreation decreased $141,133 or -27.1%, which is due to capital projects completed in the prior year.

Fund Balance.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Balance 6/30/17</th>
<th>Revenues/ Sources</th>
<th>Expenses/ Uses</th>
<th>Over (under) Exp./Uses</th>
<th>Fund Balance 6/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 6,431,449</td>
<td>$ 12,215,599</td>
<td>$ 12,819,260</td>
<td>$(603,661)</td>
<td>$ 5,827,788</td>
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<tr>
<td>SPLOST Fund</td>
<td>1,121,820</td>
<td>2,082,817</td>
<td>1,654,050</td>
<td>428,767</td>
<td>1,550,587</td>
</tr>
<tr>
<td>Nonmajor Governmental</td>
<td>764,236</td>
<td>418,046</td>
<td>190,710</td>
<td>227,336</td>
<td>991,572</td>
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<tr>
<td>Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,317,505</td>
<td>$ 14,716,462</td>
<td>$ 14,664,020</td>
<td>$ 52,442</td>
<td>$ 8,369,947</td>
</tr>
</tbody>
</table>

As of June 30, 2018, the City’s governmental funds reported a combined fund balance of $8.37 million, which is a net increase of $.05 million from the previous year.

General Fund’s fund balance decreased by $.6 million and was $5.8 million at the end of the year. This was mainly due to storm-related expenditures.

The SPLOST Fund’s fund balance increased by $.43 million and was $1.55 million at the end of the year. The revenues exceeded the expenditures. These funds are restricted for capital projects.

Other Fund’s fund balance increased $.23 million and was $.99 million at the end of the year. The increase was due to grants received for the local maintenance grant projects.

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.
Financial Analysis of the City’s Funds (Continued)

Governmental Funds:

The City of St. Marys has two major governmental funds, which are the General Fund and the SPLOST Fund.

The chief operating fund of the government is the General Fund. At the end of fiscal year 2018, the General Fund reported fund balance of $5,827,788. This is a decrease of $603,661 from the beginning fund balance. Of the total amount, $5,700,629 constitutes “unassigned fund balance” which is available for spending at the government’s discretion for non-recurring items, such as, one-time capital expenditures and debt retirement. The remaining amounts in fund balance are non-spendable prepaid items and advance.

The SPLOST Fund is presented as a major governmental fund. The SPLOST Funds are used to account for projects constructed with special purpose local option sales tax. The SPLOST Fund is a major fund in most years. The fund balance of $1,550,587 is restricted for voter-approved SPLOST projects.

The fund balances for the other governmental funds increased by $227,336. The total combined fund balances for the other governmental funds was a positive $991,572 at the end of the year with all funds restricted for a specific use.

Business-type Activities Funds:

The enterprise funds, which include the City’s Water & Sewer Fund, Solid Waste Fund, and Aquatic Center Fund, showed a combined cash and cash equivalents balance of $8,305,720 at the end of fiscal year ending June 30, 2018. Of this amount, $1,921,489 is reported as restricted assets.

The Water and Sewer Fund had an ending net position of $38,848,420 for fiscal year 2018. This was an increase of $1,426,954 from the previous year. Of the balance, $26,527,027 is the net investment in capital assets and $1,840,323 is reported as restricted assets.

The Solid Waste Fund had an ending net position of $478,303 for fiscal year 2018. This was an increase of $33,009 from the previous year.

The Aquatic Center Fund had an ending net position balance of $1,402,548 for fiscal year 2018. This was an increase of $195 from the previous year. Of the balance, $1,280,124 is invested in capital assets.

General Fund Budget Highlights:

The budget was prepared according to Georgia Law. The fiscal year 2018 original revenue budget was $8,997,418. The original budget was amended to $11,762,274. The major increase was miscellaneous income which included funds for insurance reimbursement due to hurricane damage and FEMA/GEMA funds. The final budgeted revenues increased 30.7% or $2,764,856. The total budgeted expenditures increased $4,078,424 or 36.8% from the original budget due to hurricane damage expenses and capital projects.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

**Capital Assets.** At the end of fiscal year ending June 30, 2018, governmental activities and business-type activities had capital assets of $84,250,544 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment, and recreation and park facilities. This represents a 4% decrease or $3,247,394 overall. The governmental activities decreased by 4% and, business-type activities decreased by 3.6%, which was due to the depreciation of assets exceeding additions.

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

- For governmental activities, the City purchased machinery and equipment for $458,856
- For business-type activities, construction in progress decreased $54,313 for sewer infrastructure projects completed and was transferred to infrastructure.

<table>
<thead>
<tr>
<th>City of St. Marys Capital Assets (Net of Accumulated Depreciation)</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,798,738</td>
<td>$1,798,738</td>
<td>$846,727</td>
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<tr>
<td>Construction in progress</td>
<td>211,751</td>
<td>266,523</td>
<td>18,125</td>
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<tr>
<td>Infrastructure</td>
<td>6,640,148</td>
<td>6,808,637</td>
<td>64,534,438</td>
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<tr>
<td>Buildings</td>
<td>3,046,562</td>
<td>3,256,999</td>
<td>3,330,832</td>
</tr>
<tr>
<td>Improvements</td>
<td>2,377,078</td>
<td>2,598,312</td>
<td>-</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>1,208,263</td>
<td>1,194,982</td>
<td>237,882</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,282,540</strong></td>
<td><strong>15,924,191</strong></td>
<td><strong>68,968,004</strong></td>
</tr>
</tbody>
</table>

Additional information on the City's capital assets can be found in Note 5 on pages 43 and 44 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, 2018, the City had $1,266,716 of outstanding debt related to governmental activities and $41,160,853 of outstanding debt related to business-type activities, for a total of $42,427,569 compared to the previous year’s total of $45,167,198. This is a decrease of $2,739,629. *Numbers do not include compensated absences.

At the end of 2018, the business activities had bonded debt of $37,984,207. 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 on pages 45 through 48 of this report.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Factors affecting the Fiscal Year 2019 Budget

The City of St. Marys started the initial planning of budget preparation by evaluating what “Quality of Life” in St. Marys is and how to support the community. The Mayor and Council of the City of St. Marys considered many factors when approving the City’s fiscal year 2019 budget. The fiscal year 2019 city-wide budget did increase by approximately 6%.

The major increases in the fiscal year 2019 budget were due to capital equipment approved and new projects for fiscal year 2019. The city-wide budget was set at $25,930,769. The City increased the millage rate from 6 mills to 6.5 mills due to major capital equipment needs for safety concerns with public safety and public works and the downtown project (SHRIMP).

Fiscal Year 2019 Major Initiatives

The City of St. Marys 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 March 2013, Voters approved a 1% Special Purpose Local Option Sales Tax (SPLOST VII). SPLOST will be used for bond debt retirement to keep from passing the cost to the customers.
2. Council approved funds for marketing the City.
3. New radio equipment will be purchased for public safety and public works at approximately $1M.
5. Council approved $20,000 for enhancements of the “Gateway” of the City.
6. Road enhancements with the Local Maintenance Improvement Grant.
7. Leasing of various vehicles for public works and public safety.
8. Council approved the (SHRIMP) Stormwater, Hydro, Renovations, Improvement, Maintenance, Project that is part of the renaissance plan in the amount of $982,333.
9. Approval to move forward with the Douglas Drive Drainage project.
10. Continue installation of $100,000 in radio water read meters.
11. Continued temporary help was used to assist with the maintenance of the historic Oak Grove Cemetery.
12. Move forward with restoration of the docks and boat ramp due to hurricane IRMA.
13. Council approved $10,000 for the Downtown Development.
14. To Move forward with the water clear well project for $500,000.
15. Council approved $50,000 for trash collection enhancement in the downtown.
Fiscal Year 2019 Major Initiatives (Continued)

16. Council approved $5,000 to assist with ferry services to Fernandina Beach.

The City continues to work toward bringing in new business and retaining current business in St. Marys. 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 an incentive package to attract business.

The fiscal year 2019 projections continue to be conservative, yet realistic.

Economic Factors

The County-wide economy shows signs of recovery. This has been realized through residential and commercial building along with a decreased unemployment rate. The Governor has allocated funding for the Coastal Pines Technical College to be located in Kingsland, our sister city. The County has a prime site under contract and is looking to develop an aerospace industrial park. A favorable Environmental Impact Study for the site was released in March 2018. Please visit www.spaceportcamden.us for more information.

The City of St. Marys has seen growth in residential building and is currently working with several potential residential developments for future growth. St. Marys’ is looking forward to commercial growth in the near future, which includes a new development proposed on the old mill site. The development will consist of a marina, dry boat storage, apartments, townhouses, retail stores, and a senior living facility. Verizon will be moving to St. Marys, building a new facility. 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 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, 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Primary Government</th>
<th>Component Units</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>$6,384,231</td>
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<tr>
<td>Taxes receivable</td>
<td>112,262</td>
<td>112,262</td>
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<tr>
<td>Accounts receivable, net of allowances</td>
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<td>Prepaids</td>
<td>72,159</td>
<td>73,580</td>
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<td>Due from other governments</td>
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<td>-</td>
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<tr>
<td>Internal balances</td>
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<td>(40,000)</td>
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<tr>
<td>Due from component units</td>
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<td>-</td>
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<tr>
<td>Due from primary government</td>
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<td>-</td>
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<tr>
<td>Restricted assets, cash and cash equivalents</td>
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<td>2,345,795</td>
</tr>
<tr>
<td>Capital assets:</td>
<td>Non-depreciable</td>
<td>2,010,489</td>
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<tr>
<td>Depreciable, net of accumulated depreciation</td>
<td>13,272,051</td>
<td>68,103,152</td>
</tr>
<tr>
<td>Total assets</td>
<td>24,129,297</td>
<td>78,464,684</td>
</tr>
</tbody>
</table>

#### DEFERRED OUTFLOWS OF RESOURCES

| Deferred refunding loss | - | 4,311,877 | 4,311,877 | - | - | - |

#### LIABILITIES

| Accounts payable | 298,391 | 230,407 | 528,798 | - | 1,879 | 1,724 |
| Accrued liabilities | 53,128 | 198,947 | 252,075 | - | - | 363 |
| Due to component units | 17,696 | - | 17,696 | - |
| Due to primary government | - | - | - |
| Customer deposits | - | 419,545 | 419,545 | - |
| Unearned revenue | - | 10,931 | 10,931 | - |
| Compensated absences due within one year | 272,360 | 26,607 | 298,967 | - |
| Capital leases due within one year | 333,854 | 50,907 | 384,761 | - |
| Capital leases due in more than one year | 932,862 | 33,147 | 966,009 | - |
| Notes payable due within one year | - | 335,755 | 335,755 | - |
| Notes payable due in more than one year | - | 2,756,837 | 2,756,837 | - |
| Net pension liability | 229,616 | - | 229,616 | - |
| Bonds payable due within one year | - | 1,930,000 | 1,930,000 | - |
| Bonds payable due in more than one year | - | 36,054,207 | 36,054,207 | - |
| Total liabilities | 2,137,902 | 42,047,290 | 44,185,192 | - | 1,879 | 4,433 |

#### DEFERRED INFLOWS OF RESOURCES

| Pension | 39,000 | - | 39,000 | - |

#### NET POSITION

| Net investment in capital assets | 14,016,824 | 27,807,151 | 41,822,975 | 332,234 | 620,000 |
| Restricted for housing and development | 25,000 | - | 25,000 | - |
| Restricted for capital projects | 2,542,159 | - | 2,542,159 | - |
| Restricted for economic development | - | - | - |
| Restricted for debt service | - | 1,840,323 | 1,840,323 | - |
| Unrestricted | 5,369,412 | 864,852 | 6,234,264 | 332,234 | 620,000 |
| Total net position | $21,952,395 | $40,729,271 | $62,681,666 | 344,163 | 664,932 | 57,192 | 121,142 |

The accompanying notes are an integral part of these financial statements.
### CITY OF ST. MARYS, GEORGIA

**STATEMENT OF ACTIVITIES**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$ 5,663,402</td>
<td>$ 1,221,504</td>
<td>$ -</td>
<td>$ 2,449,428</td>
</tr>
<tr>
<td>Public safety</td>
<td>4,262,525</td>
<td>235,348</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>1,936,690</td>
<td>64,213</td>
<td>-</td>
<td>2,146,129</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>152,029</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>188,366</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>379,147</td>
<td>12,178</td>
<td>-</td>
<td>6,924</td>
</tr>
<tr>
<td>Housing and development</td>
<td>744,961</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>25,614</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>13,352,734</td>
<td>1,533,243</td>
<td>-</td>
<td>4,602,481</td>
</tr>
<tr>
<td><strong>Business-type activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water &amp; sewer</td>
<td>7,575,655</td>
<td>7,324,144</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Solid waste</td>
<td>1,156,030</td>
<td>1,189,039</td>
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<td>-</td>
</tr>
<tr>
<td>Aquatic center</td>
<td>433,650</td>
<td>433,845</td>
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<tr>
<td><strong>Total business-type activities</strong></td>
<td>9,165,335</td>
<td>8,947,028</td>
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<tr>
<td><strong>Total primary government</strong></td>
<td>$ 22,518,069</td>
<td>$ 10,480,271</td>
<td>$ -</td>
<td>$ 4,602,481</td>
</tr>
<tr>
<td><strong>Component units</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Industrial Development Authority</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Downtown Development Authority</td>
<td>50,227</td>
<td>3,600</td>
<td>35,000</td>
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<tr>
<td>Convention &amp; Visitors Bureau</td>
<td>197,263</td>
<td>2,134</td>
<td>189,233</td>
<td>-</td>
</tr>
<tr>
<td>Cemetery Authority</td>
<td>844</td>
<td>31,319</td>
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<tr>
<td><strong>Total component units</strong></td>
<td>$ 248,334</td>
<td>$ 37,053</td>
<td>$ 224,233</td>
<td>$ -</td>
</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Industrial Development Authority</th>
<th>Downtown Development Authority</th>
<th>Convention &amp; Visitors Bureau</th>
<th>Cemetery Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (1,992,470)</td>
<td>$ -</td>
<td>$ (1,992,470)</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
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<tr>
<td>(4,027,177)</td>
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<td>273,652</td>
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<td>(152,029)</td>
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<tr>
<td>6,436,347</td>
<td>1,678,465</td>
<td>8,114,812</td>
<td>18</td>
<td>7,748</td>
<td>13,086</td>
<td>669</td>
</tr>
<tr>
<td>(780,663)</td>
<td>1,460,158</td>
<td>679,495</td>
<td>18</td>
<td>(3,879)</td>
<td>7,190</td>
<td>31,144</td>
</tr>
<tr>
<td>22,733,058</td>
<td>39,269,113</td>
<td>62,002,171</td>
<td>344,145</td>
<td>668,811</td>
<td>50,002</td>
<td>89,998</td>
</tr>
<tr>
<td>$ 21,952,395</td>
<td>$ 40,729,271</td>
<td>$ 62,681,666</td>
<td>$ 344,163</td>
<td>$ 664,932</td>
<td>$ 57,192</td>
<td>$ 121,142</td>
</tr>
</tbody>
</table>
CITY OF ST. MARYS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>SPLOST Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 4,550,539</td>
<td>$ 1,202,260</td>
<td>$ 1,017,519</td>
<td>$ 6,770,318</td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>112,262</td>
<td>-</td>
<td>-</td>
<td>112,262</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,310,971</td>
<td>-</td>
<td>17,856</td>
<td>1,328,827</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>72,159</td>
<td>-</td>
<td>-</td>
<td>72,159</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>162,139</td>
<td>348,327</td>
<td>10,379</td>
<td>520,845</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>46,486</td>
<td>-</td>
<td>-</td>
<td>46,486</td>
</tr>
<tr>
<td>Due from component units</td>
<td>2,346</td>
<td>-</td>
<td>-</td>
<td>2,346</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>30,000</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 6,286,902</td>
<td>$ 1,550,587</td>
<td>$ 1,045,754</td>
<td>$ 8,883,243</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued liabilities</td>
</tr>
<tr>
<td>Due to component units</td>
</tr>
<tr>
<td>Due to other funds</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue - property taxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable:</td>
</tr>
<tr>
<td>Prepaid items</td>
</tr>
<tr>
<td>Advances to other funds</td>
</tr>
<tr>
<td>Restricted for:</td>
</tr>
<tr>
<td>Housing and development</td>
</tr>
<tr>
<td>Capital projects</td>
</tr>
<tr>
<td>Unassigned</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities, deferred inflows of resources and fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 6,286,902</td>
</tr>
</tbody>
</table>

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, 2018**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total governmental fund balances.</td>
<td>$ 8,369,947</td>
</tr>
<tr>
<td>Capital assets used in governmental activities are not financial resources</td>
<td>15,282,540</td>
</tr>
<tr>
<td>and therefore are not reported in the funds.</td>
<td></td>
</tr>
<tr>
<td>Certain long term liabilities are not due and payable in the current period</td>
<td></td>
</tr>
<tr>
<td>and therefore are not reported in the funds:</td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>(272,360)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(229,611)</td>
</tr>
<tr>
<td>Capital leases</td>
<td>(1,266,716)</td>
</tr>
<tr>
<td>Certain pension related deferred inflows are not reported in the funds.</td>
<td>(39,000)</td>
</tr>
<tr>
<td>Certain property tax revenues are not available to pay for current period</td>
<td>107,595</td>
</tr>
<tr>
<td>expenditures and therefore are reported as deferred inflows of resources in</td>
<td></td>
</tr>
<tr>
<td>the funds.</td>
<td></td>
</tr>
<tr>
<td>Net position of governmental activities.</td>
<td>$ 21,952,395</td>
</tr>
</tbody>
</table>

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, 2018

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>SPLOST Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Totals Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 7,949,117</td>
<td>$ -</td>
<td>$ 139,172</td>
<td>$ 8,088,289</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>599,329</td>
<td>-</td>
<td>-</td>
<td>599,329</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>1,025,382</td>
<td>2,082,339</td>
<td>278,470</td>
<td>3,386,191</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>228,945</td>
<td>-</td>
<td>-</td>
<td>228,945</td>
</tr>
<tr>
<td>Charges for services</td>
<td>96,162</td>
<td>-</td>
<td>-</td>
<td>96,162</td>
</tr>
<tr>
<td>Interest income</td>
<td>5,463</td>
<td>478</td>
<td>404</td>
<td>6,345</td>
</tr>
<tr>
<td>Other revenues</td>
<td>1,824,619</td>
<td>-</td>
<td>-</td>
<td>1,824,619</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>11,729,017</td>
<td>2,082,817</td>
<td>418,046</td>
<td>14,229,880</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>5,253,261</td>
<td>-</td>
<td>-</td>
<td>5,253,261</td>
</tr>
<tr>
<td>Public safety</td>
<td>4,204,586</td>
<td>-</td>
<td>-</td>
<td>4,204,586</td>
</tr>
<tr>
<td>Public works</td>
<td>1,828,184</td>
<td>-</td>
<td>-</td>
<td>1,828,184</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>129,591</td>
<td>-</td>
<td>-</td>
<td>129,591</td>
</tr>
<tr>
<td>Judicial</td>
<td>188,376</td>
<td>-</td>
<td>-</td>
<td>188,376</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>362,028</td>
<td>-</td>
<td>-</td>
<td>362,028</td>
</tr>
<tr>
<td>Housing and development</td>
<td>581,437</td>
<td>-</td>
<td>139,172</td>
<td>720,609</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>25,320</td>
<td>25,320</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>246,183</td>
<td>-</td>
<td>-</td>
<td>246,183</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>25,614</td>
<td>-</td>
<td>-</td>
<td>25,614</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>12,819,260</td>
<td>-</td>
<td>164,492</td>
<td>12,983,752</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>(1,090,243)</td>
<td>2,082,817</td>
<td>253,554</td>
<td>1,246,128</td>
</tr>
<tr>
<td>Other financing sources (uses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>16,851</td>
<td>-</td>
<td>-</td>
<td>16,851</td>
</tr>
<tr>
<td>Proceeds from capital leases</td>
<td>443,513</td>
<td>-</td>
<td>-</td>
<td>443,513</td>
</tr>
<tr>
<td>Transfers in</td>
<td>26,218</td>
<td>-</td>
<td>-</td>
<td>26,218</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>(1,654,050)</td>
<td>(26,218)</td>
<td>(1,680,268)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>486,582</td>
<td>(1,654,050)</td>
<td>(26,218)</td>
<td>(1,193,686)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(603,661)</td>
<td>428,767</td>
<td>227,336</td>
<td>52,442</td>
</tr>
<tr>
<td>Fund balances, beginning of year</td>
<td>6,431,449</td>
<td>1,121,820</td>
<td>764,236</td>
<td>8,317,505</td>
</tr>
<tr>
<td>Fund balances, end of year</td>
<td>$ 5,827,788</td>
<td>$ 1,550,587</td>
<td>$ 991,572</td>
<td>$ 8,369,947</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds. $ 52,442

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 602,165
- Depreciation expense (1,180,270)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations to other funds) is to decrease net position. (63,546)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (3,759)

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:

- Proceeds from issuance of capital leases (443,513)
- Principal payments on capital leases 246,183

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 4,485
- Net pension liability and deferred inflows of resources related to pension 5,150

$ (780,663)

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, 2018

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Variance With Actual</th>
<th>Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 7,583,100</td>
<td>$ 7,615,600</td>
<td>$ 7,949,117</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>496,750</td>
<td>496,750</td>
<td>599,329</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>1,025,382</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>289,290</td>
<td>289,290</td>
<td>228,945</td>
</tr>
<tr>
<td>Interest</td>
<td>6,180</td>
<td>6,180</td>
<td>5,463</td>
</tr>
<tr>
<td>Charges for services</td>
<td>78,820</td>
<td>97,820</td>
<td>96,162</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>543,278</td>
<td>3,256,634</td>
<td>1,824,619</td>
</tr>
<tr>
<td>Total revenues</td>
<td>8,997,418</td>
<td>11,762,274</td>
<td>11,729,017</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td>1,806,150</td>
<td>2,116,391</td>
<td>2,023,311</td>
</tr>
<tr>
<td>Police</td>
<td>2,404,593</td>
<td>2,402,115</td>
<td>2,181,275</td>
</tr>
<tr>
<td>Total public safety</td>
<td>4,210,743</td>
<td>4,518,506</td>
<td>4,204,586</td>
</tr>
<tr>
<td>Public works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>administration</td>
<td>1,242,141</td>
<td>1,262,346</td>
<td>1,120,186</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>1,457,333</td>
<td>1,698,764</td>
<td>612,833</td>
</tr>
<tr>
<td>Cemetery</td>
<td>106,519</td>
<td>126,269</td>
<td>95,165</td>
</tr>
<tr>
<td>Total public works</td>
<td>2,805,993</td>
<td>3,087,379</td>
<td>1,828,184</td>
</tr>
<tr>
<td>Judicial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal court</td>
<td>189,839</td>
<td>205,564</td>
<td>188,376</td>
</tr>
<tr>
<td>Total judicial</td>
<td>189,839</td>
<td>205,564</td>
<td>188,376</td>
</tr>
<tr>
<td>Health and welfare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior citizens center</td>
<td>134,205</td>
<td>135,705</td>
<td>129,591</td>
</tr>
<tr>
<td>Total health and welfare</td>
<td>134,205</td>
<td>135,705</td>
<td>129,591</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation administration</td>
<td>73,900</td>
<td>97,385</td>
<td>76,948</td>
</tr>
<tr>
<td>Library administration</td>
<td>313,919</td>
<td>325,069</td>
<td>285,080</td>
</tr>
<tr>
<td>Total culture and recreation</td>
<td>387,819</td>
<td>422,454</td>
<td>362,028</td>
</tr>
</tbody>
</table>

(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, 2018

<table>
<thead>
<tr>
<th>Expenditures (continued)</th>
<th>Budget</th>
<th>Variance With</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Current (continued)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protective inspection administration</td>
<td>155,862</td>
<td>157,312</td>
</tr>
<tr>
<td>Planning and zoning</td>
<td>275,678</td>
<td>288,378</td>
</tr>
<tr>
<td>Airport</td>
<td>33,000</td>
<td>33,000</td>
</tr>
<tr>
<td>Special facilities</td>
<td>231,727</td>
<td>231,727</td>
</tr>
<tr>
<td>Economic development</td>
<td>107,525</td>
<td>107,525</td>
</tr>
<tr>
<td>Economic development</td>
<td>95,406</td>
<td>95,406</td>
</tr>
<tr>
<td><strong>Total housing and development</strong></td>
<td>899,198</td>
<td>913,348</td>
</tr>
<tr>
<td><strong>Debt service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$ 297,917</td>
<td>$ 270,091</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>39,213</td>
</tr>
<tr>
<td><strong>Total debt service</strong></td>
<td>297,917</td>
<td>309,304</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>11,068,251</td>
<td>15,146,675</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>(2,070,833)</td>
<td>(3,380,401)</td>
</tr>
<tr>
<td>Other financing sources (uses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>Proceeds from capital leases</td>
<td>330,000</td>
<td>663,513</td>
</tr>
<tr>
<td>Transfers in</td>
<td>392,333</td>
<td>490,849</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>734,833</td>
<td>1,166,862</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(1,336,000)</td>
<td>(2,217,539)</td>
</tr>
</tbody>
</table>

| Fund balances, beginning of year | 6,431,449 | 6,431,449 | 6,431,449 | - |

| Fund balances, end of year | $ 5,095,449 | $ 4,213,910 | $ 5,827,788 | $ 1,613,878 |

The accompanying notes are an integral part of these financial statements.
CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Major Enterprise Funds</th>
<th>Nonmajor</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Water &amp; Sewer Fund</td>
<td>Solid Waste Fund</td>
<td>Aquatic Center Fund</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5,711,481</td>
<td>457,198</td>
<td>215,552</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,473,856</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted investments</td>
<td>424,306</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>620,532</td>
<td>107,833</td>
<td>4,709</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>71,319</td>
<td>2,261</td>
<td>-</td>
</tr>
<tr>
<td>Total current assets</td>
<td>8,301,494</td>
<td>567,292</td>
<td>220,261</td>
</tr>
<tr>
<td>NONCURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-depreciable</td>
<td>864,852</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciable, net of accumulated depreciation</td>
<td>66,823,028</td>
<td>-</td>
<td>1,280,124</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>68,135,513</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>76,437,007</td>
<td>567,292</td>
<td>1,500,385</td>
</tr>
<tr>
<td>DEFERRED OUTFLOWS OF RESOURCES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred refunding loss</td>
<td>4,311,877</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>105,811</td>
<td>88,226</td>
<td>36,370</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>50,916</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>136,732</td>
<td>763</td>
<td>10,536</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>-</td>
<td>10,931</td>
</tr>
<tr>
<td>Current portion of compensated absences</td>
<td>26,607</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of capital lease payable</td>
<td>50,907</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of notes payable</td>
<td>335,755</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of bonds payable</td>
<td>1,930,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total current liabilities, payable from current assets</td>
<td>2,636,728</td>
<td>88,989</td>
<td>67,837</td>
</tr>
<tr>
<td>CURRENT LIABILITIES, PAYABLE FROM RESTRICTED ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>419,545</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total current liabilities, payable from restricted assets</td>
<td>419,545</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LONG-TERM LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds payable, net</td>
<td>36,054,207</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital lease payable</td>
<td>33,147</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes payable</td>
<td>2,756,837</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>38,844,191</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>41,900,464</td>
<td>88,989</td>
<td>97,837</td>
</tr>
</tbody>
</table>

NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>Major Enterprise Funds</th>
<th>Nonmajor</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>26,527,027</td>
<td>-</td>
<td>1,280,124</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>1,840,323</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>10,481,070</td>
<td>478,303</td>
<td>122,424</td>
</tr>
<tr>
<td>Total net position</td>
<td>38,848,420</td>
<td>478,303</td>
<td>1,402,548</td>
</tr>
</tbody>
</table>

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, 2018

<table>
<thead>
<tr>
<th>Major Enterprise Funds</th>
<th>Nonmajor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Sewer Fund</td>
<td>Solid Waste Fund</td>
</tr>
</tbody>
</table>

**OPERATING REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>Water &amp; Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanitation fees</td>
<td>$ -</td>
<td>$ 1,139,966</td>
<td>$ -</td>
<td>$ 1,139,966</td>
</tr>
<tr>
<td>Admission fees</td>
<td>-</td>
<td>-</td>
<td>242,188</td>
<td>242,188</td>
</tr>
<tr>
<td>Concessions</td>
<td>-</td>
<td>-</td>
<td>104,783</td>
<td>104,783</td>
</tr>
<tr>
<td>Water sales</td>
<td>2,992,845</td>
<td>-</td>
<td>-</td>
<td>2,992,845</td>
</tr>
<tr>
<td>Sewer sales</td>
<td>2,821,028</td>
<td>-</td>
<td>-</td>
<td>2,821,028</td>
</tr>
<tr>
<td>Tap and capacity recovery fees</td>
<td>381,019</td>
<td>-</td>
<td>-</td>
<td>381,019</td>
</tr>
<tr>
<td>Reconnection fees</td>
<td>73,842</td>
<td>-</td>
<td>-</td>
<td>73,842</td>
</tr>
<tr>
<td>Construction fees</td>
<td>804,049</td>
<td>-</td>
<td>-</td>
<td>804,049</td>
</tr>
<tr>
<td>Penalties</td>
<td>128,174</td>
<td>25,480</td>
<td>-</td>
<td>153,654</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>123,187</td>
<td>23,593</td>
<td>86,874</td>
<td>233,654</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>7,324,144</td>
<td>1,189,039</td>
<td>433,845</td>
<td>8,947,028</td>
</tr>
</tbody>
</table>

**OPERATING EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>Water &amp; Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal services</td>
<td>1,693,028</td>
<td>80,117</td>
<td>-</td>
<td>1,773,145</td>
</tr>
<tr>
<td>Purchased and contracted services</td>
<td>854,400</td>
<td>1,060,574</td>
<td>196,310</td>
<td>2,111,284</td>
</tr>
<tr>
<td>Supplies</td>
<td>987,413</td>
<td>15,339</td>
<td>138,689</td>
<td>1,141,414</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,528,601</td>
<td>-</td>
<td>98,651</td>
<td>2,627,252</td>
</tr>
<tr>
<td>Amortization</td>
<td>287,458</td>
<td>-</td>
<td>-</td>
<td>287,458</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>70,550</td>
<td>-</td>
<td>-</td>
<td>70,550</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>6,421,450</td>
<td>1,156,030</td>
<td>433,650</td>
<td>8,011,130</td>
</tr>
</tbody>
</table>

**Operating income**

<table>
<thead>
<tr>
<th></th>
<th>Water &amp; Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>902,694</td>
<td>33,009</td>
<td>195</td>
<td>935,898</td>
</tr>
</tbody>
</table>

**NONOPERATING REVENUES (EXPENSES)**

<table>
<thead>
<tr>
<th></th>
<th>Water &amp; Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>16,731</td>
<td>-</td>
<td>-</td>
<td>16,731</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,154,205)</td>
<td>-</td>
<td>-</td>
<td>(1,154,205)</td>
</tr>
<tr>
<td>Gain on disposal of capital assets</td>
<td>7,684</td>
<td>-</td>
<td>-</td>
<td>7,684</td>
</tr>
<tr>
<td><strong>Total nonoperating expenses, net</strong></td>
<td>(1,129,790)</td>
<td>-</td>
<td>-</td>
<td>(1,129,790)</td>
</tr>
<tr>
<td>Income (loss) before transfers</td>
<td>(227,096)</td>
<td>33,009</td>
<td>195</td>
<td>(193,892)</td>
</tr>
</tbody>
</table>

**TRANSFERS**

<table>
<thead>
<tr>
<th></th>
<th>Water &amp; Sewer Fund</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>1,654,050</td>
<td>-</td>
<td>-</td>
<td>1,654,050</td>
</tr>
<tr>
<td><strong>Total transfers</strong></td>
<td>1,654,050</td>
<td>-</td>
<td>-</td>
<td>1,654,050</td>
</tr>
<tr>
<td>Change in net position</td>
<td>1,426,954</td>
<td>33,009</td>
<td>195</td>
<td>1,460,158</td>
</tr>
<tr>
<td><strong>Total net position, beginning of year</strong></td>
<td>37,421,466</td>
<td>445,294</td>
<td>1,402,353</td>
<td>39,269,113</td>
</tr>
</tbody>
</table>

**Total net position, end of year**

|                          | $ 38,848,420 | $ 478,303 | $ 1,402,548 | $ 40,729,271 |

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, 2018

<table>
<thead>
<tr>
<th>Major Enterprise Funds</th>
<th>Nonmajor Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Sewer Fund</td>
<td>Solid Waste Fund</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

- **Receipts from customers and users**: $7,317,030  
  - Solid Waste Fund: $1,184,115  
  - Aquatic Center Fund: $432,052  
  - Totals: $8,933,197
- **Payments to suppliers**: $(1,916,841)  
  - Solid Waste Fund: $(1,146,089)  
  - Aquatic Center Fund: $(358,918)  
  - Totals: $(3,421,848)
- **Payments to employees**: $(1,693,490)  
  - Solid Waste Fund: $(80,073)  
  - Aquatic Center Fund: $4,418  
  - Totals: $(1,769,145)

**Net cash provided by (used in) operating activities**: $3,706,699  
- Total: $3,742,204

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

- **Transfers in**: $1,654,050  
  - Solid Waste Fund: $0  
  - Aquatic Center Fund: $0  
  - Totals: $1,654,050

**Net cash provided by noncapital financing activities**: $1,654,050  
- Total: $1,654,050

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

- **Principal payments on revenue bonds payable**: $(2,575,793)  
  - Solid Waste Fund: $(324,379)  
  - Aquatic Center Fund: $(54,911)  
  - Total: $(2,575,793)
- **Principal payments on notes payable**: $(18,125)  
  - Solid Waste Fund: $(10,305)  
  - Aquatic Center Fund: $(18,125)  
  - Total: $(18,125)
- **Proceeds from long-term borrowings**: $18,125  
  - Solid Waste Fund: $0  
  - Aquatic Center Fund: $0  
  - Total: $18,125
- **Interest paid**: $(1,204,701)  
  - Solid Waste Fund: $(0)  
  - Aquatic Center Fund: $(1,204,701)  
  - Total: $(1,204,701)
- **Proceeds from the sale of capital assets**: $10,305  
  - Solid Waste Fund: $(6,005)  
  - Aquatic Center Fund: $(10,305)  
  - Total: $(24,130)
- **Net cash used in capital and related financing activities**: $(4,149,479)  
  - Total: $(4,155,484)

### CASH FLOWS FROM INVESTING ACTIVITIES

- **Proceeds from sale of investments**: $729,067  
  - Solid Waste Fund: $(42,047)  
  - Aquatic Center Fund: $71,547  
  - Total: $1,986,568
- **Interest received**: $16,731  
  - Solid Waste Fund: $0  
  - Aquatic Center Fund: $16,731  
  - Total: $16,731

**Net cash provided by investing activities**: $745,798  
- Total: $745,798

**Net increase (decrease) in cash**: $1,957,068  
- Total: $1,986,568

**Cash and cash equivalents, beginning of year**: $5,675,902  
- Total: $6,319,152

**Cash and cash equivalents, end of year**: $7,632,970  
- Total: $8,305,720

**Classified as**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cash and cash equivalents</th>
<th>Solid Waste Fund</th>
<th>Aquatic Center Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$5,711,481</td>
<td>$457,198</td>
<td>$215,552</td>
</tr>
<tr>
<td>Restricted assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current cash and cash equivalents</td>
<td>$1,473,856</td>
<td></td>
<td>$1,473,856</td>
</tr>
<tr>
<td>Noncurrent cash and cash equivalents</td>
<td>$447,633</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**: $7,632,970  
- Total: $8,305,720

(Continued)
## Reconciliation of operating income to net cash provided by (used in) operating activities

<table>
<thead>
<tr>
<th></th>
<th>Major Enterprise Funds</th>
<th>Nonmajor Enterprise Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Water &amp; Sewer Fund</td>
<td>Solid Waste Fund</td>
<td>Aquatic Center Fund</td>
</tr>
<tr>
<td>Operating income</td>
<td>$ 902,694</td>
<td>$ 33,009</td>
<td>195</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided by (used in) operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,528,601</td>
<td>-</td>
<td>98,651</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in accounts receivable</td>
<td>(4,399)</td>
<td>(4,924)</td>
<td>(1,793)</td>
</tr>
<tr>
<td>Decrease in prepaid expenses</td>
<td>54,175</td>
<td>2,291</td>
<td>1,115</td>
</tr>
<tr>
<td>Decrease in due from other funds</td>
<td>86</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in deferred outflows of resources</td>
<td>287,458</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in accounts payable</td>
<td>(176,094)</td>
<td>(72,467)</td>
<td>(15,903)</td>
</tr>
<tr>
<td>Increase in accrued liabilities</td>
<td>117,355</td>
<td>44</td>
<td>4,418</td>
</tr>
<tr>
<td>Decrease in customer deposits</td>
<td>(2,715)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in compensated absences</td>
<td>(462)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase in unearned revenue</td>
<td>-</td>
<td>-</td>
<td>869</td>
</tr>
<tr>
<td>Decrease in due to other funds/advances</td>
<td>-</td>
<td>-</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$ 3,706,699</td>
<td>$ (42,047)</td>
<td>$ 77,552</td>
</tr>
</tbody>
</table>

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 of St. Marys, Georgia (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 St. Marys’ City Council. The City is able to significantly influence the programs, projects and activities of the IDA. 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 St. Marys’ City Council. The City is able to significantly influence the programs, projects and activities of the DDA. 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 St. Marys’ 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 St. Marys’ City Council. The City is able to significantly influence the programs, projects and activities of 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. Government-wide financial statements do not provide information by fund or account group, 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 which were previously reported in the General Fixed Assets Account Group and non-current liabilities previously reported in the General Long-Term Debt Account Group. 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 Special Purpose Local Option Sales Tax Fund (SPLOST) is used to account for the revenues and expenditures relating to the 2008 and 2013 1% Special Purpose Local Option Sales Tax.

The City reports the following major proprietary funds:

The Water & 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 type:

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 funds (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, 2018, 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:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20-50</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>30</td>
</tr>
<tr>
<td>Improvements</td>
<td>5-50</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3-10</td>
</tr>
</tbody>
</table>

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:

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

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

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 represent 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 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 an actual earnings on pension plan investments is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred 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 “Retirement Plan”) and additions to/deductions from the Retirement 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 of St. Marys, Georgia 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 10 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 all governmental and proprietary fund types. The supplementary budgetary appropriations made during the year were not material.
NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2018, are summarized as follows:

Amounts as presented on the entity wide statement of net position:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,154,549</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>$2,345,795</td>
</tr>
<tr>
<td>Component Units - cash and cash equivalents</td>
<td>$222,891</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,723,235</strong></td>
</tr>
</tbody>
</table>

Cash deposited with financial institutions            | $14,506,043  |
Cash deposited with Georgia Fund 1                    | $1,217,192   |
**Total**                                             | **$15,723,235** |

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, 2018, the City’s investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

As of June 30, 2018, the City had the following investments:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Maturity</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia Fund 1</td>
<td>10 day weighted average</td>
<td>$1,217,192</td>
</tr>
</tbody>
</table>

Georgia Fund 1 was created under OCGA 36-83-8 as a stable net asset value investment pool which follows Standard & Poor’s criteria for AAAm 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 Authority’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, 2018, 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 February 28, 2018. Taxes were levied on November 14, 2017, and payable on or before January 26, 2018. Property taxes not collected by January 26th are considered and reported as delinquent taxes receivable. Property taxes levied for the year ending June 30, 2018, are recorded as receivables, net of estimated uncollectibles.

 In the governmental funds, the net receivables collected during the year ended June 30, 2018, and expected to be collected by August 31, 2018, are recognized as revenues for the year ended June 30, 2018, whereas, net receivables estimated to be collectible subsequent to August 31, 2018, are recorded as revenue when received.
NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Receivables at June 30, 2018, for the City’s individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>General</th>
<th>SPLOST</th>
<th>Nonmajor Governmental Funds</th>
<th>Water and Sewer</th>
<th>Solid Waste</th>
<th>Nonmajor Enterprise Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$158,972</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts</td>
<td>1,310,971</td>
<td>-</td>
<td>17,856</td>
<td>1,080,758</td>
<td>178,778</td>
<td>4,709</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>162,139</td>
<td>348,327</td>
<td>10,379</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less allowance for uncollectibles</td>
<td>(46,710)</td>
<td>-</td>
<td>-</td>
<td>(460,226)</td>
<td>(70,945)</td>
<td>-</td>
</tr>
<tr>
<td>Net total receivable</td>
<td>$1,585,372</td>
<td>$348,327</td>
<td>$28,235</td>
<td>$620,532</td>
<td>$107,833</td>
<td>$4,709</td>
</tr>
</tbody>
</table>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, is as follows:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Transfers</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, not being depreciated</td>
<td>$1,798,738</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,798,738</td>
</tr>
<tr>
<td>Land</td>
<td>266,523</td>
<td>143,309</td>
<td>-</td>
<td>(198,081)</td>
<td>211,751</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>2,065,261</td>
<td>143,309</td>
<td>-</td>
<td>(198,081)</td>
<td>2,010,489</td>
</tr>
<tr>
<td>Capital assets, being depreciated</td>
<td>$10,898,729</td>
<td>$ -</td>
<td>$ -</td>
<td>$142,269</td>
<td>$11,040,998</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>6,841,174</td>
<td>$ -</td>
<td>$ -</td>
<td>(36,792)</td>
<td>6,804,382</td>
</tr>
<tr>
<td>Buildings</td>
<td>6,853,512</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>6,853,512</td>
</tr>
<tr>
<td>Improvements</td>
<td>9,508,400</td>
<td>458,856</td>
<td>(304,616)</td>
<td>92,604</td>
<td>9,755,244</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>34,101,815</td>
<td>458,856</td>
<td>(304,616)</td>
<td>198,081</td>
<td>34,454,136</td>
</tr>
<tr>
<td>Total</td>
<td>(4,090,092)</td>
<td>(365,743)</td>
<td>-</td>
<td>54,985</td>
<td>(4,400,850)</td>
</tr>
<tr>
<td>Buildings</td>
<td>(3,584,175)</td>
<td>(191,427)</td>
<td>-</td>
<td>17,782</td>
<td>(3,757,820)</td>
</tr>
<tr>
<td>Improvements</td>
<td>(4,255,200)</td>
<td>(221,236)</td>
<td>-</td>
<td>2</td>
<td>(4,476,434)</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>(8,313,418)</td>
<td>(401,864)</td>
<td>241,070</td>
<td>(72,769)</td>
<td>(8,546,981)</td>
</tr>
<tr>
<td>Total</td>
<td>(20,242,885)</td>
<td>(1,180,270)</td>
<td>241,070</td>
<td>-</td>
<td>(21,182,085)</td>
</tr>
<tr>
<td>Total capital assets, being depreciated, net</td>
<td>13,858,930</td>
<td>(721,414)</td>
<td>(63,546)</td>
<td>-</td>
<td>13,272,051</td>
</tr>
<tr>
<td>Governmental activities</td>
<td>$15,924,191</td>
<td>$ (578,105)</td>
<td>$ (63,546)</td>
<td>$ -</td>
<td>$15,282,540</td>
</tr>
</tbody>
</table>
NOTE 5. CAPITAL ASSETS (CONTINUED)

### Business-type activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Transfers</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$846,727</td>
<td>$54,313</td>
<td>$18,125</td>
<td></td>
<td>$846,727</td>
</tr>
<tr>
<td>Total</td>
<td>$901,040</td>
<td>$18,125</td>
<td></td>
<td></td>
<td>$919,165</td>
</tr>
<tr>
<td>Capital assets, being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>8,115,590</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,115,590</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>95,384,944</td>
<td>-</td>
<td>(7,685)</td>
<td>54,313</td>
<td>95,431,572</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>3,919,128</td>
<td>6,005</td>
<td>(141,945)</td>
<td>-</td>
<td>3,783,188</td>
</tr>
<tr>
<td>Total</td>
<td>107,419,662</td>
<td>6,005</td>
<td>(149,630)</td>
<td>54,313</td>
<td>107,330,350</td>
</tr>
<tr>
<td>Less accumulated depreciation for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>(4,591,351)</td>
<td>(193,407)</td>
<td>-</td>
<td>-</td>
<td>(4,784,758)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(28,561,065)</td>
<td>(2,342,849)</td>
<td>6,780</td>
<td>-</td>
<td>(30,897,134)</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>(3,594,539)</td>
<td>(90,996)</td>
<td>140,229</td>
<td>-</td>
<td>(3,545,306)</td>
</tr>
<tr>
<td>Total</td>
<td>(38,746,955)</td>
<td>(2,627,252)</td>
<td>147,009</td>
<td>-</td>
<td>(39,227,198)</td>
</tr>
<tr>
<td>Total capital assets, being depreciated, net</td>
<td>70,672,707</td>
<td>(2,621,247)</td>
<td>(2,621)</td>
<td>54,313</td>
<td>68,103,152</td>
</tr>
<tr>
<td>Business-type activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capital assets, net</td>
<td>$71,573,747</td>
<td>(2,603,122)</td>
<td>(2,621)</td>
<td>-</td>
<td>$68,968,004</td>
</tr>
</tbody>
</table>

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

**Governmental activities**
- General government $410,063
- Public safety $437,475
- Public works $229,588
- Culture and recreation $54,927
- Health and welfare $22,518
- Economic development $25,699
- **Total governmental activities** $1,180,270

**Business-type activities**
- Water and sewer fund $2,528,601
- Aquatics center fund $98,651
- **Total Business-type activities** $2,627,252

**Component Units:** The Industrial Development Authority and the Downtown Development Authority 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, 2018, 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%  

<table>
<thead>
<tr>
<th>Fiscal year ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,930,000</td>
<td>$1,014,896</td>
<td>$2,944,896</td>
</tr>
<tr>
<td>2020</td>
<td>1,960,000</td>
<td>961,653</td>
<td>2,921,653</td>
</tr>
<tr>
<td>2021</td>
<td>2,550,000</td>
<td>899,816</td>
<td>3,449,816</td>
</tr>
<tr>
<td>2022</td>
<td>2,475,000</td>
<td>830,974</td>
<td>3,305,974</td>
</tr>
<tr>
<td>2023</td>
<td>2,400,000</td>
<td>764,186</td>
<td>3,164,186</td>
</tr>
<tr>
<td>2024-2028</td>
<td>12,725,000</td>
<td>2,988,570</td>
<td>15,713,570</td>
</tr>
<tr>
<td>2029-2033</td>
<td>13,944,207</td>
<td>970,441</td>
<td>14,914,648</td>
</tr>
<tr>
<td>Total</td>
<td>$37,984,207</td>
<td>$8,430,536</td>
<td>$46,414,743</td>
</tr>
</tbody>
</table>

Revenue bond debt service requirements to maturity are as follows:

Notes Payable

The City has incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects and various improvements to the water and sewer system. Included with these notes is a construction line of credit agreement for $500,000, of which $18,125 had been drawn down as of June 30, 2018.
NOTE 6.  LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

These notes are as follows at June 30, 2018:

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Term</th>
<th>Fiscal Year Due Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00%</td>
<td>20 years</td>
<td>2025</td>
<td>$1,944,882</td>
</tr>
<tr>
<td>3.81%</td>
<td>20 years</td>
<td>2033</td>
<td>741,813</td>
</tr>
<tr>
<td>1.09%</td>
<td>20 years</td>
<td>2037</td>
<td>387,772</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,074,467</td>
</tr>
</tbody>
</table>

Construction line of credit - draw down phase 18,125

$3,092,592

As the City has one note that remained in the draw down phase as of June 30, 2018, the interest rate, term and due date will be disclosed for this note when construction is complete.

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

<table>
<thead>
<tr>
<th>Fiscal year ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$335,755</td>
<td>$86,271</td>
<td>$422,026</td>
</tr>
<tr>
<td>2020</td>
<td>345,859</td>
<td>76,167</td>
<td>422,026</td>
</tr>
<tr>
<td>2021</td>
<td>356,488</td>
<td>65,538</td>
<td>422,026</td>
</tr>
<tr>
<td>2022</td>
<td>367,249</td>
<td>54,777</td>
<td>422,026</td>
</tr>
<tr>
<td>2023</td>
<td>378,409</td>
<td>43,617</td>
<td>422,026</td>
</tr>
<tr>
<td>2024-2028</td>
<td>811,914</td>
<td>104,780</td>
<td>916,694</td>
</tr>
<tr>
<td>2029-2033</td>
<td>388,910</td>
<td>32,122</td>
<td>421,032</td>
</tr>
<tr>
<td>2034-2038</td>
<td>89,883</td>
<td>2,056</td>
<td>91,939</td>
</tr>
<tr>
<td>Total</td>
<td>$3,074,467</td>
<td>$465,328</td>
<td>$3,539,795</td>
</tr>
</tbody>
</table>

The construction line of credit agreement for $500,000, of which $18,125 had been drawn down as of June 30, 2018, is not included in the above schedule. Repayment will be determined when construction is complete and all draws have been made.

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 executed an agreement with the Georgia Municipal Association (GMA) whereby funds were appropriated to the City from the proceeds of certificates of participation in the GMA Lease Pool. The agreement includes certificates of participation, swap providers and a rebate fund involving multiple financial institutions and is designed to generate interest income which effectively reduces the City's interest expense. The certificates of participation are a direct liability of the GMA and the City's liability extends only to the amount actually drawn down to finance buildings, vehicles and equipment additions. Amounts drawn under the lease agreement bear interest based on a variable rate determined weekly (not to exceed 5%).

The City reported equipment acquired under capital leases with a total acquisition value of $1,878,159 at June 30, 2018. The City reported accumulated depreciation and depreciation expense as of June 30, 2018, on these assets in the amounts of $734,924 and $339,190, 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, 2018.

<table>
<thead>
<tr>
<th>Fiscal year ending June 30,</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 371,432</td>
<td>$ 52,753</td>
</tr>
<tr>
<td>2020</td>
<td>326,456</td>
<td>33,570</td>
</tr>
<tr>
<td>2021</td>
<td>279,611</td>
<td>–</td>
</tr>
<tr>
<td>2022</td>
<td>230,420</td>
<td>–</td>
</tr>
<tr>
<td>2023</td>
<td>145,965</td>
<td>–</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>1,353,884</td>
<td>86,323</td>
</tr>
<tr>
<td>Less amounts representing interest</td>
<td>(87,168)</td>
<td>(2,269)</td>
</tr>
<tr>
<td>Present value of future minimum lease payments</td>
<td>$ 1,266,716</td>
<td>$ 84,054</td>
</tr>
</tbody>
</table>
NOTE 6.  LONG-TERM DEBT (CONTINUED)

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

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital leases</td>
<td>$ 1,069,386</td>
<td>$ 443,513</td>
<td>$(246,183)</td>
<td>$ 1,266,716</td>
<td>$ 333,854</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>270,631</td>
<td>96,040</td>
<td>(137,060)</td>
<td>229,611</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>276,845</td>
<td>372,698</td>
<td>(377,183)</td>
<td>272,360</td>
<td>272,360</td>
</tr>
<tr>
<td><strong>Governmental activity</strong></td>
<td>$ 1,616,862</td>
<td>$ 912,251</td>
<td>$(760,426)</td>
<td>$ 1,768,687</td>
<td>$ 606,214</td>
</tr>
<tr>
<td><strong>Business-type activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$ 40,560,000</td>
<td>-</td>
<td>$(2,575,793)</td>
<td>$ 37,984,207</td>
<td>$ 1,930,000</td>
</tr>
<tr>
<td>Notes payable</td>
<td>3,398,847</td>
<td>18,125</td>
<td>(324,380)</td>
<td>3,092,592</td>
<td>335,755</td>
</tr>
<tr>
<td>Capital leases payable</td>
<td>138,965</td>
<td>-</td>
<td>(54,911)</td>
<td>84,054</td>
<td>50,907</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>27,069</td>
<td>49,597</td>
<td>(50,059)</td>
<td>26,607</td>
<td>26,607</td>
</tr>
<tr>
<td><strong>Business-type activity</strong></td>
<td>$ 44,124,881</td>
<td>$ 67,722</td>
<td>$(3,005,143)</td>
<td>$ 41,187,460</td>
<td>$ 2,343,269</td>
</tr>
</tbody>
</table>

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, 2018, is as follows:

<table>
<thead>
<tr>
<th>Receivable Fund</th>
<th>Payable Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Nonmajor governmental funds</td>
<td>$ 36,486</td>
</tr>
<tr>
<td>General Fund</td>
<td>Nonmajor enterprise fund</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 46,486</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advance To</th>
<th>Advance From</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Nonmajor enterprise fund</td>
<td>$ 30,000</td>
</tr>
</tbody>
</table>

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, 2018, the City’s General Fund has advanced the Aquatic Center Fund $30,000.
NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers as of June 30, 2018, is as follows:

<table>
<thead>
<tr>
<th>Transfers In</th>
<th>Transfers Out</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Nonmajor governmental funds</td>
<td>$26,218</td>
</tr>
<tr>
<td>Water and Sewer Fund</td>
<td>SPLOST Fund</td>
<td>1,654,050</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,680,268</td>
</tr>
</tbody>
</table>

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 City of St. Marys Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, P.O. Box 105377, Atlanta, Georgia 30348.

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 10 years of service.
NOTE 8. PENSION PLANS (CONTINUED)

Employee Participation

At June 30, 2018, the following employees were covered by the Plan:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive plan members or beneficiaries currently receiving benefits</td>
<td>29</td>
</tr>
<tr>
<td>Inactive plan members entitled to, but not receiving benefits</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
</tr>
</tbody>
</table>

Contributions

The funding policy for the City of St. Marys Retirement Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the City of St. Marys Retirement Plan. The City is required to contribute at an actuarially determined rate. Due to only one remaining active participant, 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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2017.

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

- Inflation: 3.00%
- Salary increases: 2.75%, plus service based merit increases
- Investment rate of return: 7.50%

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

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.
NOTE 8.  PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

Cost of living adjustments were assumed to be 3.00% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Commission, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Target allocation</th>
<th>Long-term expected real rate of return*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equity</td>
<td>45%</td>
<td>6.71%</td>
</tr>
<tr>
<td>International equity</td>
<td>20%</td>
<td>7.71</td>
</tr>
<tr>
<td>Domestic fixed income</td>
<td>20%</td>
<td>2.11</td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>5.21</td>
</tr>
<tr>
<td>Global fixed income</td>
<td>5%</td>
<td>3.36</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Rates shown are net of the 3.00% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.50%. 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, 2018, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 977,374</td>
<td>$ 706,743</td>
<td>$ 270,631</td>
</tr>
<tr>
<td>Changes for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>71,041</td>
<td>-</td>
<td>71,041</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(3,979)</td>
<td>-</td>
<td>(3,979)</td>
</tr>
<tr>
<td>Assumption changes</td>
<td>13,951</td>
<td>-</td>
<td>13,951</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>-</td>
<td>35,443</td>
<td>(35,443)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>97,638</td>
<td>(97,638)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(121,442)</td>
<td>(121,442)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(11,048)</td>
<td>11,048</td>
</tr>
<tr>
<td>Net changes</td>
<td>(40,429)</td>
<td>591</td>
<td>(41,020)</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$ 936,945</td>
<td>$ 707,334</td>
<td>$ 229,611</td>
</tr>
</tbody>
</table>

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, 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 (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

| Discount Rate   | Current | 1% Decrease  
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(6.5%)</td>
</tr>
<tr>
<td>City's net pension liability</td>
<td>$25,989,410</td>
<td>$229,611</td>
</tr>
</tbody>
</table>
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, 2017, 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, 2018, the City recognized pension expense of $2,597,030 and deferred inflows of resources related to pensions of $39,000 resulting from an investment earnings difference between projected and actual investments. This deferred inflow of resources will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>10,755</td>
</tr>
<tr>
<td>2020</td>
<td>4,793</td>
</tr>
<tr>
<td>2021</td>
<td>14,127</td>
</tr>
<tr>
<td>2022</td>
<td>9,325</td>
</tr>
<tr>
<td>Total</td>
<td>39,000</td>
</tr>
</tbody>
</table>

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City of St. Marys 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, 2018, there were 145 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 $18,000 for the year ended June 30, 2018. 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, 2018, were $255,921. Total employee contributions for the year ended June 30, 2018, were $217,543.
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, 2018, the City paid $22,257 in such dues. Membership in the CRC is required by the Official Code of Georgia Annotated (OCGA) Section 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. OCGA 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, 2018, 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 cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the 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, 2018, $139,172 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, 2018, the City has contractual commitments on uncompleted contracts of approximately $545,058.
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,**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on total pension liability</td>
<td>$71,041</td>
<td>$65,625</td>
<td>$67,785</td>
<td>$69,743</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(3,979)</td>
<td>124,702</td>
<td>12,987</td>
<td>1,546</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>13,951</td>
<td>-</td>
<td>-</td>
<td>2,191</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(121,442)</td>
<td>(119,457)</td>
<td>(97,821)</td>
<td>(99,674)</td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>(40,429)</td>
<td>70,870</td>
<td>(17,049)</td>
<td>(26,194)</td>
</tr>
<tr>
<td><strong>Total pension liability - beginning</strong></td>
<td>977,374</td>
<td>906,504</td>
<td>923,553</td>
<td>949,747</td>
</tr>
<tr>
<td><strong>Total pension liability - ending (a)</strong></td>
<td>$936,945</td>
<td>$977,374</td>
<td>$923,553</td>
<td>$949,747</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan fiduciary net position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>$35,443</td>
<td>$22,683</td>
<td>$19,285</td>
<td>$19,285</td>
</tr>
<tr>
<td>Net investment income</td>
<td>97,638</td>
<td>76,881</td>
<td>12,598</td>
<td>88,859</td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(121,442)</td>
<td>(119,457)</td>
<td>(97,821)</td>
<td>(99,674)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(11,048)</td>
<td>(7,861)</td>
<td>(7,167)</td>
<td>(5,996)</td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>591</td>
<td>(27,754)</td>
<td>(73,105)</td>
<td>2,474</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - beginning</strong></td>
<td>706,743</td>
<td>734,497</td>
<td>807,602</td>
<td>805,128</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - ending (b)</strong></td>
<td>$707,334</td>
<td>$706,743</td>
<td>$734,497</td>
<td>$807,602</td>
</tr>
<tr>
<td><strong>City's net pension liability - ending (a) - (b)</strong></td>
<td>$229,611</td>
<td>$270,631</td>
<td>$172,007</td>
<td>$115,951</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan fiduciary net position as a percentage of the total pension liability</strong></td>
<td>75.5%</td>
<td>72.3%</td>
<td>81.0%</td>
<td>87.4%</td>
</tr>
<tr>
<td><strong>Covered payroll</strong></td>
<td>$</td>
<td>-</td>
<td>$47,778</td>
<td>$49,178</td>
</tr>
<tr>
<td><strong>Net pension liability as a percentage of covered payroll</strong></td>
<td>0.0%</td>
<td>566.4%</td>
<td>349.8%</td>
<td>235.8%</td>
</tr>
</tbody>
</table>

### Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.
CITY OF ST. MARYS, GEORGIA

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$22,683</td>
<td>$19,285</td>
<td>$19,285</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>22,683</td>
<td>19,285</td>
<td>19,285</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$-</td>
<td>$-</td>
<td>$47,778</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>0.0%</td>
<td>0.0%</td>
<td>40.4%</td>
</tr>
</tbody>
</table>

Notes to the Schedule:

Valuation Date: January 1, 2018
Cost Method: Projected Unit Credit
Actuarial Asset Valuation Method: Sum of actuarial value at beginning of year and the cash flow during the year plus 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: 7.50%
Projected Salary Increases: 2.75%, plus service based merit increases
Cost-of-living Adjustment: 0.00%
Amortization Method: Closed level dollar for unfunded liability
Remaining Amortization Period: 11 years

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

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

Capital Project Funds

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, 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Special Revenue</th>
<th>Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hotel/Motel</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 9,977</td>
<td>$ 576,321</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>17,696</td>
<td>160</td>
</tr>
<tr>
<td>Due from other governments</td>
<td></td>
<td>160</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 17,696</td>
<td>$ 576,481</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCE</th>
<th>Special Revenue</th>
<th>Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to component units</td>
<td>$ 17,696</td>
<td></td>
</tr>
<tr>
<td>Due to other funds</td>
<td>10,558</td>
<td>25,928</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>17,696</td>
<td>36,486</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCE</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>- 8,648</td>
<td>576,481</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>- 8,648</td>
<td>576,481</td>
</tr>
<tr>
<td>Total liabilities and fund balances</td>
<td>17,696</td>
<td>1,045,754</td>
</tr>
</tbody>
</table>
## CITY OF ST. MARYS, GEORGIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hotel/Motel Tax Fund</td>
<td>Tax Allocation District</td>
<td>Multiple Grants Fund</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 139,172</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>6,924</td>
<td>26,218</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>24</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>139,172</td>
<td>6,948</td>
<td>26,218</td>
</tr>
</tbody>
</table>

#### EXPENDITURES

|                      |                 |                 |                             |                |       |
| Current              |                 |                 |                             |                |       |
| Housing and development | 139,172     | -               | -                           | -              | 139,172 |
| Capital outlay       | -               | -               | -                           | 25,320         | 25,320 |
| **Total expenditures** | 139,172   | -               | -                           | 25,320         | 164,492 |

| Excess of revenues over expenditures | - | 6,948 | 26,218 | 220,388 | 253,554 |

Other financing uses

| Transfers out        | -               | -               | (26,218)                    | -              | (26,218) |
| **Total other financing uses** | - | - | (26,218) | - | (26,218) |

| Net change in fund balances | - | 6,948 | - | 220,388 | 227,336 |

| **FUND BALANCE, beginning of year** | - | 1,700 | 406,443 | 356,093 | 764,236 |
| **FUND BALANCE, end of year** | $ - | $ 8,648 | $ 406,443 | $ 576,481 | $ 991,572 |
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, 2018

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th></th>
<th></th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 182,890</td>
<td>$ 202,351</td>
<td>$ 139,172</td>
<td>$ (63,179)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>182,890</td>
<td>202,351</td>
<td>139,172</td>
<td>(63,179)</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and development</td>
<td>182,890</td>
<td>203,711</td>
<td>139,172</td>
<td>64,539</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>182,890</td>
<td>203,711</td>
<td>139,172</td>
<td>64,539</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>-</td>
<td>(1,360)</td>
<td>-</td>
<td>(1,360)</td>
</tr>
<tr>
<td>Fund balance, beginning of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance, end of year</td>
<td>$ -</td>
<td>$ (1,360)</td>
<td>$ -</td>
<td>$ (1,360)</td>
</tr>
</tbody>
</table>
### 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, 2018**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 12,000</td>
<td>$ 12,000</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Other financing uses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(12,000)</td>
<td>(12,000)</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>(12,000)</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$ 1,700</td>
<td>$ 1,700</td>
</tr>
</tbody>
</table>
## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Multiple Grants Fund

For the Fiscal Year Ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$392,333</td>
<td>$881,409</td>
<td>$26,218</td>
</tr>
<tr>
<td>Total revenues</td>
<td>392,333</td>
<td>881,409</td>
<td>26,218</td>
</tr>
<tr>
<td><strong>Other financing uses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(392,333)</td>
<td>(881,409)</td>
<td>(26,218)</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>(392,333)</td>
<td>(881,409)</td>
<td>(26,218)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>406,443</td>
<td>406,443</td>
<td>406,443</td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$406,443</td>
<td>$406,443</td>
<td>$406,443</td>
</tr>
</tbody>
</table>
## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2008 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th>Project</th>
<th>Original Estimated Cost</th>
<th>Current Estimated Cost</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>City sidewalks/streets</td>
<td>$4,730,000</td>
<td>$2,450,000</td>
<td>$683,130</td>
<td>-</td>
<td>$683,130</td>
</tr>
<tr>
<td>Drainage</td>
<td>5,530,000</td>
<td>3,000,000</td>
<td>457,492</td>
<td>-</td>
<td>457,492</td>
</tr>
<tr>
<td>Sewer</td>
<td>5,000,000</td>
<td>5,310,000</td>
<td>9,084,788</td>
<td>-</td>
<td>9,084,788</td>
</tr>
<tr>
<td>City buildings</td>
<td>3,500,000</td>
<td>1,000,000</td>
<td>1,135,646</td>
<td>-</td>
<td>1,135,646</td>
</tr>
<tr>
<td>Totals</td>
<td>$18,760,000</td>
<td>$11,760,000</td>
<td>$11,361,056</td>
<td>-</td>
<td>$11,361,056</td>
</tr>
</tbody>
</table>
## CITY OF ST. MARYS, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2012 ISSUE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<table>
<thead>
<tr>
<th>Project</th>
<th>Original Estimated Cost</th>
<th>Current Estimated Cost</th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond debt</td>
<td>$ 11,000,000</td>
<td>$ 11,000,000</td>
<td>$ 4,994,200</td>
<td>$ 1,654,050</td>
<td>$ 6,648,250</td>
</tr>
<tr>
<td>Improvements</td>
<td>4,327,918</td>
<td>4,327,918</td>
<td>362,695</td>
<td>-</td>
<td>362,695</td>
</tr>
<tr>
<td>Equipment/vehicles capital outlay</td>
<td>2,503,375</td>
<td>2,503,375</td>
<td>191,182</td>
<td>-</td>
<td>191,182</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 17,831,293</td>
<td>$ 17,831,293</td>
<td>$ 5,548,077</td>
<td>$ 1,654,050</td>
<td>$ 7,202,127</td>
</tr>
</tbody>
</table>
Industrial Development Authority – Responsible for the development and coordination of economic growth projects in the City of St. Marys and for the redevelopment of property owned or acquired by the City for the best economic use for the citizens of St. Marys.

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

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

Cemetery Authority – Established to account for the operation, care and maintenance of the Historic Oak Grove Cemetery.
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### CITY OF ST. MARYS, GEORGIA

**BALANCE SHEET**  
**COMPONENT UNITS**  
**JUNE 30, 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Industrial Development Authority</th>
<th>Downtown Development Authority</th>
<th>Convention &amp; Visitors Bureau Authority</th>
<th>Cemetery Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,929</td>
<td>$46,811</td>
<td>$43,792</td>
<td>$120,359</td>
</tr>
<tr>
<td>Accounts receivable</td>
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<td>Due from primary government</td>
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<td>-</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$11,929</td>
<td>$46,811</td>
<td>$61,625</td>
<td>$121,142</td>
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</table>

#### LIABILITIES AND FUND BALANCE

**LIABILITIES**

| Accounts payable | - | $1,879 | $1,724 | - |
| Due to primary government | - | - | 2,346 | - |
| Accrued expenses | - | - | 363 | - |
| **Total liabilities** | - | 1,879 | 4,433 | - |

**FUND BALANCE**

<p>| Unassigned | 11,929 | 44,932 | 57,192 | 121,142 |
| <strong>Total fund balances</strong> | 11,929 | 44,932 | 57,192 | 121,142 |
| <strong>Total liabilities and fund balances</strong> | $11,929 | $46,811 | $61,625 | $121,142 |</p>
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<tr>
<th></th>
<th>Industrial Development Authority</th>
<th>Downtown Development Authority</th>
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<td>$ 189,233</td>
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<td>365</td>
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<td>Housing and development</td>
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<td>(3,879)</td>
<td>7,190</td>
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<td>48,811</td>
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<td>$ 11,929</td>
<td>$ 44,932</td>
<td>$ 57,192</td>
<td>$ 121,142</td>
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</tbody>
</table>
This part of the City of St. Marys comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

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

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<tr>
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<tr>
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<td>1,395,412</td>
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<tr>
<td><strong>Net investment in capital assets</strong></td>
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<td>$52,894,056</td>
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**Note:** GASB 68 was implemented during fiscal year 2015.
### CITY OF ST. MARYS, GEORGIA

#### CHANGES IN NET POSITION LAST TEN FISCAL YEARS

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<td>Public safety</td>
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<td>Health and welfare -</td>
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<td><strong>Business-type activities</strong></td>
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<td><strong>Program revenues</strong></td>
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<td><strong>Primary government assets</strong></td>
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<tr>
<td>General government</td>
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<td>Charges for services</td>
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(Continued)
CITY OF ST. MARYS, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

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</tr>
<tr>
<td>Miscellaneous</td>
<td>13,881</td>
<td>10,228</td>
<td>19,353</td>
<td>15,132</td>
<td>20,101</td>
<td>5,583</td>
<td>22,395</td>
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<tr>
<td>Transfers</td>
<td>4,660,253</td>
<td>1,590,591</td>
<td>1,003,102</td>
<td>91,553</td>
<td>67,400</td>
<td>102,639</td>
<td>3,031,768</td>
<td>3,896,100</td>
<td>1,669,300</td>
<td>1,654,050</td>
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<tr>
<td>Total business type activities</td>
<td>4,960,591</td>
<td>1,711,271</td>
<td>1,052,510</td>
<td>118,956</td>
<td>120,873</td>
<td>112,120</td>
<td>3,066,841</td>
<td>3,926,990</td>
<td>1,699,222</td>
<td>1,678,465</td>
</tr>
<tr>
<td>Total primary government general revenues and changes in net position</td>
<td>12,231,147</td>
<td>12,823,092</td>
<td>9,131,808</td>
<td>7,426,405</td>
<td>7,259,953</td>
<td>7,417,830</td>
<td>7,607,949</td>
<td>7,832,916</td>
<td>7,813,092</td>
<td>8,114,812</td>
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<tr>
<td>Change in net position</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td>(801,245)</td>
<td>3,133,295</td>
<td>356,225</td>
<td>96,571</td>
<td>275,506</td>
<td>235,972</td>
<td>(123,109)</td>
<td>262,152</td>
<td>(716,003)</td>
<td>(780,663)</td>
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<tr>
<td>Business-type activities</td>
<td>8,373,467</td>
<td>1,915,036</td>
<td>32,027</td>
<td>(1,849,866)</td>
<td>(1,853,455)</td>
<td>(1,102,732)</td>
<td>1,972,534</td>
<td>2,278,479</td>
<td>83,769</td>
<td>1,460,158</td>
</tr>
<tr>
<td>Total primary government change in net position</td>
<td>$7,572,222</td>
<td>$5,048,331</td>
<td>$388,252</td>
<td>($1,753,295)</td>
<td>($1,577,949)</td>
<td>($666,760)</td>
<td>$1,849,425</td>
<td>$2,540,631</td>
<td>($632,234)</td>
<td>$679,495</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unreserved</td>
<td>$ 4,483,795</td>
<td>$ 4,454,159</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total general fund</td>
<td>$ 4,483,795</td>
<td>$ 4,454,159</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>All other governmental funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Unreserved, reported in</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Special revenue funds</td>
<td>$ 419,264</td>
<td>$ 402,554</td>
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<tr>
<td>Capital projects funds</td>
<td>95,421</td>
<td>80,332</td>
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<tr>
<td>Total all other governmental funds</td>
<td>$ 514,685</td>
<td>$ 482,886</td>
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</tr>
<tr>
<td>Total all governmental funds</td>
<td>$ 4,998,480</td>
<td>$ 4,937,045</td>
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</tr>
<tr>
<td>General fund</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>$ 135,283</td>
<td>$ 231,136</td>
<td>$ 115,494</td>
<td>$ 97,190</td>
<td>$ 107,651</td>
<td>$ 113,760</td>
<td>$ 284,805</td>
<td>$ 102,159</td>
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<tr>
<td>Restricted</td>
<td>25,000</td>
<td>25,000</td>
<td>6,250</td>
<td>6,250</td>
<td>6,250</td>
<td>6,250</td>
<td>-</td>
<td>25,000</td>
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</tr>
<tr>
<td>Unassigned</td>
<td>3,199,443</td>
<td>4,205,195</td>
<td>4,959,599</td>
<td>5,437,868</td>
<td>6,001,980</td>
<td>6,573,053</td>
<td>6,146,644</td>
<td>5,700,629</td>
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<td></td>
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<tr>
<td>Total general fund</td>
<td>$ 3,359,726</td>
<td>$ 4,461,331</td>
<td>$ 5,081,343</td>
<td>$ 5,541,308</td>
<td>$ 6,115,881</td>
<td>$ 6,693,063</td>
<td>$ 6,431,449</td>
<td>$ 5,827,788</td>
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<td></td>
</tr>
<tr>
<td>All other governmental funds</td>
<td></td>
<td></td>
<td></td>
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<td>Nonspendable, reported in</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Special revenue funds</td>
<td>$ 74,184</td>
<td>$ 77</td>
<td>$ 77</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted, reported in</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special revenue funds</td>
<td>341,185</td>
<td>406,679</td>
<td>543,992</td>
<td>406,443</td>
<td>406,443</td>
<td>406,443</td>
<td>408,143</td>
<td>415,091</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects funds</td>
<td>-</td>
<td>-</td>
<td>(4,024)</td>
<td>769,908</td>
<td>704,018</td>
<td>1,291,854</td>
<td>1,477,913</td>
<td>2,127,068</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total all other governmental funds</td>
<td>$ 415,369</td>
<td>$ 406,756</td>
<td>$ 540,045</td>
<td>$ 1,176,351</td>
<td>$ 1,110,461</td>
<td>$ 1,698,297</td>
<td>$ 1,886,056</td>
<td>$ 2,542,159</td>
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<td></td>
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<tr>
<td>Total all governmental funds</td>
<td>$ 3,775,095</td>
<td>$ 4,868,087</td>
<td>$ 5,621,388</td>
<td>$ 6,717,659</td>
<td>$ 7,226,342</td>
<td>$ 8,391,360</td>
<td>$ 8,317,505</td>
<td>$ 8,369,947</td>
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</tr>
</tbody>
</table>

**Note:** GASB 54 was implemented during fiscal year 2011.
## CITY OF ST. MARYS, GEORGIA

### CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

#### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Target</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total revenues</td>
<td>Total expenditures</td>
<td>Deficiency of revenues over expenditures</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>13,695,788</td>
<td>14,545,820</td>
<td>(850,032)</td>
<td>(51,803)</td>
</tr>
<tr>
<td>2010</td>
<td>14,824,771</td>
<td>14,876,574</td>
<td>1,169,642</td>
<td>980,202</td>
</tr>
<tr>
<td>2011</td>
<td>11,189,279</td>
<td>12,358,921</td>
<td>980,202</td>
<td>750,801</td>
</tr>
<tr>
<td>2012</td>
<td>9,885,483</td>
<td>8,905,281</td>
<td>1,112,472</td>
<td>1,112,472</td>
</tr>
<tr>
<td>2013</td>
<td>10,023,334</td>
<td>9,272,533</td>
<td>1,727,757</td>
<td>2,135,720</td>
</tr>
<tr>
<td>2014</td>
<td>9,731,277</td>
<td>8,618,805</td>
<td>1,076,492</td>
<td>1,684,831</td>
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<tr>
<td>2015</td>
<td>12,727,303</td>
<td>10,591,583</td>
<td>1,978,393</td>
<td>1,474,124</td>
</tr>
<tr>
<td>2016</td>
<td>13,899,589</td>
<td>12,214,758</td>
<td>1,684,831</td>
<td>1,246,128</td>
</tr>
<tr>
<td>2017</td>
<td>11,596,082</td>
<td>10,121,958</td>
<td>1,246,128</td>
<td>1,246,128</td>
</tr>
<tr>
<td>2018</td>
<td>14,229,880</td>
<td>12,983,752</td>
<td>1,246,128</td>
<td>1,246,128</td>
</tr>
</tbody>
</table>

### Revenues

- **Licenses and permits**: $463,372 (2009) to $228,945 (2018)
- **Intergovernmental**: $73,105 (2009) to $3,386,191 (2018)
- **Fines and forfeitures**: $326,744 (2009) to $228,945 (2018)
- **Charges for services**: $96,982 (2009) to $228,945 (2018)
- **Interest income**: $68,953 (2009) to $6,345 (2018)
- **Contributions and donations**: $0 (2009) to $3,586 (2018)
- **Other revenues**: $1,129,591 (2009) to $1,824,619 (2018)

### Expenditures

- **General government**: $2,014,749 (2009) to $5,253,261 (2018)
- **Public safety**: $3,996,164 (2009) to $4,204,586 (2018)
- **Public works**: $2,124,581 (2009) to $1,828,184 (2018)
- **Health and welfare**: $100,270 (2009) to $129,591 (2018)
- **Culture and recreation**: $632,096 (2009) to $362,028 (2018)
- **Housing and development**: $569,252 (2009) to $720,609 (2018)

### Deficiency of revenues over expenditures

- **2009**: (850,032)
- **2010**: (51,803)
- **2011**: 1,169,642
- **2012**: 980,202
- **2013**: 750,801
- **2014**: 1,112,472
- **2015**: 2,135,720
- **2016**: 1,684,831
- **2017**: 1,474,124
- **2018**: 1,246,128

(Continued)
## CITY OF ST. MARYS, GEORGIA

### CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financing sources (uses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the sale of capital assets</td>
<td>$74,969</td>
<td>$ -</td>
<td>$14,602</td>
<td>$ -</td>
<td>$2,500</td>
<td>$ -</td>
<td>$12,963</td>
<td>$ -</td>
<td>$ -</td>
<td>$16,851</td>
</tr>
<tr>
<td>Proceeds from notes payable</td>
<td>$128,000</td>
<td>$ -</td>
<td>$119,700</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,160,987</td>
<td>$ -</td>
<td>$ -</td>
<td>$121,321</td>
<td>$443,513</td>
</tr>
<tr>
<td>Proceeds from capital leases</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$121,321</td>
<td>$443,513</td>
</tr>
<tr>
<td>Transfers in</td>
<td>$257,964</td>
<td>$308,057</td>
<td>$410,701</td>
<td>$417,324</td>
<td>$307,674</td>
<td>$295,352</td>
<td>$100,116</td>
<td>$261,387</td>
<td>$26,218</td>
<td>$26,218</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(280,366)</td>
<td>(317,689)</td>
<td>(417,611)</td>
<td>(424,234)</td>
<td>(307,674)</td>
<td>(315,500)</td>
<td>(1,640,000)</td>
<td>(1,780,916)</td>
<td>(1,930,685)</td>
<td>(1,680,268)</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>180,567</td>
<td>(9,632)</td>
<td>7,692</td>
<td>112,790</td>
<td>2,500</td>
<td>(20,148)</td>
<td>(1,627,037)</td>
<td>(519,813)</td>
<td>(1,547,979)</td>
<td>(1,193,686)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>$ (669,465)</td>
<td>$ (61,435)</td>
<td>$ (1,161,950)</td>
<td>$ 1,092,992</td>
<td>$ 753,301</td>
<td>$ 1,092,324</td>
<td>$ 508,683</td>
<td>$ 1,165,018</td>
<td>$ (73,855)</td>
<td>$ 52,442</td>
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<td>Debt service as a percentage of noncapital expenditures</td>
<td>8.70%</td>
<td>5.40%</td>
<td>5.00%</td>
<td>2.10%</td>
<td>0.60%</td>
<td>0.49%</td>
<td>0.10%</td>
<td>0.16%</td>
<td>2.33%</td>
<td>2.24%</td>
</tr>
</tbody>
</table>
## General Governmental Tax Revenues by Source
### Last Ten Fiscal Years
(in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Property Tax</th>
<th>Franchise Tax</th>
<th>Sales Tax</th>
<th>Hotel/Motel Tax</th>
<th>Other (1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$3,899,788</td>
<td>$814,810</td>
<td>$6,012,916</td>
<td>$110,980</td>
<td>$1,014,643</td>
<td>$11,853,137</td>
</tr>
<tr>
<td>2010</td>
<td>3,704,579</td>
<td>820,730</td>
<td>7,030,312</td>
<td>98,461</td>
<td>993,926</td>
<td>12,648,008</td>
</tr>
<tr>
<td>2011</td>
<td>3,394,403</td>
<td>874,322</td>
<td>3,711,861</td>
<td>107,006</td>
<td>965,861</td>
<td>9,053,453</td>
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<tr>
<td>2012</td>
<td>3,367,477</td>
<td>910,675</td>
<td>1,956,799</td>
<td>104,003</td>
<td>1,048,986</td>
<td>7,387,940</td>
</tr>
<tr>
<td>2013</td>
<td>3,177,293</td>
<td>887,267</td>
<td>1,905,129</td>
<td>103,943</td>
<td>1,548,132</td>
<td>7,621,764</td>
</tr>
<tr>
<td>2014</td>
<td>3,351,960</td>
<td>905,317</td>
<td>1,907,852</td>
<td>118,907</td>
<td>1,146,466</td>
<td>7,430,502</td>
</tr>
<tr>
<td>2015</td>
<td>3,219,206</td>
<td>1,070,545</td>
<td>1,916,715</td>
<td>138,298</td>
<td>1,187,316</td>
<td>7,532,080</td>
</tr>
<tr>
<td>2016</td>
<td>3,623,352</td>
<td>1,011,979</td>
<td>1,795,049</td>
<td>140,460</td>
<td>1,260,860</td>
<td>7,831,700</td>
</tr>
<tr>
<td>2017</td>
<td>3,520,121</td>
<td>996,179</td>
<td>1,753,020</td>
<td>157,570</td>
<td>1,348,895</td>
<td>7,775,785</td>
</tr>
<tr>
<td>2018</td>
<td>3,674,169</td>
<td>969,126</td>
<td>1,844,924</td>
<td>139,172</td>
<td>1,460,899</td>
<td>8,088,289</td>
</tr>
</tbody>
</table>

Notes: (1) Includes alcohol business taxes, hotel/motel taxes, insurance premium taxes and franchise fees.
<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Digest Tax Year</th>
<th>Real and Personal Property</th>
<th>Motor Vehicle</th>
<th>Motor Homes</th>
<th>Other Property (a)</th>
<th>Less: Tax-Exempt Real Property</th>
<th>Total Taxable Value</th>
<th>Total Direct Tax Rate</th>
<th>Estimated Actual Value</th>
<th>Assessed Value as a % of Actual Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2008</td>
<td>$666,245,759</td>
<td>$33,846,180</td>
<td>$1,445,663</td>
<td>$17,330</td>
<td>$15,722,566</td>
<td>$685,832,366</td>
<td>5.60</td>
<td>$1,714,580,915</td>
<td>40%</td>
</tr>
<tr>
<td>2010</td>
<td>2009</td>
<td>686,729,044</td>
<td>35,770,460</td>
<td>1,351,146</td>
<td>-</td>
<td>14,798,800</td>
<td>709,051,850</td>
<td>5.35</td>
<td>1,772,629,625</td>
<td>40%</td>
</tr>
<tr>
<td>2011</td>
<td>2010</td>
<td>633,531,532</td>
<td>32,606,900</td>
<td>1,351,146</td>
<td>-</td>
<td>13,513,338</td>
<td>653,976,240</td>
<td>5.35</td>
<td>1,634,940,600</td>
<td>40%</td>
</tr>
<tr>
<td>2012</td>
<td>2011</td>
<td>608,273,055</td>
<td>32,560,440</td>
<td>1,127,433</td>
<td>-</td>
<td>12,973,950</td>
<td>628,966,978</td>
<td>5.35</td>
<td>1,572,467,445</td>
<td>40%</td>
</tr>
<tr>
<td>2013</td>
<td>2012</td>
<td>554,314,317</td>
<td>33,340,400</td>
<td>1,157,065</td>
<td>-</td>
<td>12,241,670</td>
<td>576,570,112</td>
<td>5.32</td>
<td>1,441,425,280</td>
<td>40%</td>
</tr>
<tr>
<td>2014</td>
<td>2013</td>
<td>504,286,654</td>
<td>35,668,380</td>
<td>1,126,965</td>
<td>-</td>
<td>13,743,563</td>
<td>527,338,436</td>
<td>5.32</td>
<td>1,318,346,090</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>2014</td>
<td>496,366,175</td>
<td>31,256,660</td>
<td>1,085,535</td>
<td>62,406</td>
<td>12,971,648</td>
<td>515,799,128</td>
<td>5.35</td>
<td>1,289,497,820</td>
<td>40%</td>
</tr>
<tr>
<td>2016</td>
<td>2015</td>
<td>496,146,425</td>
<td>22,194,870</td>
<td>1,206,391</td>
<td>107,589</td>
<td>13,020,628</td>
<td>506,634,647</td>
<td>6.00</td>
<td>1,266,586,618</td>
<td>40%</td>
</tr>
<tr>
<td>2017</td>
<td>2016</td>
<td>506,736,859</td>
<td>16,144,250</td>
<td>1,174,178</td>
<td>211,540</td>
<td>15,242,710</td>
<td>509,024,117</td>
<td>6.00</td>
<td>1,272,560,293</td>
<td>40%</td>
</tr>
<tr>
<td>2018</td>
<td>2017</td>
<td>530,237,860</td>
<td>11,898,750</td>
<td>1,127,255</td>
<td>91,622</td>
<td>15,342,710</td>
<td>528,012,777</td>
<td>6.00</td>
<td>1,320,031,943</td>
<td>40%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Digest Year</th>
<th>City Rate</th>
<th>Camden County Rate</th>
<th>Board of Education Rate</th>
<th>State Rate</th>
<th>Total Direct and Overlapping Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2008</td>
<td>5.600</td>
<td>11.700</td>
<td>14.750</td>
<td>0.250</td>
<td>32.300</td>
</tr>
<tr>
<td>2010</td>
<td>2009</td>
<td>5.351</td>
<td>11.700</td>
<td>15.000</td>
<td>0.250</td>
<td>32.301</td>
</tr>
<tr>
<td>2011</td>
<td>2010</td>
<td>5.351</td>
<td>11.700</td>
<td>15.000</td>
<td>0.250</td>
<td>32.301</td>
</tr>
<tr>
<td>2012</td>
<td>2011</td>
<td>5.351</td>
<td>11.700</td>
<td>15.500</td>
<td>0.250</td>
<td>32.801</td>
</tr>
<tr>
<td>2013</td>
<td>2012</td>
<td>5.321</td>
<td>11.700</td>
<td>15.500</td>
<td>0.250</td>
<td>32.771</td>
</tr>
<tr>
<td>2014</td>
<td>2013</td>
<td>5.321</td>
<td>11.700</td>
<td>15.500</td>
<td>0.150</td>
<td>32.671</td>
</tr>
<tr>
<td>2015</td>
<td>2014</td>
<td>5.351</td>
<td>11.940</td>
<td>15.820</td>
<td>0.100</td>
<td>33.211</td>
</tr>
<tr>
<td>2016</td>
<td>2015</td>
<td>6.000</td>
<td>12.940</td>
<td>16.000</td>
<td>0.500</td>
<td>35.440</td>
</tr>
<tr>
<td>2017</td>
<td>2016</td>
<td>6.000</td>
<td>13.940</td>
<td>16.000</td>
<td>-</td>
<td>35.940</td>
</tr>
<tr>
<td>2018</td>
<td>2017</td>
<td>6.000</td>
<td>13.940</td>
<td>16.000</td>
<td>-</td>
<td>35.940</td>
</tr>
</tbody>
</table>

Source: Camden County Tax Commissioner.

(1) Fire protection and insurance premium rollback is applied only to unincorporated rates.
## City of St. Marys, Georgia

### Principal Property Taxpayers

#### Current Year and Nine Years Ago

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2018</th>
<th>Percentage of Total City Taxable Assessed Value</th>
<th>Rank</th>
<th>2009</th>
<th>Percentage of Total City Taxable Assessed Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia Power Company</td>
<td>$18,282,083</td>
<td>3.46%</td>
<td>1</td>
<td>$10,292,135</td>
<td>1.50%</td>
<td>8</td>
</tr>
<tr>
<td>Georgia Pacific St Marys, LLC</td>
<td>15,786,364</td>
<td>2.99%</td>
<td>2</td>
<td>12,716,381</td>
<td>1.85%</td>
<td>6</td>
</tr>
<tr>
<td>NLP Brant Creek, LLC</td>
<td>10,952,114</td>
<td>2.07%</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Old Weed &amp; Ready Plantation, LLC</td>
<td>9,714,331</td>
<td>1.84%</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wilkinson St Marys, LLC</td>
<td>8,077,521</td>
<td>1.53%</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Walmart Stores East, LP</td>
<td>7,994,599</td>
<td>1.51%</td>
<td>6</td>
<td>8,837,422</td>
<td>1.29%</td>
<td>9</td>
</tr>
<tr>
<td>Harbor Pines Limited</td>
<td>7,717,819</td>
<td>1.46%</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Walmart Real Estate</td>
<td>6,691,422</td>
<td>1.27%</td>
<td>8</td>
<td>15,558,203</td>
<td>2.27%</td>
<td>4</td>
</tr>
<tr>
<td>M3 American Investments, LLC</td>
<td>6,686,600</td>
<td>1.27%</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Osprey Cove Real Estate, LLC</td>
<td>6,642,912</td>
<td>1.26%</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Point Peter, LLLLL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,123,421</td>
<td>9.20%</td>
<td>1</td>
</tr>
<tr>
<td>Winding River, LLC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,027,003</td>
<td>3.07%</td>
<td>2</td>
</tr>
<tr>
<td>Osprey Development, LLC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,819,040</td>
<td>2.31%</td>
<td>3</td>
</tr>
<tr>
<td>Park Place, LLC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,353,232</td>
<td>1.95%</td>
<td>5</td>
</tr>
<tr>
<td>North River, LLC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,567,247</td>
<td>1.54%</td>
<td>7</td>
</tr>
<tr>
<td>Camden Telephone &amp; Telegraph Co.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,721,368</td>
<td>1.13%</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$98,545,765</strong></td>
<td><strong>18.66%</strong></td>
<td></td>
<td><strong>$179,015,452</strong></td>
<td><strong>26.11%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** City of St. Marys Finance and Tax Department.
CITY OF ST. MARYS, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Digest Tax Year</th>
<th>Taxes Levied for the Fiscal Year <em>(a)</em></th>
<th>Collected within the Fiscal Year of the Levy</th>
<th>Collections in Subsequent Years</th>
<th>Total Collections to Date</th>
<th>Total Taxes Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2008</td>
<td>$3,511,354</td>
<td>$3,234,332 92.11%</td>
<td>$277,022</td>
<td>$3,511,354 100.00%</td>
<td>$-</td>
</tr>
<tr>
<td>2010</td>
<td>2009</td>
<td>3,498,384</td>
<td>3,180,483 90.91%</td>
<td>274,162</td>
<td>3,454,645 98.75%</td>
<td>43,739</td>
</tr>
<tr>
<td>2011</td>
<td>2010</td>
<td>3,036,967</td>
<td>2,885,039 95.00%</td>
<td>92,418</td>
<td>2,977,457 98.04%</td>
<td>59,510</td>
</tr>
<tr>
<td>2012</td>
<td>2011</td>
<td>3,234,429</td>
<td>2,986,509 92.33%</td>
<td>149,593</td>
<td>3,136,102 96.96%</td>
<td>98,327</td>
</tr>
<tr>
<td>2013</td>
<td>2012</td>
<td>2,757,956</td>
<td>2,622,660 95.09%</td>
<td>28,517</td>
<td>2,651,177 96.13%</td>
<td>106,780</td>
</tr>
<tr>
<td>2014</td>
<td>2013</td>
<td>2,571,779</td>
<td>2,536,290 98.62%</td>
<td>32,095</td>
<td>2,568,385 99.87%</td>
<td>3,394</td>
</tr>
<tr>
<td>2015</td>
<td>2014</td>
<td>2,760,041</td>
<td>2,704,564 97.99%</td>
<td>29,925</td>
<td>2,734,489 99.07%</td>
<td>25,552</td>
</tr>
<tr>
<td>2016</td>
<td>2015</td>
<td>3,039,808</td>
<td>2,863,049 94.19%</td>
<td>-</td>
<td>2,863,049 94.19%</td>
<td>176,759</td>
</tr>
<tr>
<td>2017</td>
<td>2016</td>
<td>3,054,145</td>
<td>2,853,424 93.43%</td>
<td>-</td>
<td>2,853,424 93.43%</td>
<td>200,721</td>
</tr>
<tr>
<td>2018</td>
<td>2017</td>
<td>3,168,077</td>
<td>3,027,631 95.57%</td>
<td>81,438</td>
<td>3,109,069 98.14%</td>
<td>59,008</td>
</tr>
</tbody>
</table>

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 2017 are used for fiscal year ending in 2018).
## CITY OF ST. MARYS, GEORGIA

### WATER SEWER RATES

#### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gallons of Water Consumed</th>
<th>Water Base Rate</th>
<th>Per Gallon Variable Rate</th>
<th>Total Direct Rate</th>
<th>Per Gallon Variable Rate</th>
<th>Total Direct Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 Through 6,000 (per 1,000)</td>
<td></td>
<td>6,001 and Over (per 1,000)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,000</td>
<td>6,001 and</td>
<td>Over</td>
<td>6,000</td>
</tr>
<tr>
<td>2009</td>
<td>573,861,000</td>
<td>15.15</td>
<td>2.110</td>
<td>2.430</td>
<td>15.15</td>
<td>2.110</td>
</tr>
<tr>
<td>2010</td>
<td>562,519,000</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2011</td>
<td>443,411,000</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2012</td>
<td>527,599,000</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2013</td>
<td>335,285,000</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2014</td>
<td>408,472,868</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2016</td>
<td>427,130,000</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2017</td>
<td>434,247,200</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
<tr>
<td>2018</td>
<td>434,530,600</td>
<td>20.45</td>
<td>2.860</td>
<td>3.280</td>
<td>20.45</td>
<td>2.860</td>
</tr>
</tbody>
</table>

**Source:** City of St. Marys Water Department.
### RATIOS OF OUTSTANDING DEBT BY TYPE
#### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Percentage of Estimated Actual Value of Taxable Property (1)</th>
<th>Percentage of Personal Income</th>
<th>Per Capita (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes Payable</td>
<td>Capital Leases</td>
<td>Water Revenue Bonds</td>
<td>Notes Payable</td>
<td>Capital Leases</td>
</tr>
<tr>
<td>2009</td>
<td>$ 99,250</td>
<td>$ 998,546</td>
<td>$ 45,025,000</td>
<td>$ 6,931,200</td>
<td>309,843</td>
</tr>
<tr>
<td>2010</td>
<td>55,491</td>
<td>575,576</td>
<td>43,785,000</td>
<td>6,470,261</td>
<td>187,003</td>
</tr>
<tr>
<td>2011</td>
<td>12,579</td>
<td>140,513</td>
<td>44,140,000</td>
<td>3,730,307</td>
<td>47,700</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>102,037</td>
<td>43,870,000</td>
<td>3,455,218</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>50,983</td>
<td>43,585,000</td>
<td>4,134,321</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>10,330</td>
<td>43,285,000</td>
<td>3,862,414</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>41,320,000</td>
<td>3,581,972</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>1,145,963</td>
<td>39,245,000</td>
<td>3,359,584</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>1,069,386</td>
<td>40,560,000</td>
<td>3,398,847</td>
<td>138,965</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>1,266,716</td>
<td>37,984,207</td>
<td>3,092,592</td>
<td>84,054</td>
</tr>
</tbody>
</table>

** 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.
### RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds</th>
<th>Percentage of Estimated Actual Taxable Value of Property (1)</th>
<th>Per Capita (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$41,026,056</td>
<td>6.27%</td>
<td>$2,383</td>
</tr>
<tr>
<td>2012</td>
<td>41,289,652</td>
<td>6.56%</td>
<td>2,345</td>
</tr>
<tr>
<td>2013</td>
<td>41,099,251</td>
<td>7.13%</td>
<td>2,315</td>
</tr>
<tr>
<td>2014</td>
<td>41,162,534</td>
<td>7.81%</td>
<td>2,293</td>
</tr>
<tr>
<td>2015</td>
<td>39,522,534</td>
<td>7.66%</td>
<td>2,200</td>
</tr>
<tr>
<td>2016</td>
<td>37,745,227</td>
<td>7.45%</td>
<td>2,087</td>
</tr>
<tr>
<td>2017</td>
<td>1,880,000</td>
<td>0.37%</td>
<td>104</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
</tbody>
</table>

**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 EIGHT FISCAL YEARS
(In thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt limit</td>
<td>$66,752</td>
<td>$64,196</td>
<td>$58,881</td>
<td>$54,108</td>
<td>$52,877</td>
<td>$51,966</td>
<td>$50,902</td>
<td>$52,801</td>
</tr>
<tr>
<td>Total net debt applicable to limit</td>
<td>41,026</td>
<td>41,290</td>
<td>41,099</td>
<td>41,163</td>
<td>39,523</td>
<td>37,745</td>
<td>1,880</td>
<td>-</td>
</tr>
<tr>
<td>Legal debt margin</td>
<td>$25,726</td>
<td>$22,906</td>
<td>$17,782</td>
<td>$12,945</td>
<td>$13,354</td>
<td>$14,221</td>
<td>$49,022</td>
<td>$52,801</td>
</tr>
<tr>
<td>Total net debt applicable to the limit as a percentage of debt limit</td>
<td>61.46%</td>
<td>64.32%</td>
<td>69.80%</td>
<td>76.08%</td>
<td>74.75%</td>
<td>72.63%</td>
<td>3.69%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Legal Debt Margin Calculation for Fiscal Year 2018**

- **Total assessed value**: $543,355
- **Less Exempt**: 15,343
- **Total taxable assessed value**: 528,012
- **Debt limit**: 52,801
- **Debt applicable to limit**: -
- **Legal debt margin**: $52,801

**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 the following fiscal year (i.e., taxes levied for 2017 are used for fiscal year ending in 2018).
### CITY OF ST. MARYS, GEORGIA

#### REVENUE BOND COVERAGE

**LAST TEN FISCAL YEARS**

*(in thousands)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating Revenue (1)</th>
<th>Direct Operating Expenses (2)</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirements</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2009</td>
<td>$ 4,326</td>
<td>$ 3,313</td>
<td>$ 1,013</td>
<td>$ 900</td>
<td>$ 768</td>
</tr>
<tr>
<td>2010</td>
<td>4,803</td>
<td>3,350</td>
<td>1,453</td>
<td>1,190</td>
<td>843</td>
</tr>
<tr>
<td>2011</td>
<td>6,000</td>
<td>3,271</td>
<td>2,729</td>
<td>755</td>
<td>375</td>
</tr>
<tr>
<td>2012</td>
<td>6,251</td>
<td>3,209</td>
<td>3,042</td>
<td>275</td>
<td>166</td>
</tr>
<tr>
<td>2013</td>
<td>6,068</td>
<td>3,236</td>
<td>2,832</td>
<td>260</td>
<td>165</td>
</tr>
<tr>
<td>2014</td>
<td>6,079</td>
<td>3,139</td>
<td>2,940</td>
<td>255</td>
<td>167</td>
</tr>
<tr>
<td>2015</td>
<td>6,285</td>
<td>3,330</td>
<td>2,955</td>
<td>255</td>
<td>162</td>
</tr>
<tr>
<td>2016</td>
<td>6,430</td>
<td>3,468</td>
<td>2,962</td>
<td>275</td>
<td>151</td>
</tr>
<tr>
<td>2017</td>
<td>6,779</td>
<td>3,564</td>
<td>3,215</td>
<td>550</td>
<td>249</td>
</tr>
<tr>
<td>2018</td>
<td>7,324</td>
<td>3,605</td>
<td>3,719</td>
<td>286</td>
<td>1,044</td>
</tr>
</tbody>
</table>

Note: Amounts above are in thousands.

(1) Operating revenue includes operating revenue and interest of the Water/Wastewater fund and the Electric Fund.

(2) Direct operating expenses do not include depreciation or amortization expense.
CITY OF ST. MARYS, GEORGIA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population (1)</th>
<th>Personal Income (1) (in thousands)</th>
<th>Per Capital Personal Income (2)</th>
<th>Unemployment Rate (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>16,778</td>
<td>$488,290</td>
<td>29,103</td>
<td>9.40%</td>
</tr>
<tr>
<td>2010</td>
<td>17,121</td>
<td>512,962</td>
<td>29,961</td>
<td>9.90%</td>
</tr>
<tr>
<td>2011</td>
<td>17,218</td>
<td>551,975</td>
<td>32,058</td>
<td>9.50%</td>
</tr>
<tr>
<td>2012</td>
<td>17,606</td>
<td>586,579</td>
<td>33,317</td>
<td>8.90%</td>
</tr>
<tr>
<td>2013</td>
<td>17,755</td>
<td>598,817</td>
<td>33,727</td>
<td>9.60%</td>
</tr>
<tr>
<td>2014</td>
<td>17,949</td>
<td>569,432</td>
<td>31,725</td>
<td>7.50%</td>
</tr>
<tr>
<td>2015</td>
<td>17,968</td>
<td>588,523</td>
<td>32,754</td>
<td>6.00%</td>
</tr>
<tr>
<td>2016</td>
<td>18,088</td>
<td>598,749</td>
<td>33,102</td>
<td>5.50%</td>
</tr>
<tr>
<td>2017</td>
<td>18,019</td>
<td>628,034</td>
<td>34,854</td>
<td>4.60%</td>
</tr>
<tr>
<td>2018</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>3.80%</td>
</tr>
</tbody>
</table>

** 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 EIGHT YEARS AGO

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees 2018</th>
<th>Rank 2018</th>
<th>Percentage of Total Employment 2018</th>
<th>Employees 2010</th>
<th>Rank 2010</th>
<th>Percentage of Total Employment 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express Scripts</td>
<td>366</td>
<td>1</td>
<td>2.13%</td>
<td>474</td>
<td>1</td>
<td>2.77%</td>
</tr>
<tr>
<td>Southeast Georgia Health Systems</td>
<td>300</td>
<td>2</td>
<td>1.75%</td>
<td>293</td>
<td>3</td>
<td>1.71%</td>
</tr>
<tr>
<td>Wal-Mart Supercenter</td>
<td>225</td>
<td>3</td>
<td>1.31%</td>
<td>418</td>
<td>2</td>
<td>2.44%</td>
</tr>
<tr>
<td>City of St. Marys</td>
<td>140</td>
<td>4</td>
<td>0.81%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia Pacific</td>
<td>65</td>
<td>5</td>
<td>0.38%</td>
<td>76</td>
<td>6</td>
<td>0.44%</td>
</tr>
<tr>
<td>Pilot Travel Center</td>
<td>49</td>
<td>6</td>
<td>0.29%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winn Dixie</td>
<td>43</td>
<td>7</td>
<td>0.25%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ATN, Inc. AMTEL</td>
<td>35</td>
<td>8</td>
<td>0.20%</td>
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<td></td>
<td></td>
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<tr>
<td>Osprey Cove Golf Course</td>
<td>33</td>
<td>9</td>
<td>0.19%</td>
<td>85</td>
<td>5</td>
<td>0.50%</td>
</tr>
<tr>
<td>Gilman Building Products</td>
<td>32</td>
<td>10</td>
<td>0.19%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Cedar Stores</td>
<td>-</td>
<td>-</td>
<td></td>
<td>95</td>
<td>4</td>
<td>0.55%</td>
</tr>
<tr>
<td>B.A.E. Systems</td>
<td>-</td>
<td>-</td>
<td></td>
<td>67</td>
<td>7</td>
<td>0.39%</td>
</tr>
<tr>
<td>Customer Service of America</td>
<td>-</td>
<td>-</td>
<td></td>
<td>36</td>
<td>8</td>
<td>0.21%</td>
</tr>
<tr>
<td>Harvey's Grocery Store</td>
<td>-</td>
<td>-</td>
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<td>27</td>
<td>9</td>
<td>0.16%</td>
</tr>
<tr>
<td>Aunt B's Restaurant</td>
<td>-</td>
<td>-</td>
<td></td>
<td>23</td>
<td>10</td>
<td>0.13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,288</strong></td>
<td></td>
<td><strong>7.49%</strong></td>
<td><strong>1,594</strong></td>
<td></td>
<td><strong>9.31%</strong></td>
</tr>
</tbody>
</table>

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

Note: Information for 2009 was not readily available.
## CITY OF ST. MARYS, GEORGIA

### FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES

#### BY FUNCTION

#### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>General government</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>8</td>
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<tr>
<td>Public safety</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Police department</td>
<td>40</td>
<td>40</td>
<td>41</td>
<td>37</td>
<td>36</td>
<td>36</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Fire department</td>
<td>23</td>
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<td>26</td>
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<td>26</td>
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</tr>
<tr>
<td>Public works</td>
<td>40</td>
<td>40</td>
<td>30</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td>18</td>
<td>18</td>
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<tr>
<td>Health and welfare</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>1</td>
<td>1</td>
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<td>1</td>
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<tr>
<td>Culture and recreation</td>
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<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>6</td>
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<tr>
<td>Housing and development</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>11</td>
<td>9</td>
<td></td>
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<tr>
<td><strong>Business-type activities</strong></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and sewer</td>
<td>29</td>
<td>28</td>
<td>39</td>
<td>35</td>
<td>35</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Solid waste</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Aquatic center</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>161</td>
<td>159</td>
<td>175</td>
<td>154</td>
<td>153</td>
<td>141</td>
<td>138</td>
<td>138</td>
<td>140</td>
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</tbody>
</table>

**Source:** City Finance Department.
### CITY OF ST. MARYS, GEORGIA

**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>General government</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Building permits issued</td>
<td>142</td>
<td>257</td>
<td>261</td>
<td>285</td>
<td>282</td>
<td>316</td>
<td>287</td>
<td>108</td>
<td>93</td>
<td>263</td>
</tr>
<tr>
<td>Building inspections conducted</td>
<td>2,519</td>
<td>3,306</td>
<td>1,660</td>
<td>1,609</td>
<td>1,621</td>
<td>1,815</td>
<td>2,110</td>
<td>2,367</td>
<td>3,282</td>
<td>3,705</td>
</tr>
<tr>
<td><strong>Police</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical arrests</td>
<td>623</td>
<td>731</td>
<td>868</td>
<td>759</td>
<td>652</td>
<td>376</td>
<td>515</td>
<td>518</td>
<td>568</td>
<td>581</td>
</tr>
<tr>
<td>Other violations</td>
<td>2,193</td>
<td>2,539</td>
<td>2,568</td>
<td>2,374</td>
<td>2,128</td>
<td>2,542</td>
<td>1,753</td>
<td>1,443</td>
<td>571</td>
<td>403</td>
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<td>Traffic violations</td>
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<td>3,369</td>
<td>3,088</td>
<td>3,208</td>
<td>2,713</td>
<td>3,081</td>
<td>2,287</td>
<td>2,182</td>
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<tr>
<td><strong>Fire</strong></td>
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<tr>
<td>Emergency room</td>
<td>1,619</td>
<td>1,575</td>
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<td>1,863</td>
<td>1,733</td>
<td>1,417</td>
<td>1,011</td>
<td>1,193</td>
<td>1,276</td>
<td>1,435</td>
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<tr>
<td>Fires extinguished</td>
<td>82</td>
<td>96</td>
<td>82</td>
<td>99</td>
<td>75</td>
<td>60</td>
<td>51</td>
<td>68</td>
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<td>Inspections</td>
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<td>2,013</td>
<td>228</td>
<td>279</td>
<td>250</td>
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<td><strong>Public Works</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Streets resurfaced (miles)</td>
<td>****</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>New connections</td>
<td>74</td>
<td>52</td>
<td>32</td>
<td>21</td>
<td>29</td>
<td>36</td>
<td>29</td>
<td>43</td>
<td>44</td>
<td>107</td>
</tr>
<tr>
<td>Volume (thousands of gallons per day)</td>
<td>1,572</td>
<td>1,541</td>
<td>1,516</td>
<td>1,445</td>
<td>1,103</td>
<td>1,363</td>
<td>1,388</td>
<td>1,430</td>
<td>1,471</td>
<td>1,410</td>
</tr>
<tr>
<td><strong>Wastewater</strong></td>
<td></td>
<td></td>
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<tr>
<td>Average daily sewage treatment</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(thousands of gallons per day)</td>
<td>1,479</td>
<td>1,383</td>
<td>1,259</td>
<td>1,521</td>
<td>1,900</td>
<td>1,985</td>
<td>1,468</td>
<td>1,903</td>
<td>2,992</td>
<td>2,244</td>
</tr>
</tbody>
</table>

**Sources:** Various City departments.

**** No data available for this operating indicator for fiscal year 2010.
## CITY OF ST. MARYS, GEORGIA

### CAPITAL ASSET STATISTICS BY FUNCTION

#### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Police stations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>1</td>
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</tr>
<tr>
<td>Fire stations</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Public works - streets (miles)</td>
<td>99</td>
<td>103</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire hydrants</td>
<td>1,037</td>
<td>1,109</td>
<td>1,127</td>
<td>1,135</td>
<td>1,135</td>
<td>1,135</td>
<td>1,135</td>
<td>1,150</td>
<td>1,150</td>
<td>1,150</td>
</tr>
<tr>
<td>Storage capacity (thousands of gallons)</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
</tr>
<tr>
<td>Wastewater</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment capacity (thousands of gallons)</td>
<td>2,000</td>
<td>3,000</td>
<td>5,200</td>
<td>5,200</td>
<td>4,500</td>
<td>4,500</td>
<td>4,500</td>
<td>4,500</td>
<td>4,500</td>
<td>4,500</td>
</tr>
</tbody>
</table>

**Sources:** Various City departments.
THIS PAGE INTENTIONALLY LEFT BLANK
<table>
<thead>
<tr>
<th>Federal Grantor/Pass-through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Grant Identification Number</th>
<th>Total Expenditures</th>
<th>Passed Through to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Justice</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct Awards</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulletproof Vest Partnership Program</td>
<td>16.607</td>
<td>1121-0235</td>
<td>$ 2,300</td>
<td>$ -</td>
</tr>
<tr>
<td>Body Worn Camera Grant Program</td>
<td>16.835</td>
<td>2015-DE-BX-K061</td>
<td>11,486</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Justice Programs</strong></td>
<td></td>
<td></td>
<td>13,786</td>
<td>-</td>
</tr>
<tr>
<td><strong>Department of Homeland Security</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Passed through the Georgia Emergency Management Agency)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disaster Grants</td>
<td>97.036</td>
<td>N/A</td>
<td>1,025,382</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Department of Homeland Security Programs</strong></td>
<td></td>
<td></td>
<td>1,025,382</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures of Federal Awards</strong></td>
<td></td>
<td></td>
<td>$ 1,039,168</td>
<td>$ -</td>
</tr>
</tbody>
</table>
NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of $750,000 or 3% of total federal expenditures. The threshold of $750,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk-based approach was used in the selection of federal programs to be tested as major programs. The City did not qualify as a low-risk auditee for the fiscal year ended June 30, 2018.

De-Minimis Indirect Cost Rate

The City did not elect to use the de-minimis indirect cost rate for the fiscal year ended June 30, 2018.
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

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 discreetly 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, 2018, 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 31, 2018.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Macon, Georgia
December 31, 2018
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council
City of 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, 2018. The City's major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on The Major Federal Program
In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.
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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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.

Macon, Georgia
December 31, 2018

Mauldin & Jenkins, LLC
## 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 major programs:**
- Material weaknesses identified?
  - Yes  X  No

- Significant deficiencies identified not considered to be material weaknesses?
  - Yes  X  None reported

**Type of auditor’s report issued on compliance for major programs**
- Unmodified

**Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?**
- Yes  X  No

**Identification of major program:**

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
</table>

**Dollar threshold used to distinguish between Type A and Type B programs:**
- $750,000

**Auditee qualified as low-risk auditee?**
- Yes  X  No
CITY OF ST. MARYS, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.