

The City of

St. Marys

CITY OF ST. MARYS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

PREPARED BY
City Finance Department

**CITY OF ST. MARYS, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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

September 13, 2019

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 for St. Marys for the year ended June 30, 2019. A copy of this report is on file with the Finance Department for public inspection and located in 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.

Mauldin & Jenkins, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of St. Marys' financial statements for the year ended June 30, 2019. The Independent Auditors' Report is located at the front of the financial section of this report. Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

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 the Charter, including all powers, functions, rights, privileges, and immunities necessary or desirable to promote or protect the safety, health, peace, security, good order, comfort, convenience, and general welfare of the City and of its inhabitants and all implied powers necessary to carry into execution all powers granted as fully and completely as if these powers were enumerated in the Charter.

The City 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 fiscal year 2012 budget and has been awarded the same honor for fiscal year 2013 – fiscal year 2018 budgets. The City received the Certificate in Achievement in Financial Reporting for fiscal year 2014 – fiscal year 2018 and the Certificate in Achievement Popular Annual Financial Reporting for fiscal year 2018.

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 an amendment shall be adopted by ordinance or resolution.
2. Transfers of appropriations with any fund below the local government's legal level of control shall require only the approval of the budget officer.

In 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. 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 2019, unemployment in the Camden County area was 3.6% compared to 3.6% nationally and 3.8% 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 18,196 est. 2018 by the United States Census). Growth has come from many factors, which include the Naval Base, United States Coast Guard, retirees, and others wanting to enjoy the warm climate, economic conditions, and proximity to major transit areas such as I-95 and the Jacksonville Airport.

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

Within the area, the 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, 2019, an unassigned fund balance in the General Fund was favorable to the policy guidelines set by the City for budgetary and planning purposes. It has been the goal to ensure the City maintains and continues to keep at a minimum, unassigned fund balance in its General Fund of no less than four months of regular General Fund operating revenues or regular General Fund operating expenditures (GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*). The City does plan to draw on fund balance in the fiscal year 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 2020 budget was a challenge again this year due to the effects of the weakened economy in the past several years. The vulnerable economy resulted in a decrease in sales tax revenues, property tax digest, and other taxes, which are on the road to recover. The City did decide to maintain a millage rate that would net the same amount of taxes as in the previous year fiscal year 2019.

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 a yearly basis. The most recent plan update for years 2020 through 2024 identifies projects and funding that total \$6.09 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, which will be fully implemented in fiscal year 2020. 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, started a facelift in fiscal year 2019 and it will be completed in fiscal year 2020. The improvements consist of the reduction in the width of asphalt, the addition of greenery, and the expansion of the sidewalk on the north side of St. Marys Street. This project is estimated to be +\$1m.

The City continues its efforts to work on drainage projects around the city to help with the elimination of flooding. A major project was started in fiscal year 2019 and will be completed in fiscal year 2020 for Douglas Drive.

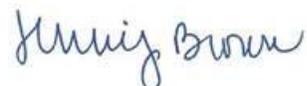
The City will continue to work to change over its meter program to help to increase efficiency with meter reading and billing. Efforts continue to rebuild our maritime facilities after damage was realized from back to back hurricanes. A new city marina project will begin in fiscal year 2020. Also, the 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 want to express our sincere appreciation to all the staff of the City of St. Marys and the certified public accounting firm of Mauldin & Jenkins, CPA.

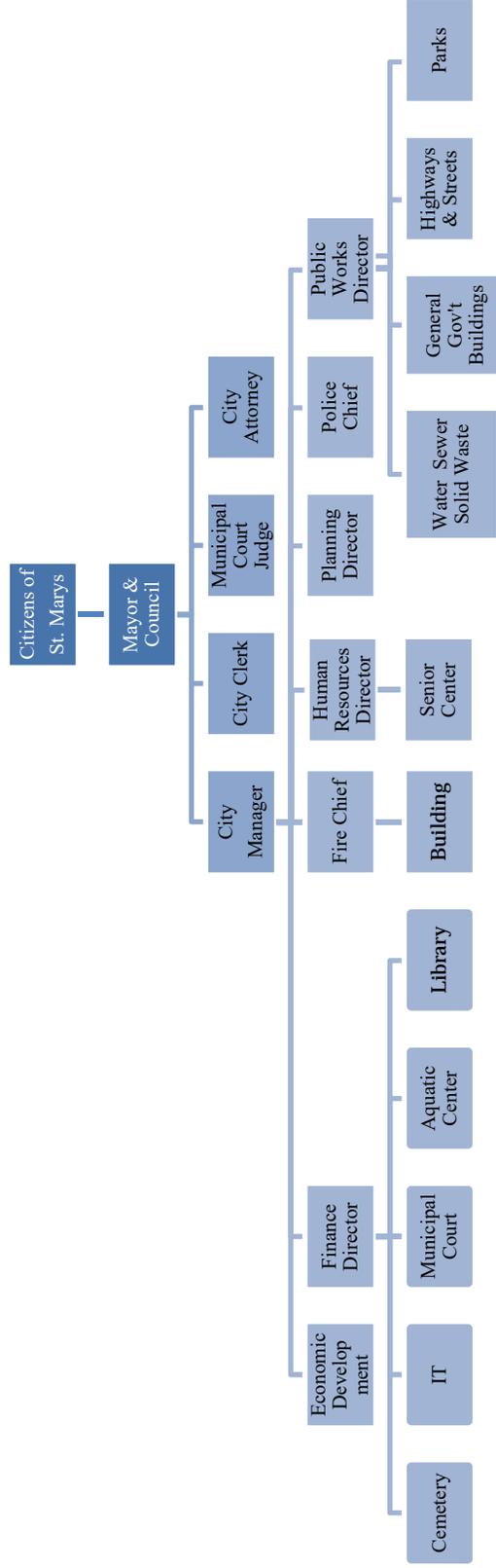
The CAFR reflects our ongoing commitment to the citizens of the City of St. Marys and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

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

Artie Jones, Jr.	Post 1
Jim Goodman	Post 2
Jim Gant	Post 3
David Reilly	Post 4
Allen Rassi	Post 5
Linda P. Williams	Post 6

APPOINTED

Interim City Manager

Robert Horton

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of St. Marys
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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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, 2019, 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, 2019, 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 November 13, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Savannah, Georgia
November 13, 2019

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CITY OF ST. MARYS, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

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, 2019. 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, 2019, exceeded its liabilities on June 30, 2019, by \$66.5 million (net position). Of this amount, \$17.6 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 \$3.8 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$10.2 million, an increase of \$1.85 million in comparison with the prior year. Approximately 65.9% of this total amount, \$6.7 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 a combined ending net position of \$41.05 million, an increase of \$.3 million in comparison with the prior year. Approximately 27% of this total amount, \$11.2 million, is available for spending at the City's discretion (unrestricted net position).
- At the end of the current fiscal year, an unassigned fund balance for the General Fund was a positive \$6.9 million or a positive 57% of total General Fund expenditures.

During the current fiscal year, the City did issue new debt for the Governmental funds of \$917,246 and Business-type funds of \$291,497. The Governmental funds had a decrease of \$326,990 in debt service. The Business-type funds had a decrease of \$2,316,661 in debt service. The total overall change in debt service was a decrease of \$1,434,908. *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 - 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 pages 67- 87 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities by \$66.5 million at the close of the most recent fiscal year. The chart on the following page summarizes the City's net position for governmental activities, business-type activities, and the government as a whole.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

City of St. Marys - Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 10,855,539	\$ 8,846,757	\$ 10,008,759	\$ 9,496,680	\$ 20,864,298	\$ 18,343,437
Capital assets	17,470,606	15,282,540	67,167,511	68,968,004	84,638,117	84,250,544
Total assets	<u>28,326,145</u>	<u>24,129,297</u>	<u>77,176,270</u>	<u>78,464,684</u>	<u>105,502,415</u>	<u>102,593,981</u>
Deferred outflows of resources	-	-	4,024,418	4,311,877	4,024,418	4,311,877
Other liabilities	535,230	369,215	959,142	859,830	1,494,372	1,229,045
Long-term liabilities	2,127,283	1,539,076	39,188,214	41,187,460	41,315,497	42,726,536
Net pension liability	214,897	229,611	-	-	214,897	229,611
Total liabilities	<u>2,877,410</u>	<u>2,137,902</u>	<u>40,147,356</u>	<u>42,047,290</u>	<u>43,024,766</u>	<u>44,185,192</u>
Deferred inflows of resources	41,173	39,000	-	-	41,173	39,000
Net position:						
Net investment in capital assets	15,613,634	14,015,824	28,031,822	27,807,151	43,645,456	41,822,975
Restricted	3,349,525	2,567,159	1,840,323	1,840,323	5,189,848	4,407,482
Unrestricted	6,444,403	5,369,412	11,181,187	11,081,797	17,625,590	16,451,209
Total net position	<u>\$ 25,407,562</u>	<u>\$ 21,952,395</u>	<u>\$ 41,053,332</u>	<u>\$ 40,729,271</u>	<u>\$ 66,460,894</u>	<u>\$ 62,681,666</u>

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, \$43.6 million (65.7%) 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, \$5.2 million (7.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17.6 million (26.5%) 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, 2019, increased the City of St. Marys net position by \$3.5 million. Business-type activities during the same period increased the net position by \$.3 million for a total increase in net position of \$3.8 million. The following chart shows the revenue and expenses by activity for the total primary government.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

City of St. Marys - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 1,436,350	\$ 1,533,243	\$ 8,572,028	\$ 8,947,028	\$ 10,008,378	\$ 10,480,271
Capital grants and contributions	4,554,489	4,602,481	-	-	4,554,489	4,602,481
General revenues						
Property taxes	4,339,628	3,722,766	-	-	4,339,628	3,722,766
Franchise taxes	1,032,606	969,126	-	-	1,032,606	969,126
Sales taxes	2,005,315	1,844,924	-	-	2,005,315	1,844,924
Hotel/Motel taxes	140,216	139,172	-	-	140,216	139,172
Other taxes	1,466,945	1,408,542	-	-	1,466,945	1,408,542
Unrestricted investment earnings	6,360	5,867	23,922	16,731	30,282	22,598
Gain on sale of capital assets	8,378	-	10,796	7,684	19,174	7,684
Total revenues	14,990,287	14,226,121	8,606,746	8,971,443	23,597,033	23,197,564
Expenses						
Governmental activities						
General government	2,306,567	5,663,402	-	-	2,306,567	5,663,402
Public safety	4,009,102	4,262,525	-	-	4,009,102	4,262,525
Public works	2,476,956	1,936,690	-	-	2,476,956	1,936,690
Health and welfare	168,699	152,029	-	-	168,699	152,029
Judicial	173,484	188,366	-	-	173,484	188,366
Culture and recreation	429,153	379,147	-	-	429,153	379,147
Housing and development	711,232	744,961	-	-	711,232	744,961
Interest on long-term debt	30,958	25,614	-	-	30,958	25,614
Business-type activities						
Water and sewer	-	-	7,814,485	7,575,655	7,814,485	7,575,655
Solid waste	-	-	1,172,093	1,156,030	1,172,093	1,156,030
Aquatic center	-	-	525,076	433,650	525,076	433,650
Total expenses	10,306,151	13,352,734	9,511,654	9,165,335	19,817,805	22,518,069
Increase (decrease) in net position before transfers	4,684,136	873,387	(904,908)	(193,892)	3,779,228	679,495
Transfers	(1,228,969)	(1,654,050)	1,228,969	1,654,050	-	-
Increase (decrease) in net position	3,455,167	(780,663)	324,061	1,460,158	3,779,228	679,495
Net position, beginning of year	21,952,395	22,733,058	40,729,271	39,269,113	62,681,666	62,002,171
Net position, end of year	\$ 25,407,562	\$ 21,952,395	\$ 41,053,332	\$ 40,729,271	\$ 66,460,894	\$ 62,681,666

Changes in Net Position. The City's total revenues before transfers were \$23.6 million in fiscal year 2019. Expenses were \$19.8 million. Governmental and business-type activities combined provided a \$3.8 million increase in net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

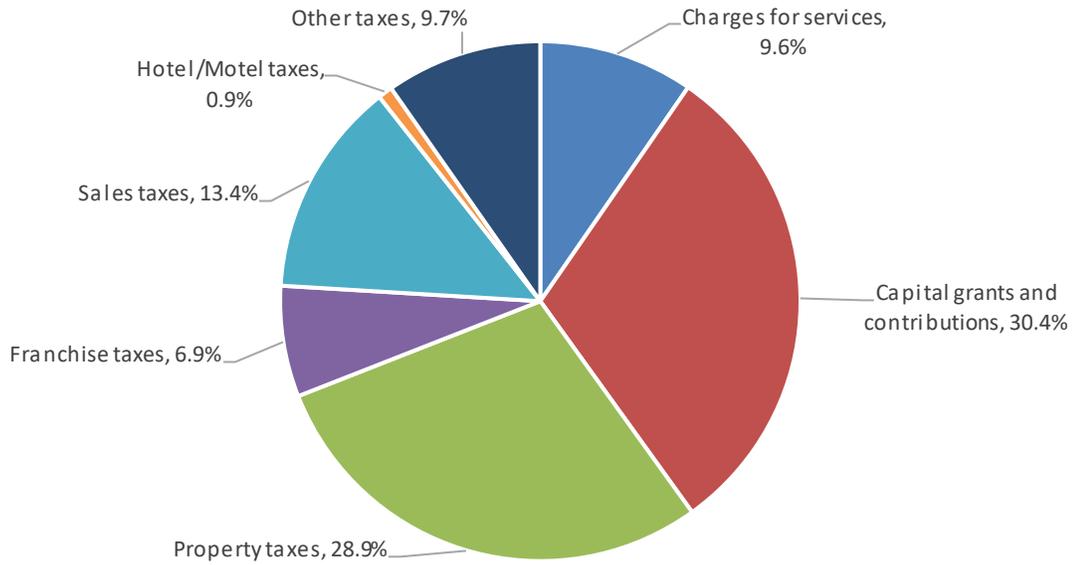
Governmental activities revenues, before transfers, were \$15 million and included \$1.4 million for charges for services, \$4.6 for grants and contributions, and \$9 million in taxes and other revenues. The most significant governmental activities expenses were for public safety of \$4 million, public works of \$2.5 million, and the general government of \$2.3 million.

Business-type activity revenues, before transfers, were \$8.6 million and included \$8.57 million in charges for services and \$.03 in other revenues. The most significant business-type activity expenses were personal services of \$1.35 million, purchased and contracted services of \$1.2 million, supplies of \$1.26 million, and depreciation of \$2.6 million.

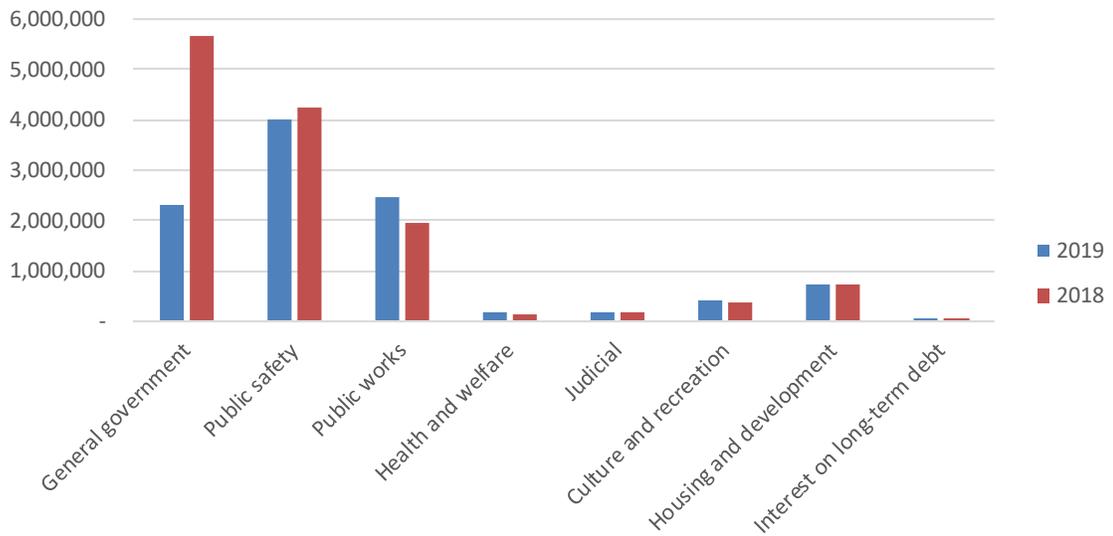
City of St. Marys - Changes in Net Position				
	Total		Increase (Decrease)	Percentage Change
	2019	2018		
Revenues				
Program revenues				
Charges for services	\$ 10,008,378	\$ 10,480,271	\$ (471,893)	-4.5%
Capital grants and contributions	4,554,489	4,602,481	(47,992)	-1.0%
General revenues				
Property taxes	4,339,628	3,722,766	616,862	16.6%
Franchise taxes	1,032,606	969,126	63,480	6.6%
Sales taxes	2,005,315	1,844,924	160,391	8.7%
Hotel/Motel taxes	140,216	139,172	1,044	0.8%
Other taxes	1,466,945	1,408,542	58,403	4.1%
Unrestricted investment earnings	30,282	22,598	7,684	34.0%
Gain on sale of capital assets	19,174	7,684	11,490	149.5%
Total revenues	<u>23,597,033</u>	<u>23,197,564</u>	<u>399,469</u>	1.7%
Expenses				
Governmental activities				
General government	2,306,567	5,663,402	(3,356,835)	-59.3%
Public safety	4,009,102	4,262,525	(253,423)	-5.9%
Public works	2,476,956	1,936,690	540,266	27.9%
Health and welfare	168,699	152,029	16,670	11.0%
Judicial	173,484	188,366	(14,882)	-7.9%
Culture and recreation	429,153	379,147	50,006	13.2%
Housing and development	711,232	744,961	(33,729)	-4.5%
Interest on long-term debt	30,958	25,614	5,344	20.9%
Business-type activities				
Water and sewer	7,814,485	7,575,655	238,830	3.2%
Solid waste	1,172,093	1,156,030	16,063	1.4%
Aquatic center	525,076	433,650	91,426	21.1%
Total expenses	<u>19,817,805</u>	<u>22,518,069</u>	<u>(2,700,264)</u>	-12.0%
Increase (decrease) in net position	<u>3,779,228</u>	679,495	<u>3,099,733</u>	456.2%
Net position, beginning of year	62,681,666	62,002,171	679,495	1.1%
Net position, end of year	<u>\$ 66,460,894</u>	<u>\$ 62,681,666</u>	<u>\$ 3,779,228</u>	6.0%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities Revenue by Source - June 30, 2019

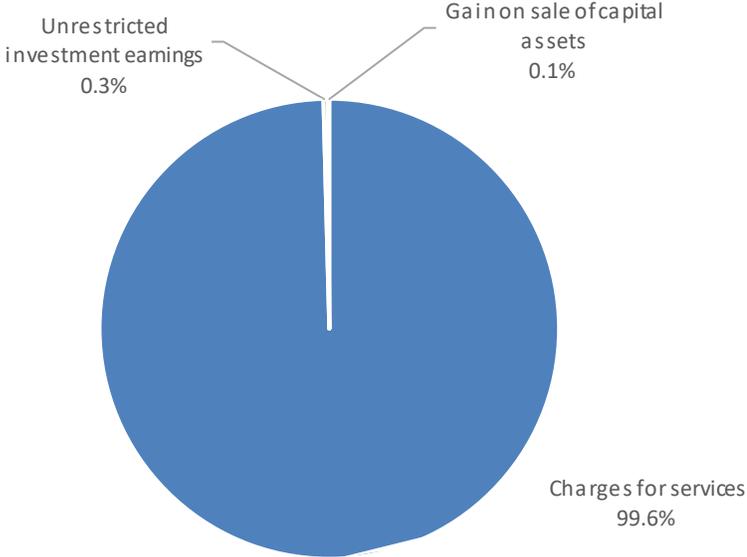


Governmental Activities Program Expenses - June 30, 2019

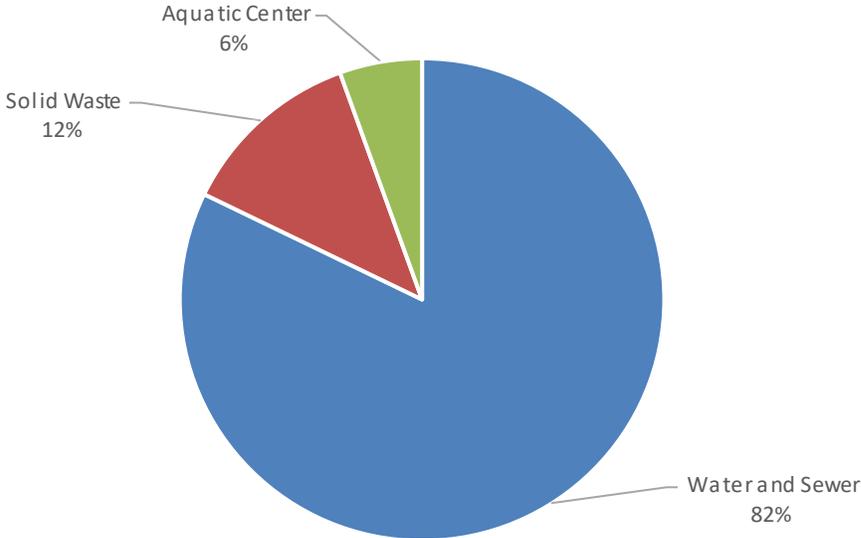


MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-Type Activities - Revenues By Source - June 30, 2019



Business-Type - Expenses By Source - June 30, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue Impacts. Taxes increased from reassessment of the property within the city, increase in franchise fees collected, and insurance premium tax at 16.6% or \$616,862. An increase was realized in unrestricted investments earning due to recovery of fund balance from back to back hurricanes. The increase was 34% or \$7,684. Gain on sale of capital assets increased 149.5% or \$11,490 due to the sale of vehicles.

Expense Impacts. The general government decreased \$3,356,835 or -59.3%, which is primarily due to hurricane expenses in the previous year needed for our downtown recovery. Public Works increased \$540,266 or 27.9%, which is mainly due to capital projects that are in progress for our downtown area. Health and welfare increased \$16,670 or 11% due to senior center usage. Culture and recreation increased \$50,006 or 13.2%, due to an increase for supplies. Interest grew in the long-term debt category due to new debt in the previous year. Aquatic Center increased 21.1% or \$91,426 due to capital purchases and supplies.

Fund Balance.

Fund	Fund Balance 6/30/2018	Revenues/ Sources	Expenses/ Uses	Over (under) Exp./Uses	Fund Balance 6/30/2019
General Fund	\$ 5,827,788	\$ 13,393,640	\$ 12,145,825	\$ 1,247,815	\$ 7,075,603
SPLOST Fund	1,550,587	2,264,264	1,103,613	1,160,651	2,711,238
Nonmajor Governmental Funds	991,572	964,500	1,519,638	(555,138)	436,434
Total	\$ 8,369,947	\$ 16,622,404	\$ 14,769,076	\$ 1,853,328	\$ 10,223,275

As of June 30, 2018, the City's governmental funds reported a combined fund balance of \$10.2 million, which is a net increase of \$1.9 million from the previous year.

General Fund's fund balance increased by \$1.3 million and was \$7.08 million at the end of the year. This increase was mainly due to the recovery of two previous years' hurricanes that decreased the fund balance over time.

The SPLOST Fund's fund balance increased by \$1.2 million and was \$2.7 million at the end of the year. The revenues exceeded the expenditures. These funds are restricted for capital projects.

Other Fund's fund balance decreased \$.56 million and was \$.44 million at the end of the year. The decrease was due to grants used for capital 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 the fiscal year 2019, the General Fund reported a fund balance of \$7,075,603. This is an increase of \$1,247,815 from the beginning fund balance. Of the total amount, \$6,935,073 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 \$2,711,238 is restricted for voter-approved SPLOST projects.

The fund balances for the other governmental funds decreased by \$555,138. The total combined fund balances for the other governmental funds were a positive \$436,434 at the end of the year, with all funds restricted for a specific use.

Enterprise 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 \$8,736,027 at the end of the fiscal year ending June 30, 2019. Of this amount, \$2,178,311, is reported as restricted assets.

The Water and Sewer Fund had an ending net position of \$39,184,009 for the fiscal year 2019. This was an increase of \$335,589 from the previous year. Of the balance, \$26,850,949 is the net investment in capital assets, and \$1,840,323 is reported as restricted net position.

The Solid Waste Fund had an ending net position of \$530,642 for the fiscal year 2018. This was an increase of \$52,339 from the previous year.

The Aquatic Center Fund had an ending net position balance of \$1,338,681 for the fiscal year 2019. This was a decrease of \$63,867 from the previous year. Of the balance, \$1,180,873 is invested in capital assets.

General Fund Budget Highlights:

The budget was prepared according to Georgia Law. The fiscal year 2019 original revenue budget was \$9,578,410. The original budget was amended to \$12,333,602. The major increase is in miscellaneous income, which included funds for insurance reimbursement due to hurricane damage. The final budgeted revenues increased 28.8% or \$2,755,192. The total budgeted expenditures increased \$3,309,214 or 25.4% 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 the fiscal year ending June 30, 2019, governmental activities and business-type activities had capital assets of \$84,638,117 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment, and recreation and park facilities. This represents a .46% increase or \$387,573 overall. The governmental activities increased by 14.3% due to new assets acquired. Business-type activities decreased by 2.6%, 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 increased its infrastructure and purchased equipment in the amount of \$3,406,288.
- For business-type activities, the infrastructure and equipment increased; however, depreciation expense outweighed the increase in capital assets.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
	Land	\$ 1,952,638	\$ 1,798,738	\$ 846,727	\$ 846,727	\$ 2,799,365
Construction in progress	3,160,298	211,751	78,425	18,125	3,238,723	229,876
Infrastructure	6,283,158	6,640,148	62,712,938	64,534,438	68,996,096	71,174,586
Buildings	2,988,967	3,046,562	3,137,425	3,330,832	6,126,392	6,377,394
Improvements	2,187,468	2,377,078	-	-	2,187,468	2,377,078
Machinery and equipment	898,077	1,208,263	391,996	237,882	1,290,073	1,446,145
	\$ 17,470,606	\$ 15,282,540	\$ 67,167,511	\$ 68,968,004	\$ 84,638,117	\$ 84,250,544

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, 2019, the City had \$1,856,972 of outstanding debt related to governmental activities and \$39,135,689 of outstanding debt related to business-type activities, for a total of \$40,992,661 compared to the previous year's total of \$42,427,569. This is a decrease of \$1,434,908. *Numbers do not include compensated absences or the net pension liability.

At the end of 2019, the business activities had a bonded debt of 36,054,207. 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 2020 budget. The fiscal year 2020 city-wide budget did increase by approximately 12.6%.

The major increases in the fiscal year 2020 budget were due to capital equipment approved and new projects for the fiscal year 2020. The city-wide budget was set at \$29,204,455. The City decided to stay with a millage rate that would net the same amount of taxes as in the previous year. The taxes collected will enable the City to maintain its current level of service and provide major capital equipment needs for safety concerns with public safety and public works and the downtown boating infrastructure project.

Fiscal Year 2020 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). In 2020, SPLOST will be used for upgrading the customer service area of city hall, police equipment, repairs to the aquatic center, software upgrade, drainage projects, orange hall renovations and roads, streets, and bridges.
2. In Spring 2019, Voters approved a 1% Special Purpose Local Option Sales Tax (SPLOST VIII). These funds will be used for bond debt retirement to keep from passing the cost to citizens.
3. Council approved funds for marketing the City.
4. New two-way radio equipment will be completed for public safety and public works.
5. Council approved \$20,000 for enhancements of the "Gateway" of the City.
6. Road enhancements with the Local Maintenance Improvement Grant will continue.
7. Upgrades will continue at the Coast Guard facility housed with the Police Department.
8. The City will complete the (SHRIMP) Stormwater, Highways, Renovations, Improvement, Maintenance Project that is part of the renaissance plan in the amount of \$982,333.
9. The City will complete additional projects related to the Douglas Drive Drainage.
10. The City will continue the installation of \$100,000 in radio water read meters.
11. Continued temporary help will be used to assist with the maintenance of the historic Oak Grove Cemetery.
12. The City will start its marina project at approximately \$1.7 million.
13. The City will refurbish the Tilden Morris Marshwalk.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2019 Major Initiatives (Continued)

14. Council approved \$10,000 for the Downtown Development.
15. Council approved \$50,000 for trash collection enhancement in the downtown.
16. Council approved \$5,000 to assist with ferry services to Fernandina Beach.
17. The City continues to work toward bringing in new business and retaining current businesses 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 incentives to attract business.

The fiscal year 2020 projections continue to be conservative, yet realistic.

Economic Factors

The County-wide economy shows signs of recovery. This has been realized through the residential and commercial buildings, 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, and the County is moving forward. 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. Also, the City is looking at several other growth opportunities for its Intracoastal Gateway site and MEDS site. The City will be developing a city marina in the downtown area, and the streetscape will continue toward City Hall in hopes of fixing infrastructure and attracting more business.

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, 2019**

ASSETS	Primary Government			Component Units			
	Governmental	Business-type	Total	Industrial	Downtown	Convention	Cemetery
	Activities	Activities		Development	Development	& Visitors	
			Authority	Authority	Bureau	Authority	
Cash and cash equivalents	\$ 8,255,040	\$ 6,557,716	\$ 14,812,756	\$ 11,871	\$ 47,997	\$ 74,010	\$ 161,511
Taxes receivable	141,101	-	141,101	-	-	-	-
Accounts receivable, net of allowances	1,378,092	730,470	2,108,562	-	6,250	144	2,105
Prepaid expenses	110,530	62,810	173,340	-	-	1,156	-
Due from other governments	969,886	-	969,886	-	-	-	-
Internal balances	(31,729)	31,729	-	-	-	-	-
Due from component units	32,619	-	32,619	-	-	-	-
Due from primary government	-	-	-	-	-	10,212	-
Restricted assets, cash and cash equivalents	-	2,626,034	2,626,034	-	-	-	-
Capital assets							
Non-depreciable	5,112,936	925,152	6,038,088	332,234	620,000	-	-
Depreciable, net of accumulated depreciation	12,357,670	66,242,359	78,600,029	-	-	-	-
Total assets	28,326,145	77,176,270	105,502,415	344,105	674,247	85,522	163,616
DEFERRED OUTFLOWS OF RESOURCES							
Deferred refunding loss	-	4,024,418	4,024,418	-	-	-	-
LIABILITIES							
Accounts payable	486,766	293,486	780,252	-	8,108	2,345	-
Accrued liabilities	38,252	243,000	281,252	-	-	275	-
Due to component units	10,212	-	10,212	-	-	-	-
Due to primary government	-	-	-	-	-	32,619	-
Customer deposits	-	410,565	410,565	-	-	-	-
Unearned revenue	-	12,091	12,091	-	-	-	-
Compensated absences due within one year	270,311	52,525	322,836	-	-	-	-
Capital leases due within one year	305,312	33,148	338,460	-	-	-	-
Capital leases due in more than one year	634,414	-	634,414	-	-	-	-
Notes payable due within one year	158,637	345,859	504,496	-	-	-	-
Notes payable due in more than one year	758,609	2,702,475	3,461,084	-	-	-	-
Net pension liability	214,897	-	214,897	-	-	-	-
Bonds payable due within one year	-	1,960,000	1,960,000	-	-	-	-
Bonds payable due in more than one year	-	34,094,207	34,094,207	-	-	-	-
Total liabilities	2,877,410	40,147,356	43,024,766	-	8,108	35,239	-
DEFERRED INFLOWS OF RESOURCES							
Pension	41,173	-	41,173	-	-	-	-
NET POSITION							
Net investment in capital assets	15,613,634	28,031,822	43,645,456	332,234	620,000	-	-
Restricted for capital projects	3,349,311	-	3,349,311	-	-	-	-
Restricted for debt service	-	1,840,323	1,840,323	-	-	-	-
Restricted for public safety	214	-	214	-	-	-	-
Unrestricted	6,444,403	11,181,187	17,625,590	11,871	46,139	50,283	163,616
Total net position	\$ 25,407,562	\$ 41,053,332	\$ 66,460,894	\$ 344,105	\$ 666,139	\$ 50,283	\$ 163,616

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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 2,306,567	\$ 1,176,408	\$ -	\$ 1,690,210
Public safety	4,009,102	169,025	-	-
Public works	2,476,956	79,487	-	2,795,151
Health and welfare	168,699	-	-	-
Judicial	173,484	-	-	-
Culture and recreation	429,153	11,430	-	69,128
Housing and development	711,232	-	-	-
Interest on long-term debt	30,958	-	-	-
Total governmental activities	<u>10,306,151</u>	<u>1,436,350</u>	<u>-</u>	<u>4,554,489</u>
Business-type activities				
Water and sewer	7,814,485	6,886,387	-	-
Solid waste	1,172,093	1,224,432	-	-
Aquatic center	525,076	461,209	-	-
Total business-type activities	<u>9,511,654</u>	<u>8,572,028</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 19,817,805</u>	<u>\$ 10,008,378</u>	<u>\$ -</u>	<u>\$ 4,554,489</u>
Component units				
Industrial Development Authority	\$ 65	\$ -	\$ -	\$ -
Downtown Development Authority	38,519	2,700	35,000	-
Convention and Visitors Bureau	182,623	2,230	166,580	-
Cemetery Authority	17,213	38,075	-	-
Total component units	<u>\$ 238,420</u>	<u>\$ 43,005</u>	<u>\$ 201,580</u>	<u>\$ -</u>
General revenues				
Property taxes				
Franchise taxes				
Sales taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position						
Governmental Activities	Business-type Activities	Total	Component Units			
			Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
\$ 560,051	\$ -	\$ 560,051	\$ -	\$ -	\$ -	\$ -
(3,840,077)	-	(3,840,077)	-	-	-	-
397,682	-	397,682	-	-	-	-
(168,699)	-	(168,699)	-	-	-	-
(173,484)	-	(173,484)	-	-	-	-
(348,595)	-	(348,595)	-	-	-	-
(711,232)	-	(711,232)	-	-	-	-
(30,958)	-	(30,958)	-	-	-	-
<u>(4,315,312)</u>	<u>-</u>	<u>(4,315,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(928,098)	(928,098)	-	-	-	-
-	52,339	52,339	-	-	-	-
-	(63,867)	(63,867)	-	-	-	-
-	(939,626)	(939,626)	-	-	-	-
<u>(4,315,312)</u>	<u>(939,626)</u>	<u>(5,254,938)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(65)	-	-	-
-	-	-	-	(819)	-	-
-	-	-	-	-	(13,813)	-
-	-	-	-	-	-	20,862
-	-	-	(65)	(819)	(13,813)	20,862
4,339,628	-	4,339,628	-	-	-	-
1,032,606	-	1,032,606	-	-	-	-
2,005,315	-	2,005,315	-	-	-	-
140,216	-	140,216	-	-	-	-
1,466,945	-	1,466,945	-	-	-	-
6,360	23,922	30,282	7	26	24	20,512
8,378	10,796	19,174	-	-	-	-
-	-	-	-	2,000	6,880	1,100
<u>(1,228,969)</u>	<u>1,228,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,770,479</u>	<u>1,263,687</u>	<u>9,034,166</u>	<u>7</u>	<u>2,026</u>	<u>6,904</u>	<u>21,612</u>
3,455,167	324,061	3,779,228	(58)	1,207	(6,909)	42,474
21,952,395	40,729,271	62,681,666	344,163	664,932	57,192	121,142
<u>\$ 25,407,562</u>	<u>\$ 41,053,332</u>	<u>\$ 66,460,894</u>	<u>\$ 344,105</u>	<u>\$ 666,139</u>	<u>\$ 50,283</u>	<u>\$ 163,616</u>

CITY OF ST. MARYS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2019

ASSETS	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 5,162,971	\$ 2,308,181	\$ 783,888	\$ 8,255,040
Taxes receivable	141,101	-	-	141,101
Accounts receivable	1,367,720	-	10,372	1,378,092
Prepaid items	110,530	-	-	110,530
Due from other governments	180,786	409,391	379,709	969,886
Due from other funds	653,390	-	-	653,390
Due from component units	32,619	-	-	32,619
Advance to other funds	30,000	-	-	30,000
 Total assets	 <u>\$ 7,679,117</u>	 <u>\$ 2,717,572</u>	 <u>\$ 1,173,969</u>	 <u>\$ 11,570,658</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 469,303	\$ 6,334	\$ 11,129	\$ 486,766
Accrued liabilities	37,177	-	1,075	38,252
Due to component units	-	-	10,212	10,212
Due to other funds	-	-	715,119	715,119
 Total liabilities	 <u>506,480</u>	 <u>6,334</u>	 <u>737,535</u>	 <u>1,250,349</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	97,034	-	-	97,034
 FUND BALANCES				
Nonspendable:				
Prepaid items	110,530	-	-	110,530
Advances to other funds	30,000	-	-	30,000
Restricted for:				
Capital projects	-	2,711,238	638,073	3,349,311
Public safety	-	-	214	214
Unassigned	6,935,073	-	(201,853)	6,733,220
 Total fund balances	 <u>7,075,603</u>	 <u>2,711,238</u>	 <u>436,434</u>	 <u>10,223,275</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 7,679,117</u>	 <u>\$ 2,717,572</u>	 <u>\$ 1,173,969</u>	 <u>\$ 11,570,658</u>

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, 2019

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

Total governmental fund balances.	\$	10,223,275
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,470,606
Certain long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(270,311)
Net pension liability		(214,897)
Note payable		(917,246)
Capital leases		(939,726)
Certain pension related deferred inflows are not reported in the funds.		(41,173)
Certain property tax revenues are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		<u>97,034</u>
Net position of governmental activities.	\$	<u><u>25,407,562</u></u>

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, 2019

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues				
Taxes	\$ 8,855,055	\$ -	\$ 140,216	\$ 8,995,271
Licenses and permits	489,223	-	-	489,223
Intergovernmental	266,164	2,263,371	808,249	3,337,784
Fines and forfeitures	161,689	-	-	161,689
Charges for services	116,115	-	-	116,115
Interest income	6,017	893	343	7,253
Other revenues	1,869,443	-	15,692	1,885,135
Total revenues	11,763,706	2,264,264	964,500	14,992,470
Expenditures				
Current:				
General government	3,302,377	-	-	3,302,377
Public safety	3,885,279	-	-	3,885,279
Public works	3,367,540	-	-	3,367,540
Health and welfare	144,634	-	-	144,634
Judicial	173,498	-	-	173,498
Culture and recreation	366,767	-	-	366,767
Housing and development	547,782	-	140,216	687,998
Capital outlay	-	103,613	446,143	549,756
Debt service:				
Principal	326,990	-	-	326,990
Interest and fiscal charges	30,958	-	-	30,958
Total expenditures	12,145,825	103,613	586,359	12,835,797
Excess (deficiency) of revenues over (under) expenditures	(382,119)	2,160,651	378,141	2,156,673
Other financing sources (uses)				
Proceeds from sale of capital assets	8,378	-	-	8,378
Proceeds from capital leases	917,246	-	-	917,246
Transfers in	704,310	-	-	704,310
Transfers out	-	(1,000,000)	(933,279)	(1,933,279)
Total other financing sources (uses)	1,629,934	(1,000,000)	(933,279)	(303,345)
Net change in fund balances	1,247,815	1,160,651	(555,138)	1,853,328
Fund balances, beginning of year	5,827,788	1,550,587	991,572	8,369,947
Fund balances, end of year	\$ 7,075,603	\$ 2,711,238	\$ 436,434	\$ 10,223,275

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

CITY OF ST. MARYS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds.	\$ 1,853,328
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	3,406,288
Depreciation expense	(1,218,222)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(10,561)
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	(917,246)
Principal payments on capital leases	326,990
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	2,049
Net pension liability and deferred inflows of resources related to pension	12,541
	<hr/>
	\$ 3,455,167
	<hr/>

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, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,222,240	\$ 8,222,240	\$ 8,855,055	\$ 632,815
Licenses and permits	558,550	558,550	489,223	(69,327)
Intergovernmental	-	5,000	266,164	261,164
Fines and forfeitures	215,050	215,050	161,689	(53,361)
Interest	5,200	5,200	6,017	817
Charges for services	83,270	98,270	116,115	17,845
Miscellaneous	494,100	3,229,292	1,869,443	(1,359,849)
Total revenues	9,578,410	12,333,602	11,763,706	(569,896)
Expenditures				
Current				
General government:				
Legislative	252,276	261,976	256,334	5,642
Executive	349,945	435,145	352,541	82,604
Finance	982,368	973,303	903,030	70,273
Building and plant	191,300	2,731,289	1,388,050	1,343,239
Human resources	140,310	152,885	147,729	5,156
Information technology	252,109	277,109	254,693	22,416
Total general government	2,168,308	4,831,707	3,302,377	1,529,330
Public safety				
Fire	2,082,246	2,114,653	1,826,127	288,526
Police	2,717,494	2,643,094	2,059,152	583,942
Total public safety	4,799,740	4,757,747	3,885,279	872,468
Public works				
Public works administration	1,410,138	1,412,339	1,268,375	143,964
Highways and streets administration	2,203,940	2,834,923	1,966,498	868,425
Cemetery	114,185	135,185	132,667	2,518
Total public works	3,728,263	4,382,447	3,367,540	1,014,907
Judicial				
Municipal court	178,475	178,475	173,498	4,977
Total judicial	178,475	178,475	173,498	4,977
Health and welfare				
Senior citizens center	131,210	151,149	144,634	6,515
Total health and welfare	131,210	151,149	144,634	6,515
Culture and recreation				
Culture and recreation administration	72,800	109,900	92,071	17,829
Library administration	310,436	310,436	274,696	35,740
Total culture and recreation	383,236	420,336	366,767	53,569

(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, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (continued)				
Current (continued)				
Housing and development				
Protective inspection administration	\$ 145,255	\$ 146,755	\$ 131,985	\$ 14,770
Planning and zoning	273,581	273,581	226,580	47,001
Special facilities	567,165	567,165	61,136	506,029
Economic development	97,610	97,610	71,838	25,772
Economic projects	102,320	77,320	-	77,320
Code enforcement	72,780	72,780	56,243	16,537
Total housing and development	1,258,711	1,235,211	547,782	687,429
Debt service				
Principal	339,600	339,600	326,990	12,610
Interest	31,783	31,868	30,958	910
Total debt service	371,383	371,468	357,948	13,520
Total expenditures	13,019,326	16,328,540	12,145,825	4,182,715
Excess (deficiency) of revenues over (under) expenditures	(3,440,916)	(3,994,938)	(382,119)	3,612,819
Other financing sources (uses)				
Proceeds from sale of capital assets	6,000	6,000	8,378	2,378
Proceeds from capital leases	1,312,562	1,312,562	917,246	(395,316)
Transfers in	822,312	1,374,236	704,310	(669,926)
Total other financing sources (uses)	2,140,874	2,692,798	1,629,934	(1,062,864)
Net change in fund balances	(1,300,042)	(1,302,140)	1,247,815	2,549,955
Fund balances, beginning of year	5,827,788	5,827,788	5,827,788	-
Fund balances, end of year	\$ 4,527,746	\$ 4,525,648	\$ 7,075,603	\$ 2,549,955

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

CITY OF ST. MARYS, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

ASSETS	Major Enterprise Funds		Nonmajor	Totals
	Water & Sewer Fund	Solid Waste Fund	Aquatic Center Fund	
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,806,375	\$ 510,403	\$ 240,938	\$ 6,557,716
Restricted cash and cash equivalents	2,178,311	-	-	2,178,311
Accounts receivable, net	618,086	109,508	2,876	730,470
Prepaid expenses	55,585	2,882	4,343	62,810
Due from other funds	228,970	-	-	228,970
Total current assets	<u>8,887,327</u>	<u>622,793</u>	<u>248,157</u>	<u>9,758,277</u>
NONCURRENT ASSETS				
Restricted cash and cash equivalents	447,723	-	-	447,723
Capital assets				
Non-depreciable	925,152	-	-	925,152
Depreciable, net of accumulated depreciation	65,061,486	-	1,180,873	66,242,359
Total noncurrent assets	<u>66,434,361</u>	<u>-</u>	<u>1,180,873</u>	<u>67,615,234</u>
Total assets	<u>75,321,688</u>	<u>622,793</u>	<u>1,429,030</u>	<u>77,373,511</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding loss	4,024,418	-	-	4,024,418
LIABILITIES				
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS				
Accounts payable	187,431	87,388	18,667	293,486
Accrued interest payable	89,143	-	-	89,143
Other accrued liabilities	139,585	500	13,772	153,857
Due to other funds	157,241	-	10,000	167,241
Unearned revenue	-	-	12,091	12,091
Current portion of compensated absences	42,443	4,263	5,819	52,525
Current portion of capital lease payable	33,148	-	-	33,148
Current portion of notes payable	345,859	-	-	345,859
Current portion of bonds payable	1,960,000	-	-	1,960,000
Total current liabilities, payable from current assets	<u>2,954,850</u>	<u>92,151</u>	<u>60,349</u>	<u>3,107,350</u>
CURRENT LIABILITIES, PAYABLE FROM RESTRICTED ASSETS				
Customer deposits	410,565	-	-	410,565
Total current liabilities, payable from restricted assets	<u>410,565</u>	<u>-</u>	<u>-</u>	<u>410,565</u>
LONG-TERM LIABILITIES				
Revenue bonds payable, net	34,094,207	-	-	34,094,207
Notes payable	2,702,475	-	-	2,702,475
Advances from other funds	-	-	30,000	30,000
Total long-term liabilities	<u>36,796,682</u>	<u>-</u>	<u>30,000</u>	<u>36,826,682</u>
Total liabilities	<u>40,162,097</u>	<u>92,151</u>	<u>90,349</u>	<u>40,344,597</u>
NET POSITION				
Net investment in capital assets	26,850,949	-	1,180,873	28,031,822
Restricted for debt service	1,840,323	-	-	1,840,323
Unrestricted	10,492,737	530,642	157,808	11,181,187
Total net position	<u>\$ 39,184,009</u>	<u>\$ 530,642</u>	<u>\$ 1,338,681</u>	<u>\$ 41,053,332</u>

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, 2019

	<u>Major Enterprise Funds</u>		<u>Nonmajor</u>	<u>Totals</u>
	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Aquatic Center Fund</u>	
OPERATING REVENUE				
Sanitation fees	\$ -	\$ 1,176,192	\$ -	\$ 1,176,192
Admission fees	-	-	262,872	262,872
Concessions	-	-	114,821	114,821
Water sales	2,980,394	-	-	2,980,394
Sewer sales	2,816,121	-	-	2,816,121
Tap and capacity recovery fees	359,504	-	-	359,504
Reconnection fees	66,123	-	-	66,123
Construction fees	401,585	-	-	401,585
Penalties	127,734	25,866	-	153,600
Miscellaneous	134,926	22,374	83,516	240,816
Total operating revenues	<u>6,886,387</u>	<u>1,224,432</u>	<u>461,209</u>	<u>8,572,028</u>
OPERATING EXPENSES				
Personal services	1,347,611	90,347	118,248	1,556,206
Purchased and contracted services	1,220,939	1,070,428	146,686	2,438,053
Supplies	1,257,024	11,318	160,891	1,429,233
Depreciation	2,560,871	-	99,251	2,660,122
Amortization	287,458	-	-	287,458
Total operating expenses	<u>6,673,903</u>	<u>1,172,093</u>	<u>525,076</u>	<u>8,371,072</u>
Operating income (loss)	<u>212,484</u>	<u>52,339</u>	<u>(63,867)</u>	<u>200,956</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	23,922	-	-	23,922
Interest expense	(1,140,582)	-	-	(1,140,582)
Gain on disposal of capital assets	10,796	-	-	10,796
Total nonoperating expenses, net	<u>(1,105,864)</u>	<u>-</u>	<u>-</u>	<u>(1,105,864)</u>
Income (loss) before transfers	<u>(893,380)</u>	<u>52,339</u>	<u>(63,867)</u>	<u>(904,908)</u>
TRANSFERS				
Transfers in	1,228,969	-	-	1,228,969
Total transfers	<u>1,228,969</u>	<u>-</u>	<u>-</u>	<u>1,228,969</u>
Change in net position	335,589	52,339	(63,867)	324,061
Total net position, beginning of year	<u>38,848,420</u>	<u>478,303</u>	<u>1,402,548</u>	<u>40,729,271</u>
Total net position, end of year	<u>\$ 39,184,009</u>	<u>\$ 530,642</u>	<u>\$ 1,338,681</u>	<u>\$ 41,053,332</u>

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, 2019**

	Major Enterprise Funds		Nonmajor	Totals
	Water & Sewer Fund	Solid Waste Fund	Enterprise Fund Aquatic Center Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,879,853	\$ 1,222,757	\$ 463,042	\$ 8,565,652
Payments to suppliers	(2,449,484)	(1,083,205)	(328,463)	(3,861,152)
Payments to employees	(1,331,775)	(86,347)	(109,193)	(1,527,315)
Net cash provided by operating activities	<u>3,098,594</u>	<u>53,205</u>	<u>25,386</u>	<u>3,177,185</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	<u>1,228,969</u>	<u>-</u>	<u>-</u>	<u>1,228,969</u>
Net cash provided by noncapital financing activities	<u>1,228,969</u>	<u>-</u>	<u>-</u>	<u>1,228,969</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on revenue bonds payable	(1,930,000)	-	-	(1,930,000)
Principal payments on notes payable	(335,755)	-	-	(335,755)
Principal payments on leases	(50,906)	-	-	(50,906)
Proceeds from long-term borrowings	291,497	-	-	291,497
Interest paid	(1,102,355)	-	-	(1,102,355)
Proceeds from the sale of capital assets	10,796	-	-	10,796
Purchase of capital assets	(859,629)	-	-	(859,629)
Net cash used in capital and related financing activities	<u>(3,976,352)</u>	<u>-</u>	<u>-</u>	<u>(3,976,352)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	424,306	-	-	424,306
Interest received	23,922	-	-	23,922
Net cash provided by investing activities	<u>448,228</u>	<u>-</u>	<u>-</u>	<u>448,228</u>
Net increase in cash	799,439	53,205	25,386	878,030
Cash and cash equivalents, beginning of year	<u>7,632,970</u>	<u>457,198</u>	<u>215,552</u>	<u>8,305,720</u>
Cash and cash equivalents, end of year	<u>\$ 8,432,409</u>	<u>\$ 510,403</u>	<u>\$ 240,938</u>	<u>\$ 9,183,750</u>
Classified as				
Cash and cash equivalents	\$ 5,806,375	\$ 510,403	\$ 240,938	\$ 6,557,716
Restricted assets				
Current cash and cash equivalents	2,178,311	-	-	2,178,311
Noncurrent cash and cash equivalents	447,723	-	-	447,723
	<u>\$ 8,432,409</u>	<u>\$ 510,403</u>	<u>\$ 240,938</u>	<u>\$ 9,183,750</u>

(Continued)

CITY OF ST. MARYS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Major Enterprise Funds</u>		<u>Nonmajor Enterprise Fund</u>	<u>Totals</u>
	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Aquatic Center Fund</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 212,484	\$ 52,339	(63,867)	\$ 200,956
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	2,560,871	-	99,251	2,660,122
Change in assets and liabilities				
(Increase) decrease in accounts receivable	2,446	(1,675)	1,833	2,604
(Increase) decrease in prepaid expenses	15,734	(621)	(4,343)	10,770
Increase in due from other funds	(228,970)	-	-	(228,970)
Decrease in deferred outflows of resources	287,458	-	-	287,458
Increase (decrease) in accounts payable	81,621	(838)	(17,703)	63,080
Increase (decrease) in accrued liabilities	2,853	(263)	3,236	5,826
Decrease in customer deposits	(8,980)	-	-	(8,980)
Increase in compensated absences	15,836	4,263	5,819	25,918
Increase in unearned revenue	-	-	1,160	1,160
Increase in due to other funds/advances	157,241	-	-	157,241
Net cash provided by operating activities	<u>\$ 3,098,594</u>	<u>\$ 53,205</u>	<u>\$ 25,386</u>	<u>\$ 3,177,185</u>

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

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CITY OF ST. MARYS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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.

NOTES TO FINANCIAL STATEMENTS

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, however interfund services provided and used are not eliminated in the process of consolidation. Government-wide financial statements do not provide information by fund, but distinguish between the City’s governmental activities and business-type activities.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund types:

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

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

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

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

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

D. Budgets

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

NOTES TO FINANCIAL STATEMENTS

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, 2019, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

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:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Infrastructure	30
Improvements	5-50
Machinery and equipment	3-10

J. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 and actual earnings on pension plan investments is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred inflow of resources.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of St. Marys Retirement Plan (the "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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2019, are summarized as follows:

Amounts as presented on the City-wide statement of net position:

Cash and cash equivalents	\$ 14,812,756
Restricted cash and cash equivalents	2,626,034
Component Units - cash and cash equivalents	295,389
Total	\$ 17,734,179

Cash deposited with financial institutions	\$ 16,923,092
Cash deposited with Georgia Fund 1	811,087
Total	\$ 17,734,179

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, 2019, the City's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's.

As of June 30, 2019, the City had the following investment:

Investment	Maturity	Fair Value
Georgia Fund 1	39 day weighted average	\$ 811,087

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 AA+ 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.

NOTES TO FINANCIAL STATEMENTS

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, 2019, the City's deposits were fully collateralized in compliance with the state requirements.

Fair Value Measurements. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy. The City does not maintain any other investments that would require reporting in the fair value hierarchy.

NOTE 4. RECEIVABLES

Property taxes are levied by the City based on the assessed value of property as of January 1. Property taxes attach as an enforceable lien on property as of January 19, 2019. Taxes were levied on October 19, 2018, and payable on or before December 19, 2018. Property taxes not collected by December 19th are considered and reported as delinquent taxes receivable. Property taxes levied for the year ending June 30, 2019, are recorded as receivables, net of estimated uncollectibles.

In the governmental funds, the net receivables collected during the year ended June 30, 2019, and expected to be collected by August 31, 2019, are recognized as revenues for the year ended June 30, 2019, whereas, net receivables estimated to be collectible subsequent to August 31, 2019, are recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Receivables at June 30, 2019, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Nonmajor Governmental Funds	Water and Sewer	Solid Waste	Nonmajor Enterprise Fund
Receivables						
Taxes	\$ 203,636	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	1,367,720	-	10,372	1,101,540	182,309	2,876
Due from other governments	180,786	409,391	379,709	-	-	-
Less allowance for uncollectibles	(62,535)	-	-	(483,454)	(72,801)	-
Net total receivable	<u>\$ 1,689,607</u>	<u>\$ 409,391</u>	<u>\$ 390,081</u>	<u>\$ 618,086</u>	<u>\$ 109,508</u>	<u>\$ 2,876</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 1,798,738	\$ 153,900	\$ -	\$ -	\$ 1,952,638
Construction in progress	211,751	2,948,547	-	-	3,160,298
Total	<u>2,010,489</u>	<u>3,102,447</u>	<u>-</u>	<u>-</u>	<u>5,112,936</u>
Capital assets, being depreciated					
Infrastructure	11,040,998	12,981	-	-	11,053,979
Buildings	6,804,382	136,100	-	-	6,940,482
Improvements	6,853,512	31,626	-	-	6,885,138
Machinery and equipment	9,755,244	123,134	(183,164)	-	9,695,214
Total	<u>34,454,136</u>	<u>303,841</u>	<u>(183,164)</u>	<u>-</u>	<u>34,574,813</u>
Less accumulated depreciation for					
Infrastructure	(4,400,850)	(369,971)	-	-	(4,770,821)
Buildings	(3,757,820)	(193,695)	-	-	(3,951,515)
Improvements	(4,476,434)	(221,236)	-	-	(4,697,670)
Machinery and equipment	(8,546,981)	(433,320)	183,164	-	(8,797,137)
Total	<u>(21,182,085)</u>	<u>(1,218,222)</u>	<u>183,164</u>	<u>-</u>	<u>(22,217,143)</u>
Total capital assets, being depreciated, net	<u>13,272,051</u>	<u>(914,381)</u>	<u>-</u>	<u>-</u>	<u>12,357,670</u>
Governmental activities capital assets, net	<u>\$ 15,282,540</u>	<u>\$ 2,188,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,470,606</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 846,727	\$ -	\$ -	\$ -	\$ 846,727
Construction in progress	18,125	78,425	-	(18,125)	78,425
Total	<u>864,852</u>	<u>78,425</u>	<u>-</u>	<u>(18,125)</u>	<u>925,152</u>
Capital assets, being depreciated					
Buildings	8,115,590	-	-	-	8,115,590
Infrastructure	95,431,572	515,299	-	18,125	95,964,996
Furniture, fixtures, and equipment	3,783,188	265,905	(111,224)	-	3,937,869
Total	<u>107,330,350</u>	<u>781,204</u>	<u>(111,224)</u>	<u>18,125</u>	<u>108,018,455</u>
Less accumulated depreciation for					
Buildings	(4,784,758)	(193,407)	-	-	(4,978,165)
Infrastructure	(30,897,134)	(2,354,924)	-	-	(33,252,058)
Furniture, fixtures, and equipment	(3,545,306)	(111,791)	111,224	-	(3,545,873)
Total	<u>(39,227,198)</u>	<u>(2,660,122)</u>	<u>111,224</u>	<u>-</u>	<u>(41,776,096)</u>
Total capital assets, being depreciated, net	<u>68,103,152</u>	<u>(1,878,918)</u>	<u>-</u>	<u>18,125</u>	<u>66,242,359</u>
Business-type activities capital assets, net	<u>\$ 68,968,004</u>	<u>\$ (1,800,493)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,167,511</u>

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

Governmental activities	
General government	\$ 368,998
Public safety	468,594
Public works	269,108
Culture and recreation	62,986
Health and welfare	24,249
Economic development	24,287
Total governmental activities	<u>\$ 1,218,222</u>
Business-type activities	
Water and sewer fund	\$ 2,560,871
Aquatics center fund	99,251
Total Business-type activities	<u>\$ 2,660,122</u>

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.

NOTES TO FINANCIAL STATEMENTS

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, 2019, 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%	\$ 36,054,207
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Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2020	\$ 1,960,000	\$ 961,653	\$ 2,921,653
2021	2,550,000	899,816	3,449,816
2022	2,475,000	830,974	3,305,974
2023	2,400,000	764,186	3,164,186
2024	2,445,000	897,810	3,342,810
2025-2029	12,970,000	2,446,548	15,416,548
2030-2033	11,254,207	624,653	11,878,860
Total	\$ 36,054,207	\$ 7,425,640	\$ 43,479,847

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, 2019.

These notes are as follows at June 30, 2019:

Interest Rate	Term	Fiscal Year Due Date	Amount
3.00%	20 years	2025	\$ 1,666,009
3.81%	20 years	2033	703,311
1.09%	20 years	2037	369,391
			2,738,711
		Construction line of credit - draw down phase	309,623
			\$ 3,048,334

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

As the City has one note that remained in the draw down phase as of June 30, 2019, the interest rate, term and due date will be disclosed for this note when construction is complete.

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

Fiscal year ending June 30,	Principal	Interest	Total
2020	\$ 345,859	\$ 76,167	\$ 422,026
2021	356,488	65,538	422,026
2022	367,249	54,777	422,026
2023	378,409	43,617	422,026
2024	389,907	32,119	422,026
2025-2029	498,826	84,454	583,280
2030-2034	333,735	21,200	354,935
2035-2038	68,238	1,185	69,423
Total	<u>\$ 2,738,711</u>	<u>\$ 379,057</u>	<u>\$ 3,117,768</u>

The construction line of credit agreement for \$500,000, of which \$18,125 had been drawn down as of June 30, 2019, is not included in the above schedule. Repayment will be determined when construction is complete and all draws have been made.

In June 2019, the City entered into a note payable agreement with a financial institution to finance the purchase of a radio communication system. The note is payable monthly over a term of 6 years at a rate of 2.82%. The note payable debt service requirement to maturity is as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2020	\$ 158,637	\$ 21,856	\$ 180,493
2021	177,795	19,106	196,901
2022	182,874	14,027	196,901
2023	188,098	8,803	196,901
2024	193,472	3,429	196,901
2025	16,370	38	16,408
Total	<u>\$ 917,246</u>	<u>\$ 67,259</u>	<u>\$ 984,505</u>

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.

NOTES TO FINANCIAL STATEMENTS

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, 2019. The City reported accumulated depreciation and depreciation expense as of June 30, 2019, on these assets in the amounts of \$1,115,049 and \$380,124, 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, 2019.

	Governmental Activities	Business-type Activities
Fiscal year ending June 30,		
2020	\$ 327,329	\$ 33,571
2021	281,210	-
2022	230,420	-
2023	145,965	-
Total minimum lease payments	984,924	33,571
Less amounts representing interest	(45,198)	(423)
Present value of future minimum lease payments	\$ 939,726	\$ 33,148

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital leases	\$ 1,266,716	\$ -	\$ (326,990)	\$ 939,726	\$ 305,312
Notes payable	-	917,246	-	917,246	158,637
Net pension liability	229,611	87,280	(101,994)	214,897	-
Compensated absences	272,360	409,293	(411,342)	270,311	270,311
Governmental activity Long-term liabilities	<u>\$ 1,768,687</u>	<u>\$ 1,413,819</u>	<u>\$ (840,326)</u>	<u>\$ 2,342,180</u>	<u>\$ 734,260</u>
Business-type activities					
Bonds payable	\$ 37,984,207	\$ -	\$ (1,930,000)	\$ 36,054,207	\$ 1,960,000
Notes payable	3,092,592	291,497	(335,755)	3,048,334	345,859
Capital leases payable	84,054	-	(50,906)	33,148	33,148
Compensated absences	26,607	54,790	(28,872)	52,525	52,525
Business-type activity Long-term liabilities	<u>\$ 41,187,460</u>	<u>\$ 346,287</u>	<u>\$ (2,345,533)</u>	<u>\$ 39,188,214</u>	<u>\$ 2,391,532</u>

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, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 486,149
General Fund	Water and sewer fund	157,241
General Fund	Nonmajor enterprise fund	10,000
Water and sewer fund	Nonmajor governmental funds	228,970
		<u>\$ 882,360</u>
<u>Advance To</u>	<u>Advance From</u>	
General Fund	Nonmajor enterprise fund	<u>\$ 30,000</u>

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, 2019, the City's General Fund has advanced the Aquatic Center Fund \$30,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers as of June 30, 2019, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 704,310
Water and Sewer Fund	Nonmajor governmental funds	228,969
Water and Sewer Fund	SPLOST Fund	1,000,000
		\$ 1,933,279

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

Employee Participation

At June 30, 2019, the following employees were covered by the Plan:

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

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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2018.

Actuarial assumptions. The total pension liability in the January 1, 2018, 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, 2018, valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

NOTES TO FINANCIAL STATEMENTS

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, 2018, are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.40
Domestic fixed income	20%	1.75
Real estate	10%	5.10
Global fixed income	5%	3.03
Cash	0%	
Total	100%	

* 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.

NOTES TO FINANCIAL STATEMENTS

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, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 936,945	\$ 707,334	\$ 229,611
Changes for the year			
Interest	65,937	-	65,937
Differences between expected and actual experience	11,400	-	11,400
Assumption changes	-	-	-
Contributions - employer	-	36,135	(36,135)
Net investment income	-	65,859	(65,859)
Benefit payments, including refunds of employee contributions	(115,574)	(115,574)	-
Administrative expense	-	(9,943)	9,943
Net changes	(38,237)	(23,523)	(14,714)
Ending Balance	\$ 898,708	\$ 683,811	\$ 214,897

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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 271,238	\$ 214,897	\$ 164,660

NOTES TO FINANCIAL STATEMENTS

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, 2018, 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, 2019, the City recognized pension expense of \$23,594 and deferred inflows of resources related to pensions of \$41,173 resulting from an investment earnings difference between projected and actual investments. This deferred inflow of resources will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ 8,025
2021	17,359
2022	12,557
2023	3,232
Total	<u>\$ 41,173</u>

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, 2019, 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 \$18,500 for the year ended June 30, 2019. 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, 2019, were \$225,262. Total employee contributions for the year ended June 30, 2019, were \$195,293.

NOTES TO FINANCIAL STATEMENTS

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, 2019, 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, 2019, 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.

NOTES TO FINANCIAL STATEMENTS

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, 2019, \$140,216 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, 2019, the City has contractual commitments on uncompleted contracts of approximately \$3,740,319.

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REQUIRED SUPPLEMENTARY INFORMATION

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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,

	2019	2018	2017	2016	2015
Total pension liability					
Interest on total pension liability	\$ 65,937	\$ 71,041	\$ 65,625	\$ 67,785	\$ 69,743
Differences between expected and actual experience	11,400	(3,979)	124,702	12,987	1,546
Changes of assumptions	-	13,951	-	-	2,191
Benefit payments, including refunds of employee contributions	(115,574)	(121,442)	(119,457)	(97,821)	(99,674)
Net change in total pension liability	(38,237)	(40,429)	70,870	(17,049)	(26,194)
Total pension liability - beginning	936,945	977,374	906,504	923,553	949,747
Total pension liability - ending (a)	\$ 898,708	\$ 936,945	\$ 977,374	\$ 906,504	\$ 923,553
Plan fiduciary net position					
Contributions - employer	\$ 36,135	\$ 35,443	\$ 22,683	\$ 19,285	\$ 19,285
Net investment income	65,859	97,638	76,881	12,598	88,859
Benefit payments, including refunds of member contributions	(115,574)	(121,442)	(119,457)	(97,821)	(99,674)
Administrative expenses	(9,943)	(11,048)	(7,861)	(7,167)	(5,996)
Net change in plan fiduciary net position	(23,523)	591	(27,754)	(73,105)	2,474
Plan fiduciary net position - beginning	707,334	706,743	734,497	807,602	805,128
Plan fiduciary net position - ending (b)	\$ 683,811	\$ 707,334	\$ 706,743	\$ 734,497	\$ 807,602
City's net pension liability - ending (a) - (b)	\$ 214,897	\$ 229,611	\$ 270,631	\$ 172,007	\$ 115,951
Plan fiduciary net position as a percentage of the total pension liability	76.1%	75.5%	72.3%	81.0%	87.4%
Covered payroll	\$ -	\$ -	\$ 47,778	\$ 49,178	\$ 49,178
Net pension liability as a percentage of covered payroll	0.0%	0.0%	566.4%	349.8%	235.8%

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,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 37,456	\$ 35,443	\$ 19,285	\$ 19,285
Contributions in relation to the actuarially determined contribution	<u>37,456</u>	<u>35,443</u>	<u>19,285</u>	<u>19,285</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ 47,778
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	40.4%

Notes to the Schedule:

Valuation Date	January 1, 2019
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	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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CITY OF ST. MARYS, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Capital Project Funds

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

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CITY OF ST. MARYS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

ASSETS	Special Revenue				Capital Projects	Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund	Multiple Grants Fund	Capital Project	
Cash and cash equivalents	\$ -	\$ 81,590	\$ 214	\$ 53,042	\$ 649,042	\$ 783,888
Accounts receivable	10,212	-	-	-	160	10,372
Due from other governments	-	-	-	379,709	-	379,709
Total assets	\$ 10,212	\$ 81,590	\$ 214	\$ 432,751	\$ 649,202	\$ 1,173,969
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,129	\$ 11,129
Accrued liabilities	-	1,075	-	-	-	1,075
Due to component units	10,212	-	-	-	-	10,212
Due to other funds	-	282,368	-	432,751	-	715,119
Total liabilities	10,212	283,443	-	432,751	11,129	737,535
FUND BALANCE						
Restricted for:						
Capital projects	-	-	-	-	638,073	638,073
Public safety	-	-	214	-	-	214
Unassigned	-	(201,853)	-	-	-	(201,853)
Total fund balances	-	(201,853)	214	-	638,073	436,434
Total liabilities and fund balances	\$ 10,212	\$ 81,590	\$ 214	\$ 432,751	\$ 649,202	\$ 1,173,969

CITY OF ST. MARYS, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue			Multiple Grants Fund	Capital Projects	Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund		Capital Project	
REVENUES						
Taxes	\$ 140,216	\$ -	\$ -	\$ -	\$ -	\$ 140,216
Intergovernmental	-	69,128	-	526,836	212,285	808,249
Interest	-	18	-	-	325	343
Miscellaneous	-	15,478	214	-	-	15,692
Total revenues	140,216	84,624	214	526,836	212,610	964,500
EXPENDITURES						
Current						
Housing and development	140,216	-	-	-	-	140,216
Capital outlay	-	295,125	-	-	151,018	446,143
Total expenditures	140,216	295,125	-	-	151,018	586,359
Excess (deficiency) of revenues over (under) expenditures	-	(210,501)	214	526,836	61,592	378,141
Other financing uses						
Transfers out	-	-	-	(933,279)	-	(933,279)
Total other financing uses	-	-	-	(933,279)	-	(933,279)
Net change in fund balances	-	(210,501)	214	(406,443)	61,592	(555,138)
FUND BALANCE, beginning of year	-	8,648	-	406,443	576,481	991,572
FUND BALANCE (DEFICIT), end of year	\$ -	\$ (201,853)	\$ 214	\$ -	\$ 638,073	\$ 436,434

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, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 189,676	\$ 189,676	\$ 140,216	\$ (49,460)
Total revenues	189,676	189,676	140,216	(49,460)
Expenditures				
Current:				
Housing and development	189,676	189,676	140,216	49,460
Total expenditures	189,676	189,676	140,216	49,460
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX ALLOCATION DISTRICT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 29,500	\$ 29,500	\$ 69,128	\$ 39,628
Interest	-	-	18	18
Miscellaneous	-	5,000	15,478	10,478
Total revenues	29,500	34,500	84,624	50,124
Expenditures				
Capital outlay	29,500	319,500	295,125	24,375
Total expenditures	29,500	319,500	295,125	24,375
Deficiency of revenues under expenditures	-	(285,000)	(210,501)	(74,499)
Other financing sources				
Loan proceeds	-	285,000	-	285,000
Total other financing sources	-	285,000	-	285,000
Net change in fund balances	-	-	(210,501)	(210,501)
Fund balance, beginning of year	8,648	8,648	8,648	-
Fund balance (deficit), end of year	\$ 8,648	\$ 8,648	\$ (201,853)	\$ (210,501)

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CONFISCATED ASSETS FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 214	\$ 214
Total revenues	-	-	214	214
Expenditures				
Current:				
Housing and development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	214	214
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 214	\$ 214

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MULTIPLE GRANTS FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 397,133	\$ 542,614	\$ 526,836	\$ (15,778)
Total revenues	397,133	542,614	526,836	(15,778)
Other financing uses				
Transfers out	(397,133)	(949,057)	(933,279)	15,778
Total other financing uses	(397,133)	(949,057)	(933,279)	15,778
Net change in fund balances	-	(406,443)	(406,443)	-
Fund balance, beginning of year	406,443	406,443	406,443	-
Fund balance, end of year	\$ 406,443	\$ -	\$ -	\$ -

CITY OF ST. MARYS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX - 2012 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Bond debt	\$ 11,000,000	\$ 11,000,000	\$ 6,648,250	\$ 1,000,000	\$ 7,648,250
Improvements	4,327,918	4,327,918	362,695	6,334	369,029
Equipment/vehicles capital outlay	<u>2,503,375</u>	<u>2,503,375</u>	<u>191,182</u>	<u>97,279</u>	<u>288,461</u>
Totals	<u>\$ 17,831,293</u>	<u>\$ 17,831,293</u>	<u>\$ 7,202,127</u>	<u>\$ 1,103,613</u>	<u>\$ 8,305,740</u>

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CITY OF ST. MARYS, GEORGIA

DISCRETELY PRESENTED COMPONENT UNITS

Industrial Development Authority – Responsible for the development and coordination of economic growth projects in the City 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, 2019

ASSETS	Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
Cash and cash equivalents	\$ 11,871	\$ 47,997	\$ 74,010	\$ 161,511
Accounts receivable	-	6,250	144	2,105
Prepaid items	-	-	1,156	-
Due from primary government	-	-	10,212	-
Total assets	<u>\$ 11,871</u>	<u>\$ 54,247</u>	<u>\$ 85,522</u>	<u>\$ 163,616</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 8,108	\$ 2,345	\$ -
Due to primary government	-	-	32,619	-
Accrued expenses	-	-	275	-
Total liabilities	<u>-</u>	<u>8,108</u>	<u>35,239</u>	<u>-</u>
FUND BALANCE				
Unassigned	<u>11,871</u>	<u>46,139</u>	<u>50,283</u>	<u>163,616</u>
Total fund balances	<u>11,871</u>	<u>46,139</u>	<u>50,283</u>	<u>163,616</u>
Total liabilities and fund balances	<u>\$ 11,871</u>	<u>\$ 54,247</u>	<u>\$ 85,522</u>	<u>\$ 163,616</u>

CITY OF ST. MARYS, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Industrial Development Authority</u>	<u>Downtown Development Authority</u>	<u>Convention & Visitors Bureau</u>	<u>Cemetery Authority</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ 35,000	\$ 166,580	\$ -
Charges for services	-	-	2,230	38,075
Rental income	-	2,700	-	-
Interest revenue	7	26	24	20,512
Miscellaneous	-	2,000	6,880	1,100
Total revenues	<u>7</u>	<u>39,726</u>	<u>175,714</u>	<u>59,687</u>
EXPENDITURES				
Current				
Housing and development	<u>65</u>	<u>38,519</u>	<u>182,623</u>	<u>17,213</u>
Net change in fund balance	(58)	1,207	(6,909)	42,474
FUND BALANCE, beginning of year	<u>11,929</u>	<u>44,932</u>	<u>57,192</u>	<u>121,142</u>
FUND BALANCE, end of year	<u>\$ 11,871</u>	<u>\$ 46,139</u>	<u>\$ 50,283</u>	<u>\$ 163,616</u>

STATISTICAL SECTION

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STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	67 – 72
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	73 – 78
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	79 – 82
<i>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.</i>	
Demographic and Economic Information	83 and 84
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	85 – 87
<i>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.</i>	

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

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CITY OF ST. MARYS, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 17,380,554	\$ 18,974,383	\$ 17,935,379	\$ 17,535,360	\$ 16,700,483	\$ 16,237,254	\$ 15,368,187	\$ 14,854,805	\$ 14,015,824	\$ 15,613,634
Restricted	-	366,185	431,679	550,242	1,182,601	1,116,711	1,704,547	1,886,056	2,567,159	3,349,525
Unrestricted	5,131,934	3,528,145	4,598,226	5,155,188	5,597,625	5,832,944	6,376,327	5,992,197	5,369,412	6,444,403
Total governmental activities net position	\$ 22,512,488	\$ 22,868,713	\$ 22,965,284	\$ 23,240,790	\$ 23,480,709	\$ 23,186,909	\$ 23,449,061	\$ 22,733,058	\$ 21,952,395	\$ 25,407,562
Business-type activities										
Net investment in capital assets	\$ 26,683,866	\$ 33,919,673	\$ 31,791,521	\$ 29,671,562	\$ 28,338,804	\$ 29,984,972	\$ 32,154,292	\$ 32,075,270	\$ 27,807,151	\$ 28,031,822
Restricted	3,740,937	1,660,771	1,395,412	1,425,145	1,606,046	1,554,362	1,608,546	2,049,167	1,840,323	1,840,323
Unrestricted	9,581,787	4,456,173	5,001,818	4,940,356	4,989,481	5,367,531	5,422,506	5,144,676	11,081,797	11,181,187
Total business-type activities net position	\$ 40,006,590	\$ 40,036,617	\$ 38,188,751	\$ 36,037,063	\$ 34,934,331	\$ 36,906,865	\$ 39,185,344	\$ 39,269,113	\$ 40,729,271	\$ 41,053,332
Primary government										
Net investment in capital assets	\$ 44,064,420	\$ 52,894,056	\$ 49,726,900	\$ 47,206,922	\$ 45,039,287	\$ 46,222,226	\$ 47,522,479	\$ 46,930,075	\$ 41,822,975	\$ 43,645,456
Restricted	3,740,937	2,026,956	1,827,091	1,975,387	2,788,647	2,671,073	3,313,093	3,935,223	4,407,482	5,189,848
Unrestricted	14,713,721	7,984,318	9,600,044	10,095,544	10,587,106	11,200,475	11,798,833	11,136,873	16,451,209	17,625,590
Total primary government net position	\$ 62,519,078	\$ 62,905,330	\$ 61,154,035	\$ 59,277,853	\$ 58,415,040	\$ 60,093,774	\$ 62,634,405	\$ 62,002,171	\$ 62,681,666	\$ 66,460,894

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF ST. MARYS, GEORGIA

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Primary governmental activities										
General government	\$ 465,645	\$ 2,030,282	\$ 2,091,188	\$ 2,390,846	\$ 2,115,069	\$ 2,161,037	\$ 2,373,458	\$ 2,762,387	\$ 5,663,402	\$ 2,306,567
Public safety	4,467,093	4,351,355	4,116,046	3,961,427	3,888,423	3,858,552	3,940,511	4,069,083	4,262,525	4,009,102
Public works	3,442,972	2,863,325	2,227,367	1,964,028	1,942,397	2,245,806	1,927,762	2,213,808	1,936,690	2,476,956
Health and welfare	137,745	98,558	116,492	111,221	118,747	129,908	129,467	145,040	152,029	168,699
Judicial	172,019	227,996	201,782	188,216	176,296	165,599	176,330	187,872	188,366	173,484
Culture and recreation	1,002,250	549,875	521,389	501,057	437,819	456,448	507,216	520,280	379,147	429,153
Housing and development	531,059	484,338	438,725	483,860	682,444	603,979	659,695	737,632	744,961	711,232
Interest on long-term debt	33,064	16,492	3,821	1,786	727	20	2,151	25,381	25,614	30,958
Total governmental activities expenses	10,251,847	10,622,221	9,716,810	9,602,441	9,361,922	9,621,349	9,716,590	10,661,483	13,352,734	10,306,151
Business-type activities										
Water and sewer	5,353,476	7,179,197	8,068,328	8,046,125	7,856,298	7,961,580	8,025,543	8,291,427	7,575,655	7,814,485
Solid waste	1,247,448	1,212,245	1,143,276	986,859	998,489	1,020,589	1,065,162	1,222,388	1,156,030	1,172,093
Aquatic center	477,641	460,695	409,451	408,567	441,899	434,759	465,014	449,460	433,650	525,076
Total business-type activities expenses	7,078,565	8,852,137	9,621,055	9,441,551	9,296,686	9,416,928	9,555,719	9,963,275	9,165,335	9,511,654
Total primary government expenses	17,330,412	19,474,358	19,337,865	19,043,992	18,658,608	19,038,277	19,272,309	20,624,758	22,518,069	19,817,805
Program revenues										
Primary governmental activities										
Charges for services										
General government	1,378,231	1,182,164	1,101,935	986,902	838,573	969,520	1,001,862	1,093,999	1,221,504	1,176,408
Public safety	314,328	449,060	431,856	369,934	5,684	1,147	550	993	235,348	169,025
Public works	52,928	40,940	45,154	27,232	72,071	38,266	38,112	43,135	64,213	79,487
Health and welfare	-	-	-	-	25,000	30,000	30,000	30,000	-	-
Judicial	-	-	-	-	318,859	242,778	294,720	202,089	-	-
Culture and recreation	74,041	61,578	56,090	43,437	6,124	4,924	4,866	4,564	12,178	11,430
Housing and development	-	-	-	-	16,300	14,914	15,568	11,572	-	-
Operating grants and contributions	453,182	224,705	305,498	191,685	157,803	8,618	67,767	261,385	-	-
Capital grants and contributions	611	940,701	565,399	1,119,677	851,770	3,646,965	4,619,371	2,183,873	4,602,481	4,554,489
Total governmental activities program revenues	2,273,321	2,899,148	2,505,932	2,738,867	2,292,184	4,957,132	6,072,816	3,831,610	6,135,724	5,990,839
Business-type activities										
Charges for services ^(a)										
Water and sewer	4,803,343	6,000,468	6,250,565	6,067,511	6,078,703	6,285,199	6,430,451	6,778,955	7,324,144	6,886,387
Solid waste	1,113,236	1,089,234	1,069,520	1,066,800	1,034,804	1,054,474	1,068,811	1,164,094	1,189,039	1,224,432
Aquatic center	333,856	338,636	332,148	332,912	354,069	392,422	407,946	404,773	433,845	461,209
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	614,258	590,526	-	-	-	-
Total business-type activities program revenues	1,031,895	403,316	-	-	614,258	590,526	-	-	-	-
Total primary government revenues	\$ 7,282,330	\$ 7,831,654	\$ 7,652,233	\$ 7,467,223	\$ 8,081,834	\$ 8,322,621	\$ 7,907,208	\$ 8,347,822	\$ 8,947,028	\$ 8,572,028

(Continued)

CITY OF ST. MARYS, GEORGIA

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total primary government program revenues	\$ 9,555,651	\$ 10,730,802	\$ 10,158,165	\$ 10,206,090	\$ 10,374,018	\$ 13,279,753	\$ 13,980,024	\$ 12,179,432	\$ 15,082,752	\$ 14,562,867
General revenues and other changes in net position										
Primary government										
Governmental activities										
Property taxes	3,704,579	3,394,403	3,367,477	3,191,238	3,321,216	3,219,206	3,585,232	3,520,121	3,722,766	4,339,628
Franchise taxes	820,730	874,322	910,675	887,266	905,317	1,070,546	1,011,980	996,179	969,126	1,032,606
Sales taxes	7,030,312	3,711,861	1,956,799	1,905,129	1,907,852	1,916,715	1,795,049	1,753,020	1,844,924	2,005,315
Hotel/motel taxes	98,461	107,006	104,033	103,943	118,907	138,298	140,460	157,570	139,172	140,216
Other taxes	993,926	965,861	1,048,986	1,111,129	1,146,466	1,187,316	1,260,860	1,348,895	1,408,542	1,466,945
Unrestricted investment earnings	54,404	14,345	11,032	7,775	8,460	8,007	4,859	5,034	5,867	6,360
Gain on sale of capital assets	-	14,602	-	-	-	12,963	-	-	-	8,378
Miscellaneous	-	-	-	-	131	19,825	3,586	2,351	-	-
Transfers	(1,590,591)	(1,003,102)	(91,553)	(67,400)	(102,639)	(3,031,768)	(3,896,100)	(1,669,300)	(1,654,050)	(1,228,969)
Total governmental activities	11,111,821	8,079,298	7,307,449	7,139,080	7,305,710	4,541,108	3,905,926	6,113,870	6,436,347	7,770,479
Business-type activities										
Unrestricted investment earnings	103,757	30,055	12,271	4,710	3,898	4,498	4,726	7,867	16,731	23,922
Gain on sale of assets	6,695	-	-	28,662	-	26,185	3,779	-	7,684	10,796
Miscellaneous	10,228	19,353	15,132	20,101	5,583	4,390	22,385	22,055	-	-
Transfers	1,590,591	1,003,102	91,553	67,400	102,639	3,031,768	3,896,100	1,669,300	1,654,050	1,228,969
Total business type activities	1,711,271	1,052,510	118,956	120,873	112,120	3,066,841	3,926,990	1,699,222	1,678,465	1,263,687
Total primary government general revenues and other changes in net position	12,823,092	9,131,808	7,426,405	7,259,953	7,417,830	7,607,949	7,832,916	7,813,092	8,114,812	9,034,166
Change in net position										
Governmental activities	3,133,295	356,225	96,571	275,506	235,972	(123,109)	262,152	(716,003)	(780,663)	3,455,167
Business-type activities	1,915,036	32,027	(1,849,866)	(1,853,455)	(1,102,732)	1,972,534	2,278,479	83,769	1,460,158	324,061
Total primary government change in net position	\$ 5,048,331	\$ 388,252	\$ (1,753,295)	\$ (1,577,949)	\$ (866,760)	\$ 1,849,425	\$ 2,540,631	\$ (632,234)	\$ 679,495	\$ 3,779,228

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

CITY OF ST. MARYS, GEORGIA

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Unreserved	\$ 4,454,159									
Total General Fund	<u>\$ 4,454,159</u>									
All other governmental funds										
Unreserved, reported in										
Special revenue funds	\$ 402,554									
Capital projects funds	80,332									
Total all other governmental funds	<u>\$ 482,886</u>									
Total all governmental funds	<u>\$ 4,937,045</u>									
General Fund										
Nonspendable	\$ 135,283	\$ 231,136	\$ 115,494	\$ 97,190	\$ 107,651	\$ 113,760	\$ 284,805	\$ 102,159	\$ 140,530	
Restricted	25,000	25,000	6,250	6,250	6,250	6,250	-	25,000	-	
Unassigned	3,199,443	4,205,195	4,959,599	5,437,868	6,001,980	6,573,053	6,146,644	5,700,629	6,935,073	
Total General Fund	<u>\$ 3,359,726</u>	<u>\$ 4,461,331</u>	<u>\$ 5,081,343</u>	<u>\$ 5,541,308</u>	<u>\$ 6,115,881</u>	<u>\$ 6,693,063</u>	<u>\$ 6,431,449</u>	<u>\$ 5,827,788</u>	<u>\$ 7,075,603</u>	
All other governmental funds										
Nonspendable, reported in										
Special revenue funds	\$ 74,184	\$ 77	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted, reported in										
Special revenue funds	341,185	406,679	543,992	406,443	406,443	406,443	408,143	415,091	214	
Capital projects funds	-	-	-	769,908	704,018	1,291,854	1,477,913	2,127,068	3,349,311	
Unassigned	-	-	(4,024)	-	-	-	-	-	(201,853)	
Total all other governmental funds	<u>\$ 415,369</u>	<u>\$ 406,756</u>	<u>\$ 540,045</u>	<u>\$ 1,176,351</u>	<u>\$ 1,110,461</u>	<u>\$ 1,698,297</u>	<u>\$ 1,886,056</u>	<u>\$ 2,542,159</u>	<u>\$ 3,147,672</u>	
Total all governmental funds	<u>\$ 3,775,095</u>	<u>\$ 4,868,087</u>	<u>\$ 5,621,388</u>	<u>\$ 6,717,659</u>	<u>\$ 7,226,342</u>	<u>\$ 8,391,360</u>	<u>\$ 8,317,505</u>	<u>\$ 8,369,947</u>	<u>\$ 10,223,275</u>	

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF ST. MARYS, GEORGIA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 7,370,140	\$ 7,321,744	\$ 7,368,519	\$ 7,276,692	\$ 7,430,502	\$ 7,742,339	\$ 7,818,328	\$ 7,757,088	\$ 8,088,289	\$ 8,995,271
Licenses and permits	502,189	312,663	416,059	348,420	360,696	384,527	470,557	519,316	599,329	489,223
Intergovernmental	5,680,088	2,118,700	870,897	1,311,362	1,009,573	3,654,763	4,686,684	2,444,807	3,386,191	3,337,784
Fines and forfeitures	314,328	449,060	431,856	369,934	331,474	249,957	302,847	209,762	228,945	161,689
Charges for services	179,547	123,375	127,975	67,652	92,955	85,531	81,706	86,323	96,162	116,115
Interest income	55,015	15,093	11,032	7,775	8,460	8,827	5,313	5,484	6,345	7,253
Contributions and donations	-	-	-	-	131	19,825	3,586	2,351	-	-
Other revenues	823,464	848,644	659,145	641,499	497,486	581,534	530,568	570,951	1,824,619	1,885,135
Total revenues	14,824,771	11,189,279	9,885,483	10,023,334	9,731,277	12,727,303	13,899,589	11,596,082	14,229,880	14,992,470
Expenditures										
Current										
General government	2,100,950	3,013,504	1,672,844	1,732,397	1,738,710	1,836,652	1,911,051	2,069,025	5,253,261	3,302,377
Public safety	3,894,317	3,861,606	3,825,585	3,795,139	3,723,237	3,730,462	4,841,963	3,854,980	4,204,586	3,885,279
Public works	1,950,345	1,819,373	1,476,893	1,510,809	1,603,428	1,659,960	1,703,434	2,153,565	1,828,184	3,367,540
Health and welfare	101,735	98,558	116,492	111,221	118,747	129,908	129,467	145,040	129,591	144,634
Judicial	172,019	227,996	201,782	188,216	176,296	165,599	176,330	187,872	188,376	173,498
Culture and recreation	517,803	488,321	477,569	439,315	346,379	406,381	459,233	460,441	362,028	366,767
Housing and development	488,691	444,060	398,102	460,368	650,942	579,536	625,370	699,243	720,609	687,998
Capital outlay	5,151,474	1,907,993	565,399	982,128	219,605	2,072,855	2,350,735	328,513	25,320	549,756
Debt service										
Principal	467,225	479,813	166,731	51,055	40,653	10,188	15,024	197,898	246,183	326,990
Interest and fiscal charges	32,015	17,697	3,884	1,885	808	42	2,151	25,381	25,614	30,958
Total expenditures	14,876,574	12,358,921	8,905,281	9,272,533	8,618,805	10,591,583	12,214,758	10,121,958	12,983,752	12,835,797
Deficiency of revenues over expenditures	(51,803)	(1,169,642)	980,202	750,801	1,112,472	2,135,720	1,684,831	1,474,124	1,246,128	2,156,673

(Continued)

CITY OF ST. MARYS, GEORGIA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Proceeds from the sale of capital assets	\$ -	\$ 14,602	\$ -	\$ 2,500	\$ -	\$ 12,963	\$ -	\$ -	\$ 16,851	\$ 8,378
Proceeds from notes payable	-	-	119,700	-	-	-	1,160,987	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	-	121,321	443,513	917,246
Transfers in	308,057	410,701	417,324	307,674	295,352	-	100,116	261,385	26,218	704,310
Transfers out	(317,689)	(417,611)	(424,234)	(307,674)	(315,500)	(1,640,000)	(1,780,916)	(1,930,685)	(1,680,268)	(1,933,279)
Total other financing sources	(9,632)	7,692	112,790	2,500	(20,148)	(1,627,037)	(519,813)	(1,547,979)	(1,193,686)	(303,345)
Net change in fund balances	\$ (61,435)	\$ (1,161,950)	\$ 1,092,992	\$ 753,301	\$ 1,092,324	\$ 508,683	\$ 1,165,018	\$ (73,855)	\$ 52,442	\$ 1,853,328
Debt service as a percentage of noncapital expenditures	5.40%	5.00%	2.10%	0.60%	0.49%	0.10%	0.16%	2.33%	2.24%	3.95%

CITY OF ST. MARYS, GEORGIA

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

Fiscal Year	Property Tax	Franchise Tax	Sales Tax	Hotel/Motel Tax	Other ⁽¹⁾	Total
2010	\$ 3,704,579	\$ 820,730	\$ 7,030,312	\$ 98,461	\$ 993,926	\$ 12,648,008
2011	3,394,403	874,322	3,711,861	107,006	965,861	9,053,453
2012	3,367,477	910,675	1,956,799	104,003	1,048,986	7,387,940
2013	3,177,293	887,267	1,905,129	103,943	1,548,132	7,621,764
2014	3,351,960	905,317	1,907,852	118,907	1,146,466	7,430,502
2015	3,219,206	1,070,545	1,916,715	138,298	1,187,316	7,532,080
2016	3,623,352	1,011,979	1,795,049	140,460	1,260,860	7,831,700
2017	3,520,121	996,179	1,753,020	157,570	1,348,895	7,775,785
2018	3,674,169	969,126	1,844,924	139,172	1,460,899	8,088,290
2019	4,314,071	1,032,606	2,005,315	140,216	1,503,063	8,995,271

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

CITY OF ST. MARYS, GEORGIA

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

Fiscal Year Ended June 30th	Digest Tax Year	Real and Personal Property	Motor Vehicle	Motor Homes	Other Property ^(a)	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2010	2009	\$ 686,729,044	\$ 35,770,460	\$ 1,351,146	-	\$ 14,798,800	\$ 709,051,850	5.35	\$ 1,772,629,625	40%
2011	2010	633,531,532	32,606,900	1,351,146	-	13,513,338	653,976,240	5.35	1,634,940,600	40%
2012	2011	608,273,055	32,560,440	1,127,433	-	12,973,950	628,986,978	5.35	1,572,467,445	40%
2013	2012	554,314,317	33,340,400	1,157,065	-	12,241,670	576,570,112	5.32	1,441,425,280	40%
2014	2013	504,286,654	35,668,380	1,126,965	-	13,743,563	527,338,436	5.32	1,318,346,090	40%
2015	2014	496,366,175	31,256,660	1,085,535	62,406	12,971,648	515,799,128	5.35	1,289,497,820	40%
2016	2015	496,146,425	22,194,870	1,206,391	107,589	13,020,628	506,634,647	6.00	1,266,586,618	40%
2017	2016	506,736,859	16,144,250	1,174,178	211,540	15,242,710	509,024,117	6.00	1,272,560,293	40%
2018	2017	530,237,860	11,898,750	1,127,255	91,622	15,342,710	528,012,777	6.00	1,320,031,943	40%
2019	2018	585,686,467	8,819,800	1,241,502	-	10,666,412	585,081,357	6.50	1,462,703,393	40%

Source: Camden County Tax Commissioner.

^(a) Other property consists of agricultural, utilities, heavy truck, etc.

CITY OF ST. MARYS, GEORGIA

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

Fiscal Year	Digest Year	City Direct Rate	Overlapping Rates			Total Direct and Overlapping Rates
			Camden County	Camden County Board of Education	State	
2010	2009	5.351	11.700	15.000	0.250	32.301
2011	2010	5.351	11.700	15.000	0.250	32.301
2012	2011	5.351	11.700	15.500	0.250	32.801
2013	2012	5.321	11.700	15.500	0.250	32.771
2014	2013	5.321	11.700	15.500	0.150	32.671
2015	2014	5.351	11.940	15.820	0.100	33.211
2016	2015	6.000	12.940	16.000	0.500	35.440
2017	2016	6.000	13.940	16.000	-	35.940
2018	2017	6.000	13.940	16.000	-	35.940
2019	2018	6.500	13.405	16.000	-	35.905

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

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value (In thousands)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value (In thousands)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Georgia Power Company	\$ 20,125,823	1	3.44%	\$ 12,650,176	6	1.78%
NLP Brant Creek, LLC	10,879,224	2	1.86%			
Wilkinson Harbor Pines, LLC	10,272,176	3	1.76%			
Old Weed & Ready Plantation, LLC	10,036,121	4	1.72%			
Wilkinson St Marys, LLC	8,070,034	5	1.38%			
Walmart Stores East, LP	7,967,697	6	1.36%	8,340,361	9	1.18%
Romspen (CH), LLC	7,538,000	7	1.29%			
Walmart Real Estate	6,662,922	8	1.14%	14,761,551	3	2.08%
Express Scripts	6,237,870	9	1.07%			
Osprey Cove Real Estate, LLC	5,492,626	10	0.94%			
Point Peter LLP				41,192,057	1	5.81%
Osprey Development LLC				15,074,357	2	2.13%
Georgia Pacific Consumer				14,507,542	4	2.05%
Park Place 1-17 LLC ETAL				13,351,463	5	1.88%
North River LLC				10,581,225	7	1.49%
Winding River LLC				8,861,542	8	1.25%
Nicholson Travel Plaza LLC				7,625,707	10	1.08%
Total	<u>\$ 93,282,493</u>		<u>15.94%</u>	<u>\$ 146,945,981</u>		<u>20.73%</u>

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

CITY OF ST. MARYS, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30th	Digest Tax Year	Taxes Levied for the Fiscal Year ^(a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2010	2009	\$ 3,498,384	\$ 3,180,483	90.91%	\$ 274,162	\$ 3,454,645	98.75%	\$ 43,739
2011	2010	3,036,967	2,885,039	95.00%	92,418	2,977,457	98.04%	59,510
2012	2011	3,234,429	2,986,509	92.33%	149,593	3,136,102	96.96%	98,327
2013	2012	2,757,956	2,622,660	95.09%	28,517	2,651,177	96.13%	106,780
2014	2013	2,571,779	2,536,290	98.62%	32,095	2,568,385	99.87%	3,394
2015	2014	2,760,041	2,704,564	97.99%	29,925	2,734,489	99.07%	25,552
2016	2015	3,039,808	2,863,049	94.19%	-	2,863,049	94.19%	176,759
2017	2016	3,054,145	2,853,424	93.43%	-	2,853,424	93.43%	200,721
2018	2017	3,168,077	3,027,631	95.57%	81,438	3,109,069	98.14%	59,008
2019	2018	3,737,645	3,617,590	96.79%	71,519	3,689,109	98.70%	48,536

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 2018 are used for fiscal year ending in 2019).

CITY OF ST. MARYS, GEORGIA

WATER SEWER RATES LAST TEN FISCAL YEARS

Fiscal Year	Total Direct Rate						
	Gallons of Water Consumed	Water Base Rate	Per Gallon Variable Rate		WasteWater Base Rate	Per Gallon Variable Rate	
			0 Through 6,000 (per 1,000)	6,001 and Over (per 1,000)		0 Through 6000 (per 1,000)	6,001 and Over (per 1,000)
2010	562,519,000	20.45	2.860	3.280	20.45	2.860	3.280
2011	443,411,000	20.45	2.860	3.280	20.45	2.860	3.280
2012	527,599,000	20.45	2.860	3.280	20.45	2.860	3.280
2013	335,285,000	20.45	2.860	3.280	20.45	2.860	3.280
2014	408,472,868	20.45	2.860	3.280	20.45	2.860	3.280
2015	414,243,799	20.45	2.860	3.280	20.45	2.860	3.280
2016	427,130,000	20.45	2.860	3.280	20.45	2.860	3.280
2017	434,247,200	20.45	2.860	3.280	20.45	2.860	3.280
2018	434,530,600	20.45	2.860	3.280	20.45	2.860	3.280
2019	433,825,910	20.45	2.860	3.280	20.45	2.860	3.280

Source: City of St. Marys Water Department.

CITY OF ST. MARYS, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property ⁽¹⁾	Percentage of Personal Income	Per Capita ⁽¹⁾
	Notes Payable	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases				
2010	\$ 55,491	\$ 575,576	\$ 43,785,000	\$ 6,470,261	\$ 187,003	\$ 51,073,331	2.88%	10.0%	2,983
2011	12,579	140,513	44,140,000	3,730,307	47,700	48,071,099	2.94%	8.7%	2,792
2012	-	102,037	43,870,000	3,455,218	-	47,427,255	3.02%	8.1%	2,694
2013	-	50,983	43,585,000	4,134,321	-	47,770,304	3.31%	8.0%	2,691
2014	-	10,330	43,285,000	3,862,414	-	47,157,744	3.58%	8.3%	2,627
2015	-	-	41,320,000	3,581,972	-	44,901,972	3.48%	7.6%	2,499
2016	-	1,145,963	39,245,000	3,359,584	-	43,750,547	3.45%	7.3%	2,419
2017	-	1,069,386	40,560,000	3,398,847	138,965	45,167,198	3.55%	7.2%	2,507
2018	-	1,266,716	37,984,207	3,092,592	84,054	42,427,569	3.21%	6.7%	2,332
2019	917,246	939,726	36,054,207	3,048,334	33,148	40,992,661	2.80%	**	**

** Information not readily available

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

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

CITY OF ST. MARYS, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST NINE FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾</u>	<u>Per Capita ⁽¹⁾</u>
2011	\$ 41,026,056	6.52%	\$ 2,330
2012	41,289,652	7.16%	2,326
2013	41,099,251	7.79%	2,290
2014	41,162,534	7.98%	2,291
2015	39,522,534	7.80%	2,185
2016	37,745,227	7.42%	2,095
2017	1,880,000	0.36%	103
2018	-	0.00%	-
2019	-	0.00%	-

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

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

CITY OF ST. MARYS, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS
(In thousands)**

	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 66,752	\$ 64,196	\$ 58,881	\$ 54,108	\$ 52,877	\$ 51,966	\$ 50,902	\$ 52,801
Total net debt applicable to limit	41,026	41,290	41,099	41,163	39,523	37,745	1,880	-
Legal debt margin	<u>\$ 25,726</u>	<u>\$ 22,906</u>	<u>\$ 17,782</u>	<u>\$ 12,945</u>	<u>\$ 13,354</u>	<u>\$ 14,221</u>	<u>\$ 49,022</u>	<u>\$ 52,801</u>
Total net debt applicable to the limit as a percentage of debt limit	61.46%	64.32%	69.80%	76.08%	74.75%	72.63%	3.69%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2019								
Total assessed value	\$ 595,748							
Less Exempt	<u>10,666</u>							
Total taxable assessed value	<u>585,082</u>							
Debt limit (10% of total taxable assessed value)	58,508							
Debt applicable to limit	<u>-</u>							
Legal debt margin	<u>\$ 58,508</u>							

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 2018 are used for fiscal year ending in 2019).

CITY OF ST. MARYS, GEORGIA

**REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(in thousands)**

Fiscal Year	Operating Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 4,803	\$ 3,350	\$ 1,453	\$ 1,190	\$ 843	\$ 2,033	0.71
2011	6,000	3,271	2,729	755	375	1,130	2.42
2012	6,251	3,209	3,042	275	166	441	6.90
2013	6,068	3,236	2,832	260	165	425	6.66
2014	6,079	3,139	2,940	255	167	422	6.97
2015	6,285	3,330	2,955	255	162	417	7.09
2016	6,430	3,468	2,962	275	151	426	6.95
2017	6,779	3,564	3,215	550	249	799	4.02
2018	7,324	3,605	3,719	286	1,044	1,330	2.80
2019	6,886	3,826	3,060	1,930	1,014	2,944	1.04

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

<u>Fiscal Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income ⁽¹⁾ (In thousands)</u>	<u>Per Capital Personal Income ⁽²⁾</u>	<u>Unemployment Rate ⁽³⁾</u>
2010	17,121	\$ 512,962	29,961	9.90%
2011	17,218	551,975	32,058	9.50%
2012	17,606	586,579	33,317	8.90%
2013	17,755	598,817	33,727	9.60%
2014	17,949	569,432	31,725	7.50%
2015	17,968	588,523	32,754	6.00%
2016	18,088	598,749	33,102	5.50%
2017	18,019	628,034	34,854	4.60%
2018	18,196	634,203	34,854	3.80%
2019	**	**	**	**

** Information not readily available

(1) Source - U.S. Bureau of the Census.

(2) Source - U.S. Bureau of Economic Analysis.

(3) Source - U.S. Bureau of Labor Statistics for all of Camden County.

CITY OF ST. MARYS, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-Mart Supercenter	305	1	1.74%	418	2	2.44%
Southeast Georgia Health Systems	300	2	1.71%	293	3	1.71%
Express Scripts	267	3	1.53%	474	1	2.77%
City of St. Marys	144	4	0.82%			
General Dynamics	111	5				
Coastal Electric	69	6				
Georgia Pacific	65	7	0.37%	76	6	0.44%
B.A.E. Systems	63	8	-	67	7	0.39%
Pilot Travel Center	55	9	0.31%			
Winn Dixie	47	10	0.27%			
Osprey Cove Golf Course				85	5	0.50%
Green Cedar Stores	-		-	95	4	0.55%
Customer Service of America	-		-	36	8	0.21%
Harvey's Grocery Store	-		-	27	9	0.16%
Aunt B's Resaurant	-		-	23	10	0.13%
Total	1,426		6.76%	1,594		9.31%

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**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
General government	13	9	8	9	9	9	9	8	8	8
Public safety										
Police department	40	41	37	36	36	34	34	34	34	34
Fire department	23	26	29	29	26	26	26	26	26	26
Public works	40	30	19	20	20	18	18	18	18	24
Health and welfare	1	2	2	2	2	2	2	2	3	2
Judicial	1	2	1	1	1	1	1	1	1	1
Culture and recreation	5	5	5	5	5	6	6	5	6	7
Housing and development	7	7	7	7	7	6	6	11	9	8
Business-type activities										
Water and sewer	28	39	35	35	34	34	34	34	34	36
Solid waste	0	5	1	1	1	2	2	2	2	2
Aquatic center	1	10	9	9	0	0	0	0	0	9
Total	159	175	154	153	141	138	138	140	140	157

Source: City Finance Department.

CITY OF ST. MARYS, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
General government										
Building permits issued	257	261	285	282	316	287	108	93	263	186
Building inspections conducted	3,306	1,660	1,609	1,621	1,815	2,110	2,367	3,282	3,705	3,004
Police										
Physical arrests	731	868	759	652	376	515	518	568	581	384
Other violations	2,539	2,568	2,374	2,128	2,542	1,753	1,443	571	403	394
Traffic violations	4,993	4,299	3,369	3,088	3,208	2,713	3,081	2,287	2,182	1,618
Fire										
Emergency room	1,575	1,617	1,863	1,733	1,417	1,011	1,193	1,276	1,435	1,453
Fires extinguished	96	82	99	75	60	51	68	78	58	61
Inspections	2,013	228	279	250	50	70	300	325	336	315
Public works										
Streets resurfaced (miles)	1	1	-	-	-	-	-	-	-	-
Water										
New connections	52	32	21	29	36	29	43	44	107	156
Volume (thousands of gallons per day)	1,541	1,516	1,445	1,103	1,363	1,388	1,430	1,471	1,410	1,328
Wastewater										
Average daily sewage treatment (thousands of gallons per day)	1,383	1,259	1,521	1,900	1,985	1,468	1,903	2,992	2,244	1,805

Sources: Various City departments.

CITY OF ST. MARYS, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works - streets (miles)	103	107	107	107	107	107	107	107	107	107
Water										
Fire hydrants	1,109	1,127	1,135	1,135	1,135	1,135	1,150	1,150	1,150	1,150
Storage capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Wastewater										
Treatment capacity (thousands of gallons)	3,000	5,200	5,200	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Sources: Various City departments.

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COMPLIANCE SECTION

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CITY OF ST. MARYS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Defense</u>				
Direct Award				
Community Economic Adjustment Assistance	12.610	EN1231-17-02	\$ 62,000	\$ -
Total U.S. Department of Defense Programs			62,000	-
<u>U.S. Department of Justice</u>				
Direct Awards				
Bulletproof Vest Partnership Program	16.607	1121-0235	1,955	-
Total U.S. Department of Justice Programs			1,955	-
<u>U.S. Environmental Protection Agency</u>				
(Passed through the Georgia Environmental Protection Division)				
Nonpoint Source Implementation Grants	66.460	751-190038	169,311	-
(Passed through the Georgia Environmental Finance Authority)				
Drinking Water State Revolving Loan Funds	66.468	DW201702	237,957	-
Total U.S. Environmental Protection Agency Programs			407,268	-
<u>Department of Homeland Security</u>				
(Passed through the Georgia Emergency Management Agency)				
Disaster Grants - Public Assistance	97.036	N/A	476,696	-
Total Department of Homeland Security Programs			476,696	-
Total Expenditures of Federal Awards			\$ 947,919	\$ -

CITY OF ST. MARYS, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

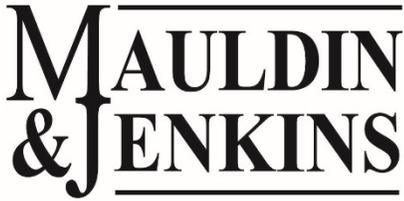
Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000 or 3% of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

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, 2019.

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, 2019.



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 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the 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

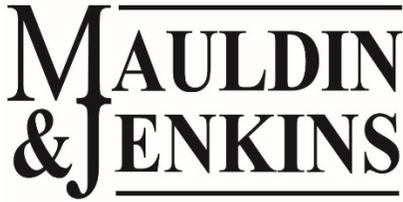
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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.



Savannah, Georgia
November 13, 2019



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, 2019. 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, 2019.

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.



Savannah, Georgia
November 13, 2019

CITY OF ST. MARYS, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes 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 No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	U.S. Department of Homeland Security – Disaster Grants

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

Auditee qualified as low-risk auditee? Yes No

CITY OF ST. MARYS, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019**

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

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