

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 15, 2021



NEW ISSUE
BOOK-ENTRY ONLY

RATING: S&P Global Ratings: "AA"
See "MISCELLANEOUS -Rating" herein.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation. See Appendix D herein for the form of the opinions Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds. For a more complete discussion of the tax status of the Series 2021 Bonds and certain other tax consequences relating to the Series 2021 Bonds, see "TAX STATUS" herein.

\$28,140,000*

**CAMDEN COUNTY PUBLIC SERVICE AUTHORITY
REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021**

Dated: Date of Issuance

Due: December 1, as shown on the inside cover

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021 (the "Series 2021 Bonds") will be issued in registered form in the name of Cede & Co., as the nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Series 2021 Bonds must be made in book-entry form only, in authorized denominations of \$5,000 or any integral multiple thereof. Individual purchasers ("Beneficial Owners") of the Series 2021 Bonds will not receive physical delivery of the Series 2021 Bonds. Transfers of Series 2021 Bonds will be effected through a book-entry system as described herein.

Interest on the Series 2021 Bonds will be payable on June 1 and December 1 of each year (each an "Interest Payment Date"), beginning December 1, 2021. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, disbursement of payments of principal and interest on the Series 2021 Bonds to DTC is the responsibility of The Bank of New York Mellon Trust Company, N.A., as Paying Agent; disbursements of such payments to DTC Participants (defined herein) is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described herein. See "THE SERIES 2021 BONDS -Book-Entry Only System of Delivery of the Series 2021 Bonds" herein.

Certain of the Series 2021 Bonds are subject to optional and mandatory redemption prior to maturity as more fully described herein.*

The Camden County Public Service Authority (the "Authority") is issuing the Series 2021 Bonds to provide funds to (i) currently refund and redeem the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017, and (ii) pay the necessary costs of issuing the Series 2021 Bonds. See "THE SERIES 2021 BONDS" herein.

The Series 2021 Bonds are special obligations of the Authority secured by and payable from certain payments payable by the City of St. Marys, Georgia (the "City") to the Authority under an Intergovernmental Contract by and between the City and the Authority, dated as of the date of issuance and delivery of the Series 2021 Bonds (the "Contract"). THE OBLIGATION OF THE CITY TO MAKE SUCH PAYMENTS PURSUANT TO THE CONTRACT CONSTITUTE A GENERAL OBLIGATION FOR WHICH ITS FULL FAITH, CREDIT, AND TAXING POWER ARE PLEDGED.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SERIES 2021 BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2021 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to the approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Patrick Brooks, Esq., Folkston, Georgia, and for the City by its counsel, Brown, Readdick, Bumgartner, Carter, Strickland & Watkins, LLP, Brunswick, Georgia. Gray Pannell & Woodward LLP, Savannah, Georgia, is acting as Disclosure Counsel. The Series 2021 Bonds are expected to be delivered in definitive form through DTC in New York, New York, on or about _____, 2021.

STEPHENS INC.

Official Statement dated: _____, 2021

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2021 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$28,140,000*
 CAMDEN COUNTY PUBLIC SERVICE AUTHORITY
 REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021

MATURITY SCHEDULE

(December 1) <u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP</u> ¹
2021	\$2,560,000			
2022	1,990,000			
2023	2,050,000			
2024	2,115,000			
2025	2,180,000			
2026	2,250,000			
2027	2,320,000			
2028	2,385,000			
2029	2,460,000			
2030	2,535,000			
2031	2,605,000			
2032	2,690,000			

¹ CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services (CGS), operated on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers shown above have been assigned by an independent company not affiliated with the Authority or the City and are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds, and neither the Authority nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions that are applicable to all or a portion of certain maturities of the Bonds.

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

AUTHORITY MEMBERS

Lannie Brant, *Chairman*
Terry Landreth, *Vice Chairman*
Ben Casey
Grayson Day
John Morrissey
Kizzi Knight
Denise Levasseur
Matthew Turner
Lili High

COUNSEL TO THE AUTHORITY

Patrick Brooks, Esq.
Folkston, Georgia

THE CITY OF ST. MARYS, GEORGIA

MAYOR

John F. Morrissey

COUNCIL MEMBERS

Artie Jones, Jr.
Jim Gant
Jim Goodman
Allen F. Rassi, Jr.
David Reilly
Lisa James

APPOINTED OFFICIALS

Robert Horton, *City Manager*
Marsha Klecan, *Finance Director*

CITY ATTORNEY

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Brunswick, Georgia

INDEPENDENT AUDITORS TO THE CITY OF ST. MARYS

Mauldin & Jenkins, LLC
Savannah, Georgia

UNDERWRITER

Stephens Inc.
Atlanta, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Gray Pannell & Woodward LLP
Savannah, Georgia

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This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Stephens Inc., Atlanta, Georgia (the “Underwriter”), has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE SERIES 2021 BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the City. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this Official Statement. The Authority and City disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Authority’s or the City’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the City to give

any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City or any other person.

The prices and other terms respecting the offering and sale of the Series 2021 Bonds may be changed from time to time by the Underwriter after the Series 2021 Bonds are released for sale, and the Series 2021 Bonds may be offered and sold at prices other than the initial offering prices, including sales to the Underwriter who may sell the Series 2021 Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2021 Bonds have not been registered under the Securities Act of 1933, and the Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Preliminary Official Statement has been deemed final by the City for purposes of Securities Exchange Act Rule 15c2-12, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

OFFICIAL STATEMENT

Relating to

\$28,140,000*

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021

INTRODUCTION

This Official Statement, including the cover page, inside cover and the Appendices hereto, of the Camden County Public Service Authority (the “**Authority**”) sets forth information concerning the Authority, the City of St. Marys, Georgia (the “**City**”), and the proposed CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021 (the “**Series 2021 Bonds**”).

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2021 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution (hereinafter defined) unless the context requires otherwise. For more detailed information on the terms used herein, see “Appendix B: FORM OF RESOLUTION AND CONTRACT.”

The Authority

The Authority is a public body corporate and politic, which is deemed to be a political subdivision of the State of Georgia (the “**State**”), created pursuant to the provisions of Ga. Laws 1990 p. 4273, as amended by Ga. Laws 1991 p. 4189, and Ga. Laws 2019 p. 3948 (the “**Act**”). The general purpose of the Authority is to provide the legal, political, developmental, financing, and operational structure and authorization for those projects, public services, and facilities deemed necessary for the public health and welfare of Camden County (the “**County**”) and the municipal corporations of Kingsland, St. Marys, and Woodbine, and other political subdivisions, agencies, and authorities authorized to undertake such cooperative activities or projects. For more detailed information, see “THE AUTHORITY.”

The City

The City is a municipal corporation of the State located in the County in the southeastern corner of Georgia, approximately 115 miles south of Savannah, Georgia, and 40 miles north of Jacksonville, Florida. The City is the gateway to Cumberland Island National Seashore. According to the United States Census Bureau, the City has a total land area of 22.51 square miles. The City government serves a population of 18,567 per the 2019 estimated census. The City had an estimated population of 18,854 as of July 1, 2020, according to the U.S. Department of Commerce, Bureau of the Census (the latest data available). For more detailed information, see “THE CITY OF ST. MARYS.”

Purpose of the Series 2021 Bonds

The Series 2021 Bonds are being issued to provide funds to (i) currently refund and redeem the outstanding CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017 (the “**Series 2017 Bond**”) and (ii) pay the necessary costs of issuing the Series 2021 Bonds. For more detailed information, see “THE SERIES 2021 BONDS -The Refunding.”

* The use of the asterisk (*) throughout this Preliminary Official Statement indicates information which is subject to change.

Terms of the Offering

Authority for Issuance. The Series 2021 Bonds are being issued by the Authority pursuant to (i) the Act, (ii) the general laws of the State, in particular the Revenue Bond Law of the State, codified at Official Code of Georgia Annotated (“**O.C.G.A.**”) § 36-82-60 through § 36-82-85 (the “**Revenue Bond Law**”), and (iii) the provisions of a bond resolution adopted by the Authority on _____, 2021 (the “**Resolution**”).

Offering. The Series 2021 Bonds are offered when, as, and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice, approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and validation by the Superior Court of Camden County, Georgia.

Delivery. The Series 2021 Bonds, in definitive form, are expected to be delivered through DTC in New York, New York on or about _____, 2021.

Security and Source of Payment for the Series 2021 Bonds

The Series 2021 Bonds are limited obligations of the Authority. The principal of and interest on the Series 2021 Bonds will be payable solely from certain amounts to be paid by the City to the Authority under the provisions of an intergovernmental contract, dated as of the date of issuance and delivery of the Series 2021 Bonds (the “**Contract**”), by and between the Authority and the City. The Series 2021 Bonds will not be deemed to constitute a debt or general obligation or pledge of the faith and credit of the State or any political subdivision thereof, including the City or the Authority, within the meaning of any constitutional or statutory debt limitation. The payments provided for under the Contract constitute general obligations of the City for which its full faith, credit and taxing power are pledged. See “THE SERIES 2021 BONDS -Security and Sources of Payment of the Series 2021 Bonds” and “Appendix B: FORM OF RESOLUTION AND CONTRACT.”

Bond Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A., in the City of Dallas, Texas, will act as Bond Registrar and Paying Agent for the Series 2021 Bonds.

Description of the Series 2021 Bonds

Redemption Provisions. Certain of the Series 2021 Bonds are subject to optional and scheduled mandatory redemption prior to maturity.*

Denominations. Individual purchases of the Series 2021 Bonds may only be made in book-entry form in denominations of \$5,000 or any higher integral thereof.

Registration and Transfer. The Series 2021 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will serve as securities depository for the Series 2021 Bonds and the Series 2021 Bonds may be registered, transferred, or exchanged in accordance with the rules of DTC.

Manner of Making Payment. Interest on the Series 2021 Bonds is payable on June 1 and December 1 (each an “**Interest Payment Date**”) in each year, commencing December 1, 2021. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Series 2021 Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the “**Record Date**”); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent (as defined herein) to the holders of the Series 2021 Bonds not less than 30 days preceding such subsequent date of record. The Series 2021 Bonds bear interest at the rates per annum and mature in the amounts and at the times as set forth on the inside front cover page hereof.

So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, principal of and interest on the Series 2021 Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners (as defined herein).

For more detailed information on the Series 2021 Bonds, see “THE SERIES 2021 BONDS.”

Additional Bonds

The Authority may issue additional bonds on a parity with the lien of the Series 2021 Bonds. See “THE SERIES 2021 BONDS -Additional Bonds” and “Appendix B: FORM OF RESOLUTION AND CONTRACT.”

Professionals Involved in the Offering

Certain legal matters pertaining to the Authority and its authorization and issuance of the Series 2021 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Copies of such opinions will be available at the time of delivery of the Series 2021 Bonds, and a copy of the proposed form of said approving opinion is attached hereto as Appendix D. Certain other legal matters will be passed on for the Authority by its counsel, Patrick Brooks, Esq. Folkston, Georgia; and for the City by its counsel, Brown, Readdick, Bumgartner, Carter, Strickland & Watkins, LLP, Brunswick, Georgia.

The financial statements of the City for the fiscal year ended June 30, 2020, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Certified Public Accountants, Savannah, Georgia, to the extent and for the period indicated in their report thereon which appears in Appendix A hereto.

Tax Status

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds. See Appendix D herein for the form of opinions Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds. For a more complete discussion of the tax status of the Series 2021 Bonds and certain other tax consequences relating to the Series 2021 Bonds, see “TAX STATUS” herein.

Continuing Disclosure

The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the Series 2021 Bonds or to any decision to purchase, hold or sell the Series 2021 Bonds and the Authority will not provide any such information. Pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “**Rule**”), the City will sign, as of the date of the issuance and delivery of the Series 2021 Bonds, a Disclosure Dissemination Agent Agreement (“**Disclosure Dissemination Agreement**”) with Digital Assurance Certification, L.L.C. (“**DAC**”), under which the City has designated DAC as Disclosure Dissemination Agent. The Disclosure Dissemination Agreement will allow the Underwriter of the Series 2021 Bonds to comply with the Rule. The Authority shall have no liability to the beneficial owners of the Series 2021 Bonds or any other person with respect to the Rule. See “MISCELLANEOUS, -Continuing Disclosure” and “Appendix C: FORM OF THE DISCLOSURE DISSEMINATION AGREEMENT.”

Additional Information

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Series 2021 Bonds, the Authority, the Resolution, the Contract, the City, and the security and sources of payment for the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to, or summaries of, the Resolution, the Contract, or any other document or constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to the Series 2021 Bonds are qualified in their entirety to the form thereof and the provisions with respect thereto included in the Resolution.

Copies of all documents described herein are available upon request, prior to the delivery of the Series 2021 Bonds from Stephens Inc., 3344 Peachtree Road, Suite 1650, Atlanta, Georgia 30326, telephone (404) 461-5155, and after delivery of the Series 2021 Bonds, upon payment to the City of a charge for copying, mailing and handling, from City of St. Marys Finance Office, 418 Osborne Street, St. Marys, Georgia 31558.

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THE SERIES 2021 BONDS

General Description

The Series 2021 Bonds will be dated as of their date of issuance and delivery, bear interest at the rates per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on December 1 in the years and principal amounts set forth on the inside cover page hereof. Interest shall be payable on June 1 and December 1 of each year, beginning December 1, 2021.

Redemption of the Series 2021 Bonds*

Optional Redemption. The Series 2021 Bonds maturing on December 1, 20__, and thereafter are subject to redemption by the Authority, in whole or in part at any time, at the direction of the City, beginning December 1, 20__ (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as Book-Entry Bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as Book-Entry Bonds), in such order as may be designated by the Authority at a redemption price of 100% of the principal amount of the Series 2021 Bonds called for redemption plus accrued interest to the redemption date.

The Series 2021 Bonds which are subject to optional redemption shall be called for redemption by the Bond Registrar pursuant to Section 301 of the Resolution upon receipt by the Bond Registrar at least 30 days prior to the redemption date of a certificate of the Authority directing such redemption. Such certificate shall specify the maturity or maturities of the Series 2021 Bonds to be redeemed, the redemption date, the principal amount of the Series 2021 Bonds or portions thereof so to be called for redemption, the applicable redemption price or prices, and the provision or provisions of the Resolution, pursuant to which such Bonds are to be called for redemption.

Scheduled Mandatory Redemption. The Series 2021 Bonds maturing on December 1, 20__, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the December 1, 20__, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

The *pro rata* redemption shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any outstanding Bond at any time.

Notice of Redemption. The Bond Registrar shall give notice of redemption one time not less than 30 days nor more than 45 days prior to the date fixed for redemption to the Holders of each of the Series 2021 Bonds being called for redemption by first class mail (electronically while the Series 2021 Bonds are held as Book-Entry Bonds) at the address shown on the register of the Bond Registrar. Said notice shall contain the complete official name of the Series 2021 Bonds being redeemed, CUSIP number,

certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2021 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system (EMMA) operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Bond so called for redemption shall be allowed. If any Holder of any Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Manner of Redemption. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of the Series 2021 Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge therefor, fully registered Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of the Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Effect of Redemption Call. Notice having been given in the manner and under the terms and conditions hereinabove provided, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Resolution, the Series 2021 Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Series 2021 Bonds on such date. Interest on the Series 2021 Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such bonds shall cease to be entitled to any lien, benefit, or security under the Resolution and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such bond paid or redeemed in part only, the Authority shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the Authority, a new Series 2021 Bond, or bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Series 2021 Bond.

Book-Entry Only System of Delivery of Bonds

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2021 Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Bond (a “**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds

may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to an issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2021 Bonds, on DTC's records, to Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2021 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Authority or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Authority for Issuance of the Series 2021 Bonds

The Series 2021 Bonds will be issued under the authority of the Constitution of the State, the general laws of the State, in particular, the Revenue Bond Law, and pursuant to the Act and the Resolution. The Act authorizes the Authority to issue its revenue bonds for the purpose of providing funds to pay for the costs any "project" as defined in the Act, and refunding revenue bonds for the purpose of refunding any revenue bonds issued under the provisions of the Act and then outstanding, together with the accrued interest thereon.

Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia of 1983 authorizes any county, municipality, school district, or other political subdivision of the State to contract for any period not exceeding 50 years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use facilities or equipment, if such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or provide.

The City authorized and approved execution, delivery, and performance of the Contract pursuant to a resolution of the Council of the City, the governing body of the City (the “City Council”), adopted by its governing body on _____, 2021.

Validation of the Series 2021 Bonds

As required by the Revenue Bond Law, the Series 2021 Bonds and the security therefor will be confirmed and validated by judgment of the Superior Court of Camden County, Georgia, prior to the issuance of the Series 2021 Bonds. The form of the Contract to be entered into between the Authority and the City, which will be pledged to the security and payment of the Series 2021 Bonds, will be submitted as an integral part of the validation proceedings. It is expected that the Superior Court of Camden County will make a declaratory adjudication of the validity and binding effect of the Contract and determine that the Contract is in all respects valid and binding upon the Authority and the City. The Revenue Bond Law provides that an adjudication as to the validity of the Contract shall be conclusive and binding upon the City and the resident citizens and property owners thereof. Under State law, the judgment of validation will be forever conclusive against the Authority and the City.

Estimated Sources and Uses of Funds*

Sources of Funds:

Proceeds from the sale of the Series 2021 Bonds	\$ _____
Premium/Discount.....	\$ _____
Other Sources	\$ _____
Total Sources of Funds	\$ _____

Uses of Funds:

Costs of Refunding the Series 2017 Bond ¹	\$ _____
Costs of Issuance ²	_____
Total Uses of Funds:	\$ _____

¹ See “THE SERIES 2021 BONDS -The Refunding.”

² Includes estimated and budgeted fees of attorneys and accountants, printing costs, bond validation fees, rating agencies’ fees, initial fee of Bond Registrar and Paying Agent, Underwriter’s Discount, and other miscellaneous fees and expenses.

The Refunding

Pursuant to the provisions of a bond resolution adopted by the Authority on May 1, 2017, the (the “**2017 Resolution**”), the Authority issued and delivered on June 1, 2017 its CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017, in the original principal amount of \$38,270,000 (the “**Series 2017 Bond**”) for the purpose of providing funds to pay the costs of advance refunding and defeasing the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2010, and the costs of issuing the Series 2017 Bond. . Section 301 of the 2017 Resolution provides for the prepayment of the Series 2017 Bond at par without penalty at any time upon direction of the City by giving 30 days written notice to the registered owner designating the prepayment or redemption date and the series and amount of the Series 2017 Bond to be prepaid or redeemed, signed by the Chairman or Vice Chairman of the Authority. The

Series 2017 Bond is currently outstanding and unpaid in the principal amount of \$31,565,000. On the date of issuance of the Series 2021 Bonds, a portion of the proceeds of the Series 2021 Bonds will be used to currently refund all of the outstanding principal amount of the Series 2017 Bond.

Investment of Money

For a description of the provisions governing the investment of the amounts held to pay debt service on the Series 2021 Bonds, see “Appendix B: FORM OF RESOLUTION AND CONTRACT” attached hereto.

Security and Sources of Payment for the Series 2021 Bonds

The Series 2021 Bonds will be secured by a first and prior pledge of and lien on the amounts payable by the City under the Contract, which amounts shall be sufficient to pay the principal of and premium, if any, and interest on the Series 2021 Bonds. The City’s obligation to make such contract payments is absolute and unconditional and shall constitute a general obligation and pledge of the full faith, credit, and taxing power of the City. Pursuant to the Resolution, payments made by the City to the Authority sufficient to pay the principal of and interest on the Series 2021 Bonds will be deposited for the account of the Authority directly into the Debt Service Fund. Such revenue will be held separate and apart from other funds of the Authority and will not be used for any purpose other than the payment of the principal of and interest on the Series 2021 Bonds. The City covenants in the Contract that it will include in each of its annual budgets an amount sufficient to make the contract payment in each year and to levy and collect taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of the Contract.

The Series 2021 Bonds shall not constitute a debt or pledge of the faith and credit of the State of Georgia, the Authority or the City, but shall be payable solely from the revenue, earnings, and funds of the Authority arising pursuant to the Contract, as provided in the Contract and the Resolution, and the issuance of the Series 2021 Bonds shall not directly, indirectly, or contingently obligate the State of Georgia, the Authority or the City to levy or pledge any form of taxation whatever for the payment thereof. No owner of the Series 2021 Bonds shall have the right to enforce the payment thereof against any property of the State, the Authority or the City, nor shall the Series 2021 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any such property; provided, however, that in accordance with the provisions of the Constitution and the laws of the State, the obligation of the City to make the payments it has contracted to make by the provisions of the Contract shall constitute a general obligation and a pledge of the full faith, credit, and taxing power of the City, and the obligation which the City has undertaken to make such payments from taxes to be levied for that purpose is a mandatory obligation to levy and collect such taxes from year to year in amount sufficiently to fulfill and fully comply with the terms of such obligation.

In past years, the City has used Special Purpose Local Option Sales Tax (“SPLOST”) proceeds received by the City to assist with debt service obligations on the Series 2017 Bond. The current SPLOST was approved by the voters of Camden County in 2019 and is set to expire on or about June 30, 2025. SPLOST proceeds received by the City are not pledged as a source of payment for the Series 2021 Bonds and no assurances can be made that a SPLOST will be reimposed upon the expiration of the current SPLOST.

Additional Bonds

The Authority may issue additional bonds on a parity with the Series 2021 Bonds as to the lien on the revenue of the Authority derived from the Contract for the specific purpose of refunding all or a portion of a series of Bonds or financing improvements or additions, real or personal, to any portion of the water and sewer system of the City (the “System”), provided all the following conditions are met: (1) The payments covenanted to be made under the Resolution have been and are being made as required by the Resolution. (2) The Authority and the City shall enter into a contract or an amendment to the Contract, reaffirming and extending through the final maturity of the Additional Bonds then proposed to be issued all applicable covenants, terms, and provisions of the Contract. Under the terms of such

contract or amendment to the Contract, the City shall obligate itself to pay directly to the Debt Service Fund Custodian, for credit to the Debt Service Fund, amounts sufficient to pay the principal of and the interest on the Bonds then outstanding and on the Additional Bonds then proposed to be issued, and for the payment of the reasonable fees and charges, if any, of the Paying Agent and Bond Registrar, less the interest and principal requirements on any bonds or obligations to be paid or redeemed from any or all of the funds to be made available by the sale of the Additional Bonds proposed to be issued. (3) The Authority shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Additional Bonds and shall provide in such proceedings, among other things, for the date, the rate or rates of interest, maturity dates, and redemption provisions, if any, which such Additional Bonds shall bear. The interest on any such Additional Bonds shall fall due on the Interest Payment Dates in each year, and the Additional Bonds shall mature in annual installments on either Interest Payment Date, but not necessarily in each year or in equal installments. Any such proceeding or proceedings shall require that the payments then being made for deposit into the Debt Service Fund to be increased to the extent necessary to pay the principal of and interest on the Outstanding Bonds and on the Additional Bonds proposed to be issued, less the principal and interest requirements on any bonds or obligations to be redeemed from any or all of the funds to be made available by the sale of the Additional Bonds proposed to be issued. Any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of the Resolution. (4) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

Estimated Debt Service Schedule*

The following table sets forth the annual principal and interest requirements relating to the Series 2021 Bonds.

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
12/01/2021	\$2,560,000.00			
12/01/2022	1,990,000.00			
12/01/2023	2,050,000.00			
12/01/2024	2,115,000.00			
12/01/2025	2,180,000.00			
12/01/2026	2,250,000.00			
12/01/2027	2,320,000.00			
12/01/2028	2,385,000.00			
12/01/2029	2,460,000.00			
12/01/2030	2,535,000.00			
12/01/2031	2,605,000.00			
12/01/2032	<u>2,690,000.00</u>			
Total	<u>\$28,140,000.00</u>			

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THE AUTHORITY

The Authority

The Authority is a body corporate and politic, created pursuant to the Act, and is deemed to be a political subdivision of the State and a public corporation and instrumentality of the State. Under the Act the Authority has the power to (a) construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve, equip, operate, and manage projects including systems, plants, works, instrumentalities, and properties used or useful in connection with the obtaining of a water supply and the conservation, treatment, and disposal of water for public and private use and the collection, treatment, and disposal of sewage, waste, and storm water; (b) execute contracts, leases, and all instruments necessary or convenient for construction of facilities and leases of facilities or contracts with any persons, firms, and corporations and any and all political subdivisions, departments, institutions, or agencies of the state and all municipal corporations located in the County; and (c) borrow money for any of its corporate purposes and to issue revenue bonds, and to provide for the payment of the same and for the rights of the holders thereof, and to issue revenue anticipation notes secured by revenues to be received by the Authority from any source from which the Authority is authorized to receive such funds, to be authorized, sold, executed, and delivered in the same manner as bonds. The Authority is governed by a board comprised of five members.

The Act provides that revenue bonds issued by the Authority shall not be deemed to constitute a debt of the State or any political subdivision thereof, but any political subdivision contracting with the Authority may obligate itself to make the payments required under such contract from money received from taxes levied for such purpose and from any other source, and such obligation shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State, and when the obligation is made to make such payments from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation.

Principal Officials

The affairs of the Authority are governed by a board of members. In 2019 the Act was amended to increase the number of members of the Authority from five to nine members. The members include the elected official or appointee of the City of Kingsland, the City of St. Marys, and the City of Woodbine and the elected official or appointee for the County. Each city council appoints one resident from their respective city to serve on the Authority and the County Board of Commissioners appoints two residents of the County to serve on the Authority. With respect to the resident member appointments, each is appointed for a term of three years. The elected officials serve during their terms in office. Members serve until their successors are appointed and qualified. The Authority members serving as of the effective date of the 2019 amendment to the Act will continue to serve until their term is completed.

Information concerning the current members of the Authority is as follows:

<u>Name</u>	<u>Appointing Body</u>	<u>Elected Official/Resident</u>	<u>Current Term Expires</u>
Lannie Brant, Sr., <i>Chairman</i>	County	County Commissioner	December 31, 2024
Terry Landreth, <i>Vice Chairman</i>	City of Kingsland	Resident	December 31, 2022
Ben Casey	County	County Commissioner	December 31, 2024
Grayson Day	City of Kingsland	Mayor	December 31, 2022
John Morrissey	City of St. Marys	Mayor	December 31, 2024
Kizzi Knight	City of Woodbine	Mayor	December 31, 2023
Denise Levasseur	County	Resident	December 31, 2022
Matthew Turner	City of Woodbine	Resident	December 31, 2022
Lili High	City of St. Marys	Resident	December 31, 2022

Executive Director. The executive director is supported by an Assistant Director and a management team that oversees the various departments in the Authority. On September 16, 2021, Buck Johnsen was appointed to serve as the interim Executive Director of the Authority after Joey Cason resigned from the position to pursue other career opportunities. Mr. Johnsen previously served as the Assistant Director of Authority before being appointed by the Authority as the Interim Executive Director.

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CITY OF ST. MARYS

Introduction

The City is a municipal corporation of the State of Georgia, located on the Georgia coastline in Camden County, approximately 115 miles south of Savannah, Georgia, and 40 miles north of Jacksonville, Florida. The City is the gateway to Cumberland Island National Seashore. According to the United States Census Bureau, the City has a total land area of 22.51 square miles. The City government serves a population of 18,854 per the July 1, 2020 census report estimates (the latest data available).

The City's Charter states the City shall exercise and enjoy all powers of self-government not specifically prohibited by the State 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 population of the City increased 37% during the 20 year period from 2000 to 2020, from 13,761 residents in 2000 to 18,854 residents in 2020. The population of the County grew 25% during the 20 year period from 2000 to 2020, from 43,664 residents in 2000 to 54,768 in 2020. This compares with State's total population growth of 23% during the same 20 year time period.

Set forth below are the percentages of land use for various categories within the territorial limits of the City, computed based upon the acres of land for the various categories set forth in the tax digest for each respective year.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential	27.0%	27.0%	33.0%	25.4%	28.3%
Agricultural	50.5	52.7	47.3	48.9	51.1
Conservation Use	0.3	0.3	0.5	0.5	0.3
Commercial	13.9	11.5	11.4	10.5	12.0
Industrial	7.6	7.6	7.7	7.1	7.7
Timber	<u>0.7</u>	<u>1.0</u>	<u>0.0</u>	<u>7.5</u>	<u>0.5</u>
Totals:	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: State of Georgia Department of Revenue

The City is considered to be a tourist destination. The federal government is a significant economic presence in the County attributable to Kings Bay Naval Submarine Base and the United States Coast Guard. Population 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 Interstate 95 and the Jacksonville Airport. The City has seen growth in building fees within recent years. The City is projecting additional residential growth along with commercial growth. Planned development in the City is in the works that will include a marina with approximately 181 wet slips, 212 dry stacks, townhomes, apartments, retail units, restaurants, and the possibility of new commercial establishments. Other interests include an Aquaponics facility and several new residential developments. Within the area, the City is currently working on initiatives to develop a commercial spaceport site. The County 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.

Government Format and Principal Officials

Mayor and Council. The City is governed by a Mayor and six Council members. The Mayor is elected at large for a four-year term. The City Council members are elected for four-year staggered terms from one election district that includes six different posts within the territorial limits of the City. Information regarding the Mayor and members of the Council as of September 1, 2021, is as follows:

<u>Name</u>	<u>Current Term Expires</u>	<u>Years in Office</u>	<u>Occupation</u>
John F. Morrissey, Mayor	December 31, 2024	11.9	Retired
Artie Jones, <i>Post 1</i>	December 31, 2022	2.9	Retired
Jim Goodman, <i>Post 2</i>	December 31, 2022	2.9	Retired
Jim Gant, <i>Post 3</i>	December 31, 2022	9.9	Retired Engineer
David Reilly, <i>Post 4</i>	December 31, 2024	7.9	Retired/Consultant
Allen F. Rassi, Jr., <i>Post 5</i>	December 31, 2024	4.9	Engineering Technician
Lisa James, <i>Post 6</i>	December 31, 2024	0.9	Managing Partner at Modern Woodmen of America

City Manager. The City Manager is appointed by the Mayor and City Council and is responsible for the day-to-day operation of the government. The City Manager has the responsibilities and duties, among other things, to (i) generally appoint city employees, except for the Finance Director and the City Clerk, both of which are appointed by the City Council, (ii) direct and supervise all departments and divisions of the City, (iii) enforce all laws and ordinances of the City, and (iv) prepare and submit an annual operating budget to the City Council. Robert Horton was appointed City Manager of St. Marys in May 2020. Mr. Horton began his career with the City as Fire Chief in 2000.

Finance Director. The Finance Department is responsible for all financial activity for the City, including the integrity of the accounting records and all aspects of the financial reporting. Marsha Klecan has served as the Finance Director for the City since August 2021. Ms. Klecan earned a Bachelor of Science, Accounting and Business/Management, from Shorter University in 1980 and served as the Assistant Finance Director for the City from October 2005 to August 2021.

Government Services and Facilities

The City provides full service for its citizens, which includes police and fire protection, community planning and development, building-code enforcement services, construction/road repair, water and sewer utilities, along with other support duties for the City government. The City is authorized to levy a property tax on both real and personal property located within its boundaries. The City provides the following services as authorized by its charter: public safety (which includes police and fire protection), highway and street maintenance, sanitation services, recreation, planning and zoning, public improvements, and water and sewer utility services. The City owns and operates a cemetery for general public use. In addition, the City contracts to provide E-911 and animal control services. The City is responsible for code enforcement and maintaining the City roads, City courts, and other city buildings. The City's Police Department has one office, with 34 employees. The Police Department maintains a 24-hour uniformed patrol. The City's Fire Department has 3 fire stations and 26 employees. The City has 1,150 fire hydrants. The Public Works department maintains 107 miles of paved streets and roads. There is one public library in the City with approximately 42,000 volumes.

The City also participates jointly with the County, Glynn County (Georgia), and other adjacent municipalities, including the Cities of Kingsland and Woodbine, in an agency known as the Coastal Georgia Regional Development Center ("CGRDC"). This agency serves as a type of regional planning agency and is involved with providing master planning and development studies, compilation and projection of statistical data, and assistance to public agencies and private persons who are involved in the area's rapid growth.

Employees and Employee Relations

As of September 1, 2021, the City had 143 full-time and 26 part-time employees. City management believes that it enjoys an excellent relationship with its employees. The City has never experienced a major disruption of services due to a strike or employee action. No employees belong to labor unions or other collective bargaining groups and the City has no knowledge of any union organizing efforts.

Employee Benefits

General. The City provides a full range of employee benefits for City employees, including a defined benefit pension plan, group hospitalization, medical and dental, and group life insurance. All employees are covered by Social Security, workers' compensation, and unemployment insurance. All City employees are entitled to paid time off up to 30 days per year based on the number of years employed. Paid time off carries over up to a maximum of 30 days.

Pension Plans. The City terminated its non-contributory pension plan through the Georgia Municipal Employees Benefit System ("GMEBS") in 1996 and established a defined contribution plan. Prior to termination, the City adopted an agent multiple-employer non-contributory defined benefit pension plan, the City of St. Marys Retirement Plan (the "Old Plan") through GMEBS covering all employees with a service period of one year or more. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Employees, during the time the plan was open to new entrants, were eligible for participation after one year of continuous service. Participants became vested after ten years of service. The funding policy for the Old Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the Old Plan. The City is required to contribute at an actuarially determined rate. As there are no active participants, the contribution has remained at the 2011 dollar amount and is no longer being shown as a percentage of payroll. Reference is made to Note 8 of the general purpose financial statements of the City included as Appendix A for a more detailed description of the Old Plan.

The City has established a defined contribution pension plan (the "New Plan") that is administered by the Variable Annuity Life Insurance Company for all of its full-time employees. The New Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The New Plan provisions and contribution requirements are established and may be amended by the City Council. At June 30, 2020, there were 108 plan members. Employees are not required to contribute to the New Plan. Employees may contribute a portion of their gross salary up to a maximum of \$19,500 for the year ended June 30, 2020. The New 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, 2020, were \$234,755. Total employee contributions for the year ended June 30, 2020 were \$195,597. Reference is made to Note 9 of the general purpose financial statements of the City included as Appendix A for a more detailed description of the New Plan.

Governmental Immunity and Insurance Coverage

Governmental Immunity. Under Georgia law, the defense of sovereign immunity is available to the City, as a municipal corporation of the State of Georgia, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance protection has been provided, but only to the extent of the liability insurance provided. The City, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the City in the exercise of its delegated powers.

Insurance Coverage. The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has joined together with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member City contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverages.

Population Information

The following table sets forth the population of the City, the County, the State, and the United States. The population for the City as of July 1, 2020 was 18,854 according to the U.S. Department of Commerce, Bureau of the Census (the latest data available).

<u>Year</u>	<u>City of St. Marys</u>	<u>Percentage Change</u>	<u>Camden County</u>	<u>Percentage Change</u>	<u>Georgia</u>	<u>Percentage Change</u>	<u>United States</u>	<u>Percentage Change</u>
1980	3,596	-	13,371	-	5,463,105	-	226,545,805	-
1990	8,204	128.1%	30,167	125.6%	6,478,216	18.6%	248,709,873	9.8%
2000	13,761	67.7	43,664	44.7	8,186,453	26.4	281,421,906	13.2
2010	17,121	24.4	50,513	15.7	9,687,653	18.3	308,745,538	9.7
2020	18,854	10.1	54,768	8.4	10,711,908	10.6	331,449,281	7.4

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Personal Income

The following table sets forth the per capita personal income in the City, County, State, and United States for the years 2016 through 2020. Information for the City and County is not yet available for 2020.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2016	\$33,102	\$33,812	\$42,896	\$50,015
2017	34,854	34,959	44,894	52,118
2018	34,854	36,061	46,957	54,606
2019	29,462	37,184	48,236	56,490
2020*	-	-	51,165	59,729

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data. Data for the City and County is not yet available for year 2020. City data was obtained from the Statistical Section of the City's financial statement, included as Appendix A to this Official Statement.

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Median Home Values

The following table sets forth the median home values for the City, County, State, and the United States for the years 2015 through 2019 according to the U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates.

<u>Year</u>	<u>City</u>	<u>Camden County</u>	<u>Georgia</u>	<u>United States</u>
2015	169,800	151,100	\$148,100	\$178,600
2016	173,200	151,700	152,400	184,700
2017	174,700	154,500	158,400	193,500
2018	180,100	159,800	166,800	204,900
2019	182,400	165,700	176,000	217,500

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates

Bank Deposits

As of June 30, 2021, four financial institutions with a total of four branch offices provided banking services within the City. The following are the total deposits in the City's financial institutions as of June 30 in each of the years 2017 through 2021.

<u>Year</u>	<u>Amount</u>
2017	\$255,626,000
2018	226,607,000
2019	203,472,000
2020	232,832,000
2021	298,061,000

Source: Federal Deposit Insurance Corporation, Summary of Deposits Institution Branch Report

Building Permits

The following table shows a summary of reported family residential, new construction building permits in the County for calendar years 2016 through 2020.

<u>Year</u>	<u>Permits¹</u>	<u>Value</u>
2016	215	\$54,764,295
2017	322	57,897,855
2018	296	81,624,473
2019	251	53,067,155
2020	293	73,213,071

¹ The City issued 108 permits in 2016, 93 in 2017, 263 in 2018, 186 in 2019 and 226 in 2020.

Source: United States Census Bureau; Terry College of Business - University of Georgia Selig Center for Economic Growth.

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Industry and Employment

Camden County Economic Sector Distribution. The following table shows the annual average percentage of persons who worked in each major sector of the local economy in the County in the years 2016 through 2020. Figures are based on employees covered under the state unemployment insurance program.

<u>Industry</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Agriculture, Forestry & Fishing	0.2%	0.3%	*	*	*
Construction	3.5	3.2	3.7%	4.2%	4.4%
Manufacturing	5.6	6.2	6.5	6.5	6.7
Utilities	*	*	*	*	*
Wholesale Trade	2.5	*	2.2	2.4	2.3
Retail Trade	15.4	14.7	14.7	14.0	14.8
Transportation and Warehousing	0.6	0.6	0.7	0.6	0.5
Information	0.8	0.8	0.7	0.6	0.4
Finance and Insurance	3.1	3.7	3.4	3.7	3.9
Real Estate and Rental and Leasing	1.6	1.5	1.6	1.3	1.0
Professional, Scientific & Technical Serv.	3.3	3.2	3.3	3.5	4.0
Management of Companies and Enterprises	0.5	0.5	0.4	0.4	0.4
Admin., Support, Waste Mgmt, Remediation	4.6	4.5	4.5	4.5	4.9
Education Services	0.0	0.2	*	*	*
Health Care and Social Assistance	7.6	7.8	7.6	8.3	7.2
Arts, Entertainment, and Recreation	0.2	0.3	0.6	0.6	0.5
Accommodation and Food Services	13.9	13.7	13.7	13.5	12.4
Other Industries and Service	3.2	2.1	2.0	2.0	1.9
Federal, State, and Local Government	<u>33.4</u>	<u>33.4</u>	<u>33.8</u>	<u>33.4</u>	<u>34.2</u>
Total:	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Note: *Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding.

Source: State of Georgia Department of Labor, Labor Information Systems. *Denotes confidential data relating to individual employers that cannot be released.

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Principal Employers. Set forth below are the ten largest principal employers located in the City as of June 30, 2020, their type of business, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Southeast Georgia Health Systems	Healthcare system	500
Express Scripts	Call Center	290
Wal-Mart Supercenter	Retail	249
City of St. Marys	Municipality	140
General Dynamics	Aerospace and defense company	130
Georgia Pacific	Pulp and paper company	60
Pilot Travel Center	Truck stop chains	41
Winn Dixie	Supermarket chain	38
Osprey Cove Golf Club	Golf community and club	33
B.A.E. Systems	Arms, security, and aerospace company	32

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

As of June 30, 2020, Kings Bay Naval Submarine base was the largest employer in the County with 8,198 employees, followed by the Camden County School System with 1,233 employees and Lockheed Missiles & Space with 567 employees.

Employment Statistics of Camden County. Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Employment	19,164	19,969	20,062	20,484	20,092
Unemployment	<u>1,188</u>	<u>1,079</u>	<u>893</u>	<u>787</u>	<u>997</u>
Total Labor Force	20,352	21,048	20,955	21,271	21,089
County Unemployment Rate	5.8%	5.1%	4.3%	3.7%	4.7%
State Unemployment Rate	5.4%	4.7%	3.9%	3.4%	6.5%
U.S. Unemployment Rate	4.9%	4.4%	3.9%	3.7%	8.1%

According to the Georgia Department of Labor estimates as of August 2021, the unemployment rate for the State is 3.2% and the unemployment rate for the County is 2.6%. According to the U.S. Bureau of Labor Statistics estimates as of the unemployment rate for the United States as of September 2021, is 4.8%. The increase in the unemployment rate throughout all regions of the United States is primarily attributable the government mandated temporary shut-downs of many private-sector businesses arising from the public health emergency posed by COVID-19 commencing in March, 2020.

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DEBT STRUCTURE OF THE CITY OF ST. MARYS

Summary of City Debt by Category

Set forth below is information concerning tax supported debt of the City as of August 1, 2021, and as of the anticipated date of issuance of the Series 2021 Bonds. The information set forth below should be read in conjunction with the City's financial statements included as Appendix A hereto.

<u>Category of Obligation</u>	<u>Amount Authorized or Issued</u>	<u>Amount Outstanding as of August 1, 2021</u>	<u>Amount to be Outstanding Upon Issuance of the Series 2021 Bonds</u>
<i>Intergovernmental Contract^{1,2}</i>			
Series 2021 Bonds	\$28,140,000*	\$-0-	\$28,140,000*
Series 2017 Bond ³	38,270,000	31,565,000	-0-
GEFA Loan #CWS00-017	4,750,000	1,206,974	1,182,227
GEFA Loan #CWSRF15024	480,670	255,336	253,694
GEFA Loan #DW2017002	500,000	197,436	195,789
GEFA Loan # 2010-L26WQ	<u>1,215,000</u>	<u>639,273</u>	<u>635,795</u>
TOTAL	<u>\$73,355,670*</u>	<u>\$33,864,019</u>	<u>\$30,407,505*</u>

1. The financial obligations of the City under intergovernmental contracts constitute general obligations of the City to make the payments they have contracted to make by the provisions of their contracts and constitute a pledge of the full faith, credit, and taxing power. However, the City's obligations under the instruments do not constitute debt for purpose of the constitutional debt limit.
2. Georgia Environmental Facilities Authority ("GEFA") loans are secured by a promissory note payable to GEFA and are based upon a contract which requires that the City to exercise its taxing power and its power to set rates, fees, and charges to its utility systems to the extent necessary to pay, among other things, the principal of and interest on such loans as they become due and payable. The GEFA loans are general obligations of the City to which its full faith, credit, and taxing power are pledged. However, the City's obligations under the GEFA loans do not constitute debt for purpose of the constitutional debt limit.
3. Contemporaneous with the issuance of the Series 2021 Bonds, the City will use proceeds of the Series 2021 Bonds to refund and defease the Series 2017 Bond.

Reference is made to Note 6 of the financial statements of the City for the fiscal year ended June 30, 2020, included in Appendix A, for further discussion of these and other commitments and contingent liabilities of the City.

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Indebtedness of Overlapping Governmental Entities

Property owners in the City are responsible for both the City's debt obligations and any debt obligations of other taxing entities in the proportion to which the jurisdiction of the City overlaps such entities. Set forth below are the estimated overlapping general obligation debt and overlapping property tax supported contractual obligations, if any, as of June 30, 2021. Although the City has attempted to obtain accurate information as to the overlapping debt, it does not guarantee its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Name of <u>Overlapping Entity</u>	Amount of Outstanding Debt as of June 30, 2021
Camden County	
<i>Capital Leases</i>	\$1,101,757
<i>Intergovernmental Contracts¹</i>	\$1,040,151
Camden County School District	<u>\$0</u>
TOTAL:	<u>\$2,141,908</u>

¹ The County has entered into an agreement with Camden County Joint Development Authority whereby the County has guaranteed the payment of the Joint Development Authority Taxable Revenue Bonds, Series 2018. The County is liable to cover any shortfall in the bond payments made by the Authority.

Debt Limitation

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the City may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the City voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the City may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the City. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the table below, based upon assessed values as of January 1, 2021, the City could incur, upon necessary voter approval, immediately after the issuance of the Series 2021 Bonds, approximately \$62,978,203 of long-term obligations payable out of general property taxes.

Computation of Legal Debt Margin

Gross Tax Digest for the City as of January 1, 2021	\$660,850,388
Less M&O Exemptions ¹	<u>(31,068,350)</u>
Net M&O Tax Digest.....	\$629,782,038
Debt Limit (10% of Net M&O Tax Digest).....	\$62,978,203
Less Amount of Debt Outstanding Applicable to Debt Limit	<u>-0-</u>
Legal Debt Margin.....	<u>\$62,978,203</u>

¹ Based on M&O exemptions. Actual bond exemptions are not available because in past years it has not been necessary for the City to levy a tax for any general obligation debt. It is not expected that the amount of bond exemptions would be materially higher than the amount of M&O exemptions.

Source: City of St. Marys, Georgia.

CITY OF ST. MARYS AD VALOREM TAXATION

Introduction

Ad valorem property taxes, excluding taxes levied on motor vehicles, mobile homes, timber and heavy equipment, accounted for an annual average of approximately 30% of General Fund revenues of the City for the fiscal years ended June 30, 2016, through June 30, 2020, and were originally budgeted to account for approximately 29% of General Fund revenues for the year ended June 30, 2021 and approximately 30% of the General Fund revenues for the year ending June 30, 2022. *Ad valorem* property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value. The fiscal year 2021 budget was adopted based on a millage rate of 6.586 mills, and fiscal year 2022 budget was adopted based on a millage rate of 6.586 mills. The City uses county-assessed valuations for real and personal property.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, on real and personal property within the City. There are, however, certain classes of property which are exempt from taxation by state law. Property exempted must not be used for private or corporate profit; income must be used exclusively for religious, educational, and charitable purposes. Exemptions include certain air and water pollution control property, personal effects, and qualifying property owned by public institutions, religious organizations, public charities, colleges, nonprofit hospitals, public libraries, veterans' organizations, nonprofit homes for the aged, and nonprofit homes for the mentally disabled.

For the purposes of reducing the burden of *ad valorem* taxation for property owned by a taxpayer and occupied as his or her legal residence (“**homestead**”), the State has granted several types of homestead exemptions. In addition, local governments are authorized to provide for increased exemption amounts. Camden County offers increased exemptions. Homeowners 62 years of age or older may be eligible for the County and School tax exemptions of up to \$25,000. There are also increased exemptions for disabled American military veterans and un-remarried surviving spouses of veterans and first responders. In addition, the City allows the following exemptions an exemption from *ad valorem* taxation for homesteads, or owner-occupied residences, of persons 65 years of age or older with income from all sources, including the income of any spouse living in the residence, not exceeding \$25,000 per annum, up to \$25,000 of assessed value. The County's disabled American veteran homestead exemption is available to certain disabled veterans in an amount of \$85,645 and carries forward to the City. This exemption applies to all *ad valorem* tax levies, however, it is restricted to certain types of very serious disabilities and proof of disability.

Tax Relief Initiatives

Tax Reform Act of 2012 (Georgia). On April 19, 2012, the Governor of Georgia signed into law House Bill 386, an omnibus tax reform bill. The law provides several changes to existing tax laws that affect local governments including:

- *Title Ad Valorem Tax* - Replaces sales tax and local *ad valorem* tax on vehicles with a new 7% title fee that is paid on the value of the vehicle whenever the vehicle is initially purchased or changes ownership.
- *Energy Exemption in Manufacturing* - Removes the state and local sales tax on energy used in manufacturing by phasing in an exemption over a four-year period (25% per year until fully implemented in 2016); however, the legislation allows for local governments to pass a local ordinance to collect an excise tax on the energy used in manufacturing to make up for the sales tax revenues lost through the exemption.
- *E-Fairness* - Expands the number of out-of-state companies required to collect local and state sales tax on internet transactions that have previously been exempt from taxation because the business did not have a physical presence in the State.

- *Conservation Property Exemption* - Includes comprehensive revision of the income tax credit for the qualified donation of conservation real property and prohibits counties, cities and consolidated governments from holding a conservation easement unless the encumbered property is located at least partly within the boundary of the local government.
- *Changes to Existing Exemptions* - Revises the existing sales and use tax exemption for film and equipment production and restores the back-to-school sales tax holiday and the energy-efficient appliances sales tax holiday.

Transportation Funding Act of 2015. On May 4, 2015, the Governor of Georgia signed into law House Bill 170 (the “Transportation Funding Act”), which became effective July 1, 2015. The new law eliminates the current State sales tax on gasoline and diesel and imposes a new per-gallon excise tax on motor fuel (the “Excise Tax”). The Excise Tax is subject to annual adjustments to account for inflation and the increasing fuel efficiency of new vehicles (which will be tied to increases in the Corporate Average Fuel Economy standard and the National Highway and Construction Cost index) and will initially be imposed at the rate of 26 cents per gallon for gasoline and 29 cents per gallon for diesel. Proceeds of the Excise Tax would be required to be spent on transportation related projects. The Transportation Funding Act generally allows local governments to continue to collect local sales and use tax (“LOST”), special purpose local option sales tax (“SPLOST”), sales tax for educational purposes (“ESPLOST”), homestead option sales tax (“HOST”), and municipal optional sales tax (“MOST”), if any, at the current 1% rate on the sale of motor fuel. However, if the retail price of motor fuel rises above \$3.00 per gallon, any increase above \$3.00 will not be subject to such 1% rate of tax.

Assessed Value

Assessed valuation, which represents the value upon which *ad valorem* property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all counties to assess taxable tangible property, with certain exceptions, at 40% of its fair market value and to tax such property on a levy made by each tax jurisdiction according to 40% of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for *ad valorem* property tax purposes at 75% of the value of which other real property is assessed and requires certain historical property to be valued at a lower fair market value for *ad valorem* property tax purposes. Conservation use property represents up to 2,000 acres of real property of a single owner that is either devoted to the good faith production of agricultural products or timber or is a type of environmentally sensitive property. Forest Land Conservation Use designated property is valued at 40% of its current use assessment and Conservation Use property is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from use of the property and (b) 35% of its current use value. “Standing Timber” is assessed one time, following its sale or harvest, at 100% of its fair market value.

The chief appraiser of each county is required to submit a certified list of assessments for all taxable property, except motor vehicles, mobile homes, and property owned by public utilities, within the county to the County Board of Tax Assessors. The Tax Commissioner for each county is required to present the tax returns to its County Board of Tax Assessors by April 11 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the complete digest to the State of Georgia Revenue Commissioner for examination and approval. The Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year and provides this information to each county tax office. Camden County then provide the City with their respective motor vehicle assessed values and bills and collects these taxes on behalf of the City. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and

divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the City, which bills these taxes to the utilities.

Annual Tax Levy

The City determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its territorial limits, will produce the necessary amount of property tax revenues to finance City services. The City then levies its *ad valorem* property tax.

Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the City. *Ad valorem* property taxes received for the payment of debt service on the Series 2021 Bonds of the City are required by law to be held and accounted for separately from other funds of the City. See “THE SERIES 2021 BONDS, -Security and Sources of Payment for the Series 2021 Bonds.”

Property Tax Collections

The City is responsible for collecting city real and personal *ad valorem* property taxes. Motor vehicles and mobile homes are billed and collected by the County on behalf of the City. Real and personal property taxes, except motor vehicle taxes, are normally levied on October 1 of each year on the assessed valued listed as of January 1. Taxes levied by the City are normally billed during October of each year and are normally payable in December, but State law allows taxpayers 60 days from the date of mailing tax bills before interest may be charged. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year. Interest is applied monthly equal to prime rate plus three percent (3%) per annum. A five percent (5%) penalty will be added to the unpaid principle 120 days from the due date. An additional 5% penalty (on the unpaid principle) will accrue again every 120 days until a maximum of 20% of the original principle has been charged.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property arising after January 1 in the year in which taxed. The lien becomes enforceable 90 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer’s personal property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the City Clerk may issue an execution for nonpayment of taxes. The Tax Commissioner may then publish a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer ten days’ written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the County Courthouse on the first Tuesday of the month after the required notices are given.

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M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the City for the past five calendar years.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real & Personal ^{1,2}	\$519,586,072	\$574,191,291	\$575,599,426	\$586,999,762	\$643,025,754
Public Utility ³	10,651,788	11,495,176	12,271,487	12,872,913	11,221,491
Motor Vehicles ⁴	11,898,750	8,819,800	7,341,110	6,155,100	5,127,590
Mobile Homes ⁵	1,127,255	1,241,502	1,292,712	1,640,292	1,473,558
Timber (100%)	91,622	0	211,727	18,419	1,995
Gross Tax Digest	543,355,487	595,747,769	596,716,462	607,686,486	660,850,388
Less Bond Exemptions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Bond Tax Digest	543,355,487	595,747,769	596,716,462	607,686,486	660,850,388
Gross M&O Tax Digest	543,355,487	595,747,769	596,716,462	607,686,486	660,850,388
Less M&O Exemptions	<u>(11,482,262)</u>	<u>(10,666,412)</u>	<u>(20,417,808)</u>	<u>(20,022,956)</u>	<u>(31,068,350)</u>
Net M&O Tax Digest ⁶	531,873,225	585,081,357	576,298,654	587,663,530	629,782,038
Estimated Actual Value ⁷	<u>\$1,358,251,284</u>	<u>\$1,489,369,422</u>	<u>\$1,491,473,564</u>	<u>\$1,519,188,586</u>	<u>\$1,652,122,977</u>

¹. The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%.

². Includes property that is categorized as agricultural, commercial, industrial, residential, and conservation use.

³. The State Property Tax Unit assesses the value of property of public utilities at the percentage of fair market value used by the City. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

⁴. The State Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model and year and provides this information to each county's tax office. The State assesses the value of motor vehicles at the percentage of fair market value used by the City.

⁵. The State assesses the value of mobile homes at the percentage of fair market value used by the City.

⁶. Total assessed value, after deducting exemptions, for purposes of levying for the M&O of the City.

⁷. Calculated by taking the Gross Tax Digest less Timber (assessed at 100%), divided by 40%, plus Timber at 100%.

Sources: Georgia Department of Revenue Local Government Services Division, County Digest Section for years 2017 through 2020; City of St. Marys for year 2021.

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M&O Tax Levies and Collections for the City

Set forth below is information concerning total real and personal property tax collections of the City reported as of the City's fiscal years ended June 30, 2016, through June 30, 2021, for the prior calendar year's tax levy. Taxes levied by the City are normally billed by October and are normally payable on or before December 20.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Current Year's M&O Tax Levy	\$3,039,808	\$3,054,145	\$3,168,077	\$3,737,645	\$3,796,129	\$3,807,443
Current Year's Collections	2,863,049	2,853,424	3,027,631	3,617,590	3,640,050	3,673,128
Prior Years' Collections	<u>-0-</u>	<u>-0-</u>	<u>81,438</u>	<u>71,519</u>	<u>92,569</u>	<u>96,967</u>
Total Tax Collections	<u>2,863,049</u>	<u>2,853,424</u>	<u>3,109,069</u>	<u>3,689,109</u>	<u>3,732,619</u>	<u>3,770,095</u>
Total Current Year's Tax Collections as a Percent of Total Current Year's M&O Tax Levy	94.19%	93.43%	95.57%	96.79%	95.89%	96.48%
Total Tax Collections as a Percent of Total Current Year's M&O Tax Levy	94.19%	93.43%	98.14%	98.70%	98.33%	99.02%
Uncollected Current Year's M&O Property Taxes	176,759	200,721	140,446	120,055	156,079	134,415
Tax Period Begins	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Tax Period Ends	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

¹ The Current Year's M&O Tax Levy relates to the preceding calendar year digest and millage rates (i.e., fiscal year 2021 M&O Levy relates to calendar year 2020 digest and millage rates) and excludes motor vehicles, mobile homes, timber and heavy equipment.

² The City bills taxes in October and collects taxes in December. Collections above reflect receipts just during the fiscal year.

Delinquent property taxes of the City are written off when the statute of limitations for their collection (seven years) expires or if no property is found to levy upon, earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

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Millage Rates

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the City and the County for calendar years 2016 through 2020.

Calendar Year	City of St. Marys	School	Unincorp. County	Incorp. County	County-Wide ¹	
					Incorp. Total	Unincorp. Total
2016	6.000	16.000	13.940	13.940	35.94	29.940
2017	6.000	16.000	13.940	13.940	35.94	29.940
2018	6.500	16.000	13.405	13.405	35.91	29.405
2019	6.600	16.000	15.790	15.790	38.39	31.790
2020	6.586	16.000	15.790	15.790	38.38	31.790

¹In addition to the County-Wide totals, the incorporated city of Kingsland and Woodbine have their own millage rates for property within their city limits, and the Woodbine service district and several other service districts in the unincorporated County have an additional millage assessment.

Source: State of Georgia Department of Revenue, Property Tax Division.

2021 Millage Rates. The City has adopted a millage rate of 6.586 for calendar year 2021. Millage rates for the Camden County School District and the County are expected to be adopted in October. The Camden County Board of Commissioners has tentatively set the 2021 countywide millage rate at 15.562. The Board of Education of Camden County has tentatively set the 2021 School District millage rate at 15.076.

Ten Largest Taxpayers

Set forth below is information concerning the ten largest taxpayers in the City in fiscal year 2020. The 2020 ten largest taxpayers are based upon 2020 taxes levied.

<u>Taxpayer</u>	<u>Type of Business</u>	2020 Gross Assessed Value for the City ¹	Assessed Value as a Percentage of 2020 Gross Assessed Value ²	2020 M&O Taxes Levied for the City ³
Georgia Power Company	Utilities	\$23,476,387	3.86%	61,846
Georgia Pacific	Pulp and paper	18,199,854	2.99	14,675
NLP Brant Creek LLC	Real Estate	11,107,218	1.83	29,260
Strata Hiddenbay LLC	Real Estate	10,220,772	1.68	26,925
Old Weed & Ready Plantation LLC	Real Estate	9,517,167	1.57	25,072
GA. Sharpstone LLC, et al.	Real Estate	8,070,034	1.33	21,259
PFJ Southeast LLC	Travel Centers	6,815,937	1.12	17,955
Walmart Real Esate	Retail	6,662,922	1.10	17,552
Express Scripts Inc.	Call Center	2,236,115	0.37	16,428
Walmart Stores East LP	Retail	<u>6,182,116</u>	<u>1.02</u>	<u>16,286</u>
Total:		<u>\$102,488,522</u>	<u>16.87%</u>	<u>\$247,258</u>

¹ Shown at 40% of the fair market value.

² Based on the combined calendar year 2020 Gross Tax Digest of \$607,686,486.

³ Reported after all appropriate exemptions are applied.

Source: City of St. Marys; 2021 Taxpayer information not yet available.

CITY OF ST. MARYS FINANCIAL INFORMATION

Five-Year General Fund Operating History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the City's General Fund for the past five fiscal years. Information in the table for fiscal years 2016 to 2020 has been extracted from audited financial statements of the City for the years ended June 30, 2016, to June 30, 2020. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2020, which are included in this Official Statement as Appendix A, and to the audited financial statements of the City for fiscal years 2016 to 2019, copies of which are available from the City upon request.

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances

	<u>For the Fiscal Years Ending June 30</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues					
Taxes	\$7,677,858	\$7,597,818	\$7,949,117	\$8,855,055	\$9,044,055
Licenses and permits	470,557	519,316	599,329	489,223	464,527
Intergovernmental	-	-	1,025,382	266,164	195,432
Fines and forfeitures	302,847	209,762	228,945	161,689	182,998
Charges for services	81,706	86,323	96,162	116,115	81,489
Interest income	4,859	5,034	5,463	6,017	5,853
Contributions and donations	3,586	2,351	-	-	-
Other revenues	<u>498,219</u>	<u>570,951</u>	<u>1,824,619</u>	<u>1,869,443</u>	<u>2,043,874</u>
Total Revenues	<u>9,039,642</u>	<u>8,991,555</u>	<u>11,729,017</u>	<u>11,763,706</u>	<u>12,018,228</u>
Expenditures					
Current:					
General government	1,911,051	2,069,025	5,253,261	3,302,377	3,755,946
Public safety	4,841,963	3,854,980	4,204,586	3,885,279	4,144,992
Public works	1,703,434	2,153,565	1,828,184	3,367,540	3,258,701
Health and welfare	129,467	145,040	129,591	144,634	164,977
Judicial	176,330	187,872	188,376	173,498	164,426
Culture and recreation	459,233	460,441	362,028	366,767	486,505
Housing and development	484,910	541,673	581,437	547,782	1,082,037
Debt service:					
Principal	15,024	197,898	246,183	326,990	497,775
Interest and fiscal charges	<u>2,151</u>	<u>25,381</u>	<u>25,614</u>	<u>30,958</u>	<u>47,516</u>
Total expenditures	<u>9,723,563</u>	<u>9,635,875</u>	<u>12,819,260</u>	<u>12,145,825</u>	<u>13,602,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(683,921)</u>	<u>(644,320)</u>	<u>(1,090,243)</u>	<u>(382,119)</u>	<u>(1,584,647)</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	16,851	8,378	-
Proceeds from capital leases	-	-	443,513	917,246	-
Proceeds from long-term debt	1,160,987	121,321	-	-	-
Transfers in	100,116	261,385	26,218	704,310	722,288
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,261,103</u>	<u>382,706</u>	<u>486,582</u>	<u>1,629,934</u>	<u>722,288</u>
Net Change in Fund Balance	<u>577,182</u>	<u>(261,614)</u>	<u>(603,661)</u>	<u>1,247,815</u>	<u>(862,359)</u>
Fund Balance - Beginning of Year	6,115,881	6,693,063	6,431,449	5,827,788	7,075,603
Fund Balance - End of Year	\$6,693,063	\$6,431,449	\$5,827,788	\$7,075,603	\$6,213,244

Accounting Policies

The financial statements of 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 City reports two major governmental funds, the General Fund, and the SPLOST VIII Fund. The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The SPLOST VIII Fund is used to account for the revenues and expenditures relating to the 2018 one percent Special Purpose Local Option Sales Tax. The City reports two major proprietary funds, the Water and Sewer Fund, and the Solid Waste Fund. 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. 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.

Note 1 of the City’s financial statement, included as Appendix A to this Official Statement, contains a detailed discussion of the City’s significant accounting policies.

Independent Auditor’s Reports

The independent auditor reports on the financial statements of the City for the fiscal years ended June 30, 2016, through June 30, 2020, state that said financial statements present fairly, in all material respects, the financial position of the City as of each respective fiscal year, and the results of its operations and cash flows for each respective fiscal year in conformity with accounting principles generally accepted in the United States.

Budgetary Process

The City’s budget process begins when budget requests are completed in March. Then, prior to fiscal year end, a proposed operating budget for the next fiscal year is drafted by the City Manager for submission to the Mayor and City Council for consideration. Public hearings are conducted in May and June to obtain taxpayer comments. Prior to the start of the next fiscal year, usually the first of June, the budget is legally enacted through approval by the Mayor and City Council. Annual appropriated budgets are adopted for the General Fund, the Enterprise Funds, Special Revenue Funds, and Capital Projects Fund on a basis that is consistent with generally accepted accounting principles. The budget may be revised during the year only by formal action of the City Council in a regular or special called meeting. No increase to the budget may be made without a provision for financing such an increase. 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.

Pursuant to O.C.G.A. § 36-81-3(b), the annual budget approved by the City Council must be balanced. A budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. The City Council has the authority under O.C.G.A. § 36-81-3(d), however, to amend its budget as follows:

- (1) any increase in appropriation at the legal level of control of the City, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, requires the approval of the City Council. Such amendment shall be adopted by ordinance or resolution;
- (2) transfers of appropriations within any fund below the local government’s legal level of control requires only the approval of the budget officer; and

(3) the City Council may amend the legal level of control to establish a more detailed level of budgetary control at any time during the budget period. Said amendment shall be adopted by ordinance or resolution.

Fiscal Year 2021 and 2022 Budgets. Set forth below is a summary of the City’s adopted budgets for its General Fund for the fiscal years ending June 30, 2021 and June 30, 2022. The budgets are based upon certain assumptions and estimates of the City’s administration regarding future events, transactions and circumstances. Realizations of the results projected in this budget depend upon implementation by management of policies and procedures consistent with the assumptions. Accordingly, the actual results achieved could materially vary from those projected in the budgets shown below.

General Fund Budget for Fiscal Years Ending June 30		
	<u>2021</u>	<u>2022¹</u>
REVENUES:		
Real Property Taxes	\$3,690,000	\$3,900,000
Personal Property Taxes.....	417,000	502,000
Real Estate Transfer Taxes.....	87,000	120,000
Franchise Taxes.....	950,000	990,000
Sales and Use Taxes.....	3,105,000	3,649,754
Penalties & Interest	60,000	60,000
Licenses and Permits.....	405,500	469,200
Regulatory Fees.....	25,000	40,000
Intergovernmental	-0-	-0-
Charges for Services	19,535	15,170
Cultural & Recreation	250	-0-
Other Charges for Services	73,850	74,600
Fines and Forfeitures.....	170,000	194,900
Investment Income.....	5,200	5,500
Contributions and Donations.....	100	100
Miscellaneous.....	1,898,110	1,847,478
Interfund Transfers.....	1,214,246	1,201,746
Other Proceeds	<u>8,500</u>	<u>337,056</u>
TOTAL REVENUES	<u>\$12,004,291</u>	<u>\$13,407,504</u>
EXPENDITURES:		
Legislative	\$250,982	\$267,585
Executive.....	354,340	376,080
Finance	1,107,160	1,118,885
IT	230,460	287,250
Human Resources	155,050	188,765
General Governmental Buildings.....	241,875	416,011
Municipal Court.....	178,571	193,545
Police.....	2,607,445	2,951,408
Fire	2,202,938	2,350,181
Public Works.....	1,424,704	1,645,626
Highways and Streets.....	765,315	766,540
Cemetery	139,599	156,105
Senior Center.....	93,015	196,535
Parks.....	1,329,666	1,279,756
Library.....	290,065	329,600
Building.....	154,796	219,850
Planning and Zoning	271,720	349,480
Code Enforcement.....	94,513	106,457
MainStreet.....	83,377	183,295
Special Facilities	<u>28,700</u>	<u>24,550</u>
TOTAL EXPENDITURES	<u>\$12,004,291</u>	<u>\$13,407,504</u>

¹ As of October 7, 2021 Fiscal Year 2022 Revenues and Expenditures have been adjusted to \$13,428,561.

THE SYSTEM

Introduction

The City constructed and maintains a water supply and distribution system and a wastewater collection system which serve the population inside and outside of the incorporated area of the City (together, the “**System**”). As of July 1, 2021, the City served 7,351 water customers and 6,993 sewer customers within its corporate limits and 154 water customers and 9 sewer customers outside its incorporated area.

Water and Sewer System

Water System. The City’s main water supply for the City is provided by the Floridan Aquifer. The Floridan Aquifer serves each of the City’s three wells. There are no salt water intrusion issues with the section of the upper Floridan Aquifer that serves the System and the Environmental Protection Division (“**EPD**”) has removed the County from any such concerns. Chlorine and fluoride are added at the clear wells and water is pumped into the distribution system by three 650 gallons per minute (“**GPM**”) pumps at well #2 on Dandy Street and by four 800 GPM pumps located at well #3 on Douglas Drive. The City also has a pump located at well #4 on Colerain Road, which is capable of pumping 1,450 GPM. The well at plant #1 was located south of City Hall but it was taken out of service and plugged several years ago, leaving only wells 2, 3, and 4.

The three wells are located throughout the City along the distribution system, and they pump finished water into the System and into the System’s three elevated storage tanks that range in size from 250,000 gallons to 500,000 gallons. The water system has a current storage capacity of 1,250,000 gallons. Data on the three wells is as follows:

<u>Well Number</u>	<u>Location</u>	<u>Year Drilled</u>	<u>Casing Size</u>	<u>Depth</u>	<u>Horse Power</u>	<u>GPM</u>
2	Dandy Street	1965	12”	1,001 feet	40	1,200
3	Douglas Drive	1986	12”	982 feet	25	1,300
4	Colerain Road	1980	12”x8”	805 feet	125	2,200

The water distribution system consists of 132 miles of distribution mains ranging in size from two inches to 12 inches with the majority being six inches. The distribution system covers 98% of the area within the City limits and extends into several areas of the County. The majority of the water system distribution mains are comprised of PVC, which has a very long design life. Overall, the water system is in good condition.

Fire hydrants are spaced in accordance with or closer than Insurance Service Organization (“**ISO**”) requires. Water mains are looped and valved to insure maximum availability of service.

The City’s maximum available capacity from all water sources is 6.0 million gallons per day (“**MGD**”). The current daily water use is 1.47 MGD.

Sewer System. The City provides sewer collection and treatment to residential and commercial customers both inside and outside the City’s corporate limits. The sewer system consists of a wastewater collection system and two wastewater treatment facilities (“**WWTF**”). The City’s sewer system serves 95% of the area within the City limits and some adjacent areas outside the City limits.

Wastewater discharged to the City’s sewer system is delivered to one of the two WWTFs operated by the City. The Point Peter WWTF began operation in May 2010. This facility, located south of Point Peter Road, consists of a field-constructed, rectangular, concrete-walled tank consisting of four sequencing batch reactors and is permitted by the GEPD for 4.0 MGD. The plant discharges through a diffuser structure into the North River. The City’s other treatment facility began operation in January 2006. This facility, located south of St. Marys Road and east of Interstate 95, is known as the Scrubby Bluff WWTF, and it consists of a field-constructed, rectangular, concrete-walled tank consisting of two sequencing batch reactors and is permitted by the GEPD for 0.5 MGD. For efficiency reasons, this facility was taken out of operation in 2012 and flow was directed to the Point Peter WWTF. The plant discharges

to the uplands adjacent to the marshes of Casey Creek. The City plans to place the Scrubby Bluff WWTF back into operation in 2022.

The City’s maximum available wastewater treatment capacity is 4.5 MGD. The current daily wastewater treated is 1.93 MGD.

The sewer collection system operates under a conventional gravity flow and force main method. The sewer collection system has approximately 132 miles of sewer lines ranging in size from four inches to 24 inches, with the majority being eight-inch lines. The City’s sewer system has 76 pump stations. Overall, the sewer system is in good condition. The majority of the City’s sewer lines are made of PVC, which has a very long design life. However, approximately 22 miles of the sewer lines that service the downtown area of the City are made of clay pipe. The City has had a few issues with cracks and water infiltration in the clay pipes in the downtown area. The City estimates that the clay pipes receive up to approximately 200,000 gallons of inflow/infiltration during a heavy rain event, but on normal days with no rain the total infiltration is drastically reduced to less than 20,000 gallons. These clay pipes were installed in the downtown area in the early 1970s and such pipes have a typical design life of 50 years. The City plans to repair the damaged clay pipes as budget conditions allow.

Capital Improvements to Water and Sewer System from Current Funds. Over the years, the City has enlarged and extended its water and sewer system with funds derived from revenues of the System, City funding, Georgia Environmental Finance Authority loans, revenue bonds, and federal grants. The following table shows the amounts from such sources spent on capital expenditures to the System during the last six fiscal years.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Funds Spent on</u> <u>Capital Improvements</u>
2016	\$2,697,941
2017	418,297
2018	18,125
2019	781,205
2020	15,322
2021	<u>213,000</u>
Total:	<u>\$3,915,568</u>

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Five-Year Water and Sewer Fund Operating History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the City's Water and Sewer Fund for the past five fiscal years. Information in the table for fiscal years 2016 to 2020 has been extracted from audited financial statements of the City for the years ended June 30, 2016, to June 30, 2020. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the City for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the City for fiscal year 2020, which are included in this Official Statement as Appendix A, and to the audited financial statements of the City for fiscal years 2016 to 2019, copies of which are available from the City upon request.

Water and Sewer Fund Statement of Revenues, Expenditures, and Changes in Fund Balances

	<u>For the Fiscal Years Ending June 30</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating Revenues					
Water Sales	\$2,893,022	\$2,933,052	\$2,992,845	\$2,980,394	\$3,030,983
Sewer Sales	2,730,315	2,774,897	2,821,028	2,816,121	2,856,130
Tap and Capacity Recovery Fees	282,209	283,227	381,019	359,504	317,459
Reconnection Fees	70,384	74,798	73,842	66,123	53,165
Construction Fees	247,038	473,081	804,049	401,585	322,918
Penalties	123,763	131,445	128,174	127,734	91,999
Rents	38,500	42,000	-	-	-
Miscellaneous	<u>45,220</u>	<u>66,455</u>	<u>123,187</u>	<u>134,926</u>	<u>114,273</u>
Total Operating Revenues	<u>6,430,451</u>	<u>6,778,955</u>	<u>7,324,144</u>	<u>6,886,387</u>	<u>6,786,927</u>
Operating Expenses					
Personal Services	1,772,739	1,768,857	1,693,028	1,347,611	1,290,313
Purchased and Contracted Services	687,431	765,337	854,400	1,220,939	1,468,964
Supplies	1,008,001	1,030,381	987,413	1,257,024	1,131,740
Depreciation	2,489,282	2,511,503	2,528,601	2,560,871	2,585,818
Amortization	-	-	287,458	287,458	287,458
Bad debt expense	-	-	<u>70,550</u>	-	-
Total Operating Expenses	<u>5,957,453</u>	<u>6,076,078</u>	<u>6,421,450</u>	<u>6,673,903</u>	<u>6,764,293</u>
Operating Income (Loss)	472,998	702,877	902,694	212,484	22,634
Non-Operating Revenues (Expenses)					
Interest Income	4,726	7,867	16,731	23,922	13,142
Interest Expense	(2,068,090)	(2,215,349)	(1,154,205)	(1,140,582)	(1,036,406)
Gain (Loss) on disposal of capital assets	3,779	-	7,684	10,796	-
Other non-operating income	<u>21,651</u>	<u>21,969</u>	-	-	-
Total non-operating expenses, net	<u>(2,037,934)</u>	<u>(2,185,513)</u>	<u>(1,129,790)</u>	<u>(1,105,864)</u>	<u>(1,023,264)</u>
Income (Loss) Before Transfers	(1,564,936)	(1,482,636)	(227,096)	(893,380)	(1,000,630)
Capital Contributions and Transfers					
Capital Contributions	2,215,300	-	-	-	-
Transfers in	1,680,800	1,669,300	1,654,050	1,228,969	1,250,000
Net Change in Fund Balance	<u>2,331,164</u>	<u>186,664</u>	<u>1,426,954</u>	<u>335,589</u>	<u>249,370</u>
Fund Balance - Beginning of Year	34,903,638	37,234,802	37,421,466	38,848,420	39,184,009
Fund Balance - End of Year	37,234,802	37,421,466	38,848,420	39,184,009	39,433,379

Historical Demand Data

Water and Sewer Demand. The following table shows historical data of water and sewer demand for the last six fiscal years.

<u>Fiscal Year</u>	<u>Gallons of Water Consumed</u>	<u>Daily Water Production Average MGD</u>	<u>Daily Sewer Treated Average MGD</u>
2016	427,130,000	1.428	1.721
2017	434,247,200	1.471	2.992
2018	434,530,600	1.410	2.244
2019	433,825,910	1.409	1.805
2020	460,253,600	1.330	2.740
2021	464,462,100	1.470	2.324

Historical Customer Data

Number of Customers of the Water System. The following table shows historical numbers of customers of the water system for the last six fiscal years.

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential (Outside City Limits)</u>	<u>Commercial (Outside City Limits)</u>	<u>Total</u>
2016	6,287	538	4	157	2	6,988
2017	6,716	732	4	157	3	7,072
2018	6,493	483	4	161	3	7,144
2019	6,686	441	4	155	3	7,289
2020	6,744	475	4	151	3	7,377
2021	6,842	490	4	147	3	7,486

Number of Customers of the Sewer System. The following table shows historical numbers of customers of the sewer system for the last six fiscal years.

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential (Outside City Limits)</u>	<u>Commercial (Outside City Limits)</u>	<u>Total</u>
2016	6,099	440	4	8	2	6,553
2017	6,093	560	4	9	2	6,668
2018	6,318	424	4	13	2	6,761
2019	6,480	417	4	12	2	6,915
2020	6,565	412	4	10	2	6,993
2021	6,627	416	4	7	2	7,056

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Ten Largest Water and Sewer Customers

The following table shows the ten largest water and sewer customers of the City for the fiscal year ended June 30, 2021. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the water system.

<u>Customer</u>	<u>Annual Gallons of Water and Sewer Billed</u>	<u>Annual Water and Sewer Revenue</u>	<u>Revenues as a Percent of Total Water and Sewer Sales¹</u>
Specialty Adhesives	19,461,400	\$64,833.88	1.06%
Park Place Mgmt, LLC	17,311,500	104,092.96	1.70
City of St. Marys	15,571,400	42,693.23	0.70
SE GA Health Systems, Inc	135,75,100	46,390.21	0.76
Brant Creek Apartment Homes	10,203,600	79,375.30	1.30
Cumberland Kingsbay Lodges	9,973,100	34,568.95	0.56
Mission Forest Apts	9,379,100	55,601.72	0.91
Sp Cumberland LLC	9,280,800	69,210.12	1.13
Fkhj Four LLC	8,612,500	32,605.88	0.53
Pilot Travel Centers LLC	<u>8,123,800</u>	<u>26,583.74</u>	<u>0.43</u>
Total:	<u>12,149,238,000</u>	<u>\$555,955.99</u>	<u>9.08%</u>

¹ Based on water sales of \$3,148,275.33 (unaudited) and sewer sales of \$2,972,407.99 (unaudited) for a combined total of \$6,120,683.33 for the fiscal year ended June 30, 2021.

Billing and Collection Policy

The City bills monthly for water and sewer service. Payment is due within 20 days from the billing date. Payment not made by the due date is assessed at a 10% penalty. A cut off notice list is generated after the due date. Services are disconnected if the customer has not paid their bill within two months of the due date. A \$30 reconnection fee is required in addition to the past due payment for restoration of service.

Management

The day-to-day operations of the System are under the supervision and control of the Public Works Department. Robert Marr, Jr. was formally appointed Director of the Public Works Department in August 2003. Mr. Marr has been employed by the City since 1995, and prior to his appointment as Director, he served as Interim Public Works Director from November 2002 until his formal appointment. Prior to employment with the County, Mr. Marr worked for a local surveying firm. He holds a B.S. degree in Civil Engineering Technology from Georgia Southern University.

Water and Sewer Rates and Charges

The following table shows the existing rate structure for the water and sewer system, which rates apply per 1,000 gallons of water and per 1,000 gallons of sewer. The following rates became effective June 1, 2010, and apply both inside and outside the City limits.

	<u>Amount (Gallons)</u>	<u>Rate/1,000 Gallons</u>
Residential	0 - 6,000	\$ 2.86
Commercial	0 - 6,000	2.86
Industrial	0 - 6,000	2.88
All Users	Over 6,000	3.28
All Users	Water base rate per user	20.45
All Users	Sewer base rate per user	20.45

Tap Fees for Water and Sewer

The following table shows the current tap fees for water and sewer service.

<u>Size</u>	<u>Rate</u>	
	<u>Water</u>	<u>Sewer</u>
¾-inch	\$1,095	\$3,555
1-inch	1,775	5,950
1½-inch	3,525	11,805
2-inch	5,620	18,875
3-inch	10,600	35,285
4-inch	17,625	35,385
6-inch	35,085	58,940
8-inch	56,035	187,575

Government Approvals and Environmental Regulation

State Requirements. The Georgia Water Quality Control Act authorizes the State of Georgia Department of Natural Resources, Environmental Protection Division (“**EPD**”) to regulate the withdrawal of water from rivers, lakes, and streams in Georgia. EPD has issued to the City a permit for withdrawal of water from the Floridan Aquifer not to exceed a monthly average of 6.0 MGD and an annual average of 5.0 MGD.

EPD also regulates wastewater treatment systems in Georgia pursuant to the Georgia Water Quality Control Act. The City has an operating permit from the Point Peter Road WWTF of 4.0 MGD to the North River and from the Scrubby Bluff WWTF of 0.5 MGD to Casey Creek in the St. Marys River basin.

Federal Requirements. The City’s wastewater operation is subject to the regulatory requirements imposed by the Federal Water Pollution Control Act, as amended (the “**Clean Water Act**”). The regulatory requirements are administered by the Federal Environmental Protection Agency (“**EPA**”) through the EPD. Regulations of these agencies deal primarily with the quality of effluent which may be discharged from the City’s WWTFs, the disposal of sludge generated by the WWTFs, the discharge of pollutants into the groundwater, and the nature of waste material (particularly industrial waste) discharged into the collection system.

To comply with federally-mandated effluent quality and disposal criteria, wastewater operations must comply with discharge limitations and reporting requirements set forth in National Pollutant Discharge Elimination System (“**NPDES**”) discharge permits. At the present time, the City has two NPDES discharge permits.

The City is currently under an EPD consent order in which it is required to make improvements to its sewer system. An engineering evaluation has been performed on the sewer system and the City is currently complying with the recommendations as outlined in the evaluation.

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LEGAL MATTERS

Litigation

The City. Like other similar bodies, the City is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation relating to the City with its counsel, Brown, Readdick, Bumgartner, Carter, Strickland & Watkins, LLP, Brunswick, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or payment ability of the City.

There is no litigation now pending or, to the knowledge of the City, threatened against the City which restrains or enjoins the execution and delivery of the Contract, the use of the proceeds of the Series 2021 Bonds, or which questions or contests the validity of the Contract or the proceedings and authority under which it is to be executed. Neither the creation, organization, or existence of the City nor the title of the present members or other officials of the City to their respective offices is being contested or questioned. Reference is made to Note 12 of the City's financial statements included in Appendix A to this Official Statement for a discussion of risk management.

The Authority. There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Series 2021 Bonds, the provision for the security for the payment of the Series 2021 Bonds, the use of the proceeds of the Series 2021 Bonds, or which questions or contests the validity of the Series 2021 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, nor existence of the Authority nor the title of the present members or other officials of the Authority to their respective offices is being contested or questioned.

Legal Proceedings

Validation of the Series 2021 Bonds. In accordance with the law of the State, the Series 2021 Bonds and the security therefor will be confirmed and validated prior to the issuance thereof by judgment of the Superior Court of Camden County, Georgia. Under State law, the judgment of validation is forever conclusive against the Authority and the City.

Opinions of Counsel. All legal matters incidental to authorization and issuance of the Series 2021 Bonds are subject to the approval of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. It is anticipated that the approving opinion of Gray Pannell & Woodward LLP will be in substantially the form included in Appendix D. Certain legal matters will be passed upon for the Authority by Patrick Brooks, Folkston, Georgia, and for the City by Brown, Readdick, Bumgartner, Carter, Strickland & Watkins, LLP, Brunswick, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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TAX STATUS

Federal Tax Exemption

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds.

State Tax Exemption

In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation.

Maintenance of Tax Status

The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Series 2021 Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Series 2021 Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Authority complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2021 Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Series 2021 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021 Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Series 2021 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Series 2021 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021 Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Series 2021 Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the City have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2021 Bonds ends with the issuance of the Series 2021 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the City or the beneficial owners of the Series 2021 Bonds regarding the tax-exempt status of the Series 2021 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the Authority and the City and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Series 2021 Bonds is difficult, obtaining an

independent review of IRS positions with which the Authority or the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2021 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2021 Bonds, and may cause the Authority, the City or the beneficial owners of the Series 2021 Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the Authority and the City and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Series 2021 Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the Series 2021 Bonds attached hereto in Appendix D for the complete text thereof. See also “LEGAL MATTERS” herein.

Premium Bonds*

Certain of the Series 2021 Bonds have been sold to the public at an original issue premium. The Series 2021 Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the “**Premium Bonds**”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser’s basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner’s adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

Original Issue Discount Bonds*

Certain of the Series 2021 Bonds have been sold to the public at an original issue discount (the “**Discount Bonds**”). Generally, original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under § 1288 of the Code, original issue discount on Series 2021 Bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption, or payment of a Discount Bond in excess of the owner’s adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner’s hands), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale, or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Other Tax Consequences

Prospective purchasers of the Series 2021 Bonds should be aware that ownership of the Series 2021 Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Series 2021 Bonds should consult independent advisors as to the consequences of owning the Series 2021 Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding

Interest paid on the Series 2021 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2021 Bonds, under certain circumstances, to “backup withholding” at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Series 2021 Bonds and proceeds from the sale of the Series 2021 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2021 Bonds. This backup withholding generally applies if the owner of Series 2021 Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2021 Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Bonds

Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Series 2021 Bond may result in a taxable event for federal income tax purposes.

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RISK FACTORS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2021 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2021 Bonds. *In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Series 2021 Bonds.*

Coronavirus (COVID-19)

In late 2019, a novel strain of coronavirus emerged in Wuhan, Hubei Province, China, which can cause the disease known as COVID-19 (“**COVID-19**”). COVID-19 is highly infectious, with high rates of morbidity and mortality, and has spread throughout the world, including the United States and the State. The World Health Organization declared COVID-19 to be a global pandemic on March 11, 2020 and a national emergency was declared in the United States on March 13, 2020. COVID-19 has significantly impacted State, national and global economic activity, as well as stock, bond, and labor markets. COVID-19 also has had a volatile impact on the revenues and expenses of governments and businesses. All of such impacts are expected to continue for an extended time at unknown and varying degrees of severity.

In response to the spread of COVID-19, the United States government, state governments, local governments, school districts, and private industries throughout the country began implementing measures in March 2020 to limit social and work interactions to minimize the spread of the disease. On February 28, 2020, Governor Kemp established a Coronavirus Task Force to assess Georgia’s preparations and procedures for preventing, identifying, and addressing cases of COVID-19. The Task Force coordinated efforts between multiple State agencies along with federal and local partners to attempt to identify and mitigate spread within the State and private institutions, including nursing homes, to establish alternate or surge medical facility capacity, and to rapidly expand community testing. On March 14, 2020, Governor Kemp issued Executive Order No. 03.14.20.01, declaring that a “Public Health State of Emergency” existed in the State due to the spread of COVID-19. On March 16, 2020, the State’s General Assembly concurred with Governor Kemp’s Executive Order by joint resolution of both the State House and State Senate, vesting Governor Kemp with certain emergency powers prescribed by Georgia law for management of a state of emergency. After his initial Executive Order establishing the Public Health State of Emergency, which was terminated on July 1, 2021, Governor Kemp issued numerous, additional Executive Orders to continue to address the State’s response to COVID-19, and for gradually and safely reopening the State’s economy.

Mass vaccination efforts are underway in the State through the State of Georgia’s Mass Vaccination Distribution and Administration Plan. This statewide Mass Vaccination Distribution and Administration Plan is being used as a state protocol for distributing COVID-19 vaccines to public health districts and other enrolled COVID-19 pandemic vaccine providers, and overseeing their administration of the vaccines to intended recipients. Initially, critical segments of the population were prioritized for vaccination using a phased approach based on assessed level of risk for exposure to or complications from the virus. On March 23, 2021, Governor Kemp announced that starting March 25, 2021 all Georgians 16 years of age and older would be eligible to receive vaccines. In May 2021, children 12 to 15 years of age also became eligible to receive the vaccine. As of October 7, 2021, over 10,702,246 vaccines have been administered in the State (approximately 5,688,280 residents have received at least one dose and approximately 5,011,545 residents are fully vaccinated). Additional public health data and other information related to the State’s response to COVID-19 is available on the following website: <https://dph.georgia.gov>. This website is provided for convenience only and is not incorporated by reference into this Official Statement.

Various actions have been taken by the State, as well as federal and local governments and agencies, to provide relief to negatively impacted residents and businesses, including expanded availability of unemployment benefits, business loan programs, eviction moratoria, and tax payment

deadline extensions, among others. To attempt to alleviate the deleterious economic impacts of the disease, Congress has passed several relief packages, including the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), the Families First Coronavirus Response Act and, most recently, the American Rescue Plan of 2021 (the “ARP Act”). During FY 2020, the State received approximately \$3.5 billion in direct aid under Title V of the CARES Act, which established the Coronavirus Relief Fund (“CRF”). To date, the State has allocated the funds as follows:

- \$1.5 billion to repay borrowing for the Unemployment Compensation Fund,
- \$371 million of CRF funds to local governments for COVID-19 relief,
- \$335 for surge medical staff augmentation for nursing homes and hospitals,
- \$120 million for personal protective equipment, testing initiatives, and alternative care and quarantine sites,
- \$470 million for other state agency response costs,
- \$105 million for public safety payroll expenses; and,
- \$78 million for nursing homes and long-term care facilities for COVID-19 testing.
-

The remaining balance of approximately \$520 million of CRF funds currently has yet to be obligated.

The State also has received funding through the Federal Medical Assistance Percentage (“FMAP”) first authorized by the Families First Coronavirus Relief Act, which temporarily increased the Medicaid reimbursement rate to the State by 6.2% to 73.5% for any quarter in which there is a federally dedicated public health emergency. To date, the State has received the enhanced reimbursement rate for six quarters. In addition, approximately \$457 million was received from the Elementary and Secondary School Emergency Relief (ESSER) Fund, and approximately \$406 million was received from the Higher Education Emergency Relief (HEER) Fund. The State also estimates it is eligible to receive up to \$15.9 billion in assistance under the ARP Act, including \$4.8 billion through the State Fiscal Recovery Fund, \$3.5 billion for the Local Fiscal Recovery Fund, \$4.2 billion in additional ESSER funds, and \$1.2 billion in additional HEER funds. On May 20, 2021 the State received its first tranche of State Fiscal Recovery Funds totaling \$2.4 billion. The federal government still is in the process of finalizing rules governing the expenditure and reporting requirements associated with these funds.

Impact of COVID-19 on the City

Developments relating to COVID-19 continue to occur rapidly. The duration and severity of COVID-19, and its ongoing impact on the State and City is unknown and will continue to evolve. The State and the City’s finances may be adversely affected by the continued spread of COVID-19. The City cannot predict what effect the spread of COVID-19 or the various governmental and private actions taken in response thereto will have on the finances or operations of the City. Epidemiology experts predict multiple “waves” of infections from COVID-19 and its variants, which may result in disruptions in local labor markets, private businesses, and school and local government operations.

The City has been negatively impacted by the effects of COVID-19. The City is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. The City has received funding from the federal government to help offset the impact of COVID-19. As of October 7, 2021, the City had received \$3,467,796 from the American Rescue Plan Act of 2021. As of the date of this Official Statement, the full impact to the City’s financial position is not known.

The economic consequences and the risk of declines in the U.S. and global stock markets resulting from the spread of COVID-19 and its variants, and responses thereto by local, State, and the federal governments could have a material impact on the investments in employee pension plans. The continued spread of COVID-19 and its related impact on the City could include, but are not limited to, disruption of the regional and local economy with corresponding decreases in State revenues, tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax

delinquencies, potential declines in property values, and decreases in new home sales and real estate development.

Operations of the System

Future revenues and expenses of the System are subject to a variety of economic and other factors and conditions, including without limitation (a) the inability of the City's facilities to meet demands on the System, (b) downturns in local, regional, national and international economies or decreases in economic development at the local or state level, (c) unanticipated increases in operating or administrative expenses, (d) potential closure, or restrictions on the use, of the City's facilities due to unforeseen events or occurrences, acts of war, terrorism, epidemic or disease in foreign countries or in domestic locations, (e) potential work stoppages due to labor disputes or other causes, (f) the effects of global economic cycles, and (g) other possible general, national or local political or economic conditions, including inflation, deflation, general cost increases, international trade embargoes, international trade deficits or imbalances, deterioration of international trade relations, calls for a global reserve currency as an alternative to the United States dollar, among other factors. The occurrence of any one or more of the foregoing adverse events, and the other events described below, including events not enumerated in other sections of this Official Statement, may materially adversely affect the System's results of operations, cash flow and financial condition.

Climate Change

Planning for climate change in the State and its impact on the City's operations is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of the climate change is not yet known and therefore its future impact on the City cannot be quantified reliably at this time.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the commercial operations, which could materially adversely affect the operations of the City.

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MISCELLANEOUS

Rating

S&P Global Ratings (“**S&P**”), a division of Standard & Poor’s Financial Services LLC, has assigned the rating of “AA” to the Series 2021 Bonds. The rating reflects only the view of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating. There is no assurance that the rating will remain unchanged for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the liquidity and market price of the Series 2021 Bonds.

The rating agency may be contacted as follows: S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041, telephone (212) 438-2074.

Underwriting

Pursuant to a Bond Purchase Agreement executed by and between the Authority and the Underwriter on _____, 2021, the Underwriter has agreed to purchase the Series 2021 Bonds at a price of \$_____, which represents the par amount of the Series 2021 Bonds, \$_____, less underwriter’s discount of \$_____, and [less/plus net original issue discount/premium] in the amount of \$_____. The obligation of the Underwriter to accept delivery of the Series 2021 Bonds is subject to numerous conditions set forth in the Bond Purchase Agreement.

The Underwriter may offer and sell the Series 2021 Bonds to certain dealers and others at prices lower than the public offering price stated on the inside cover page hereof. The initial public offering price may be changed from time to time by the Underwriter.

Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934 (the “**Rule**”) imposes continuing disclosure obligations on the issuers and obligors of certain state and municipal securities to permit participating underwriters to offer and sell the issuer’s securities. In order to assist the Underwriter of the Series 2021 Bonds in complying with the Rule, the City will sign a Disclosure Dissemination Agent Agreement with DAC on the date of issuance and delivery of the Series 2021 Bonds under which the City has designated DAC as Disclosure Dissemination Agent. The City will provide for the benefit of the owners of the Series 2021 Bonds (a) certain financial information and operating data relating to the City annually (“**Annual Report**”) to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“**EMMA**”), an internet-based electronic filing system supported by the Municipal Securities Rulemaking Board, and (b) notices of the occurrence of certain events of the City (“**Event Notices**”) to EMMA. The City’s current fiscal year began on July 1, 2021, and will end on June 30, 2022. The Annual Reports and Event Notices are described further in “Appendix C: FORM OF THE DISCLOSURE DISSEMINATION AGREEMENT.” These covenants will be made by the City in order to assist the Underwriter in complying with the Rule.

The undertakings described above may be amended or modified from time to time in accordance with the terms of the Disclosure Dissemination Agreement. The City will reserve the right to terminate its obligation to provide annual financial information and notices of enumerated events if and when the City no longer remains an obligated person with respect to the Series 2021 Bonds within the meaning of the Rule.

The City agrees that its undertaking pursuant to the Rule described in the Disclosure Dissemination Agreement is intended to be for the benefit of the holders and beneficial owners of the Series 2021 Bonds and shall be enforceable by such holders and beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to seek mandamus or specific performance to cause the City to comply with its obligations. Any failure by the City to comply with the provisions of the undertaking shall not be an event of default with respect to the Series 2021 Bonds under the Resolution. With respect to the Series 2021 Bonds, no party other than the City is obligated to

provide, nor is expected to provide, any continuing disclosure information. The City fully anticipates satisfying all obligations in connection therewith.

The City has previously entered into continuing disclosure agreements with respect to the Rule (the “**Prior Undertakings**”), most recently for the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY, GEORGIA REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2010 (the “**Series 2010 Bonds**”) which were defeased on August 10, 2017 and fully redeemed on December 1, 2020. As of the date of this Official Statement, no Prior Undertakings are in effect. The City, through its publicly accessible website, has made available to the public each year a comprehensive annual financial report.

Financial Statements

The financial statements of the City for the fiscal year ended June 30, 2020, and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Certified Public Accountants, of Savannah, Georgia, to the extent and for the periods indicated in their report thereon which appears in such appendix. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins, LLC.

Miscellaneous

The references, excerpts, and summaries of all documents, statutes, and information concerning the Authority and the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive, and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds, and the rights and obligations of the owners thereof and to each such statute, report, or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

Forward-Looking Statements

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the Authority does not assume any obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no

assurance that the forward-looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

Certification

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Authority and the City.

CAMDEN COUNTY PUBLIC SERVICE
AUTHORITY

By: _____
Chairman

CITY OF ST. MARYS, GEORGIA

By: _____
Mayor

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Appendix A

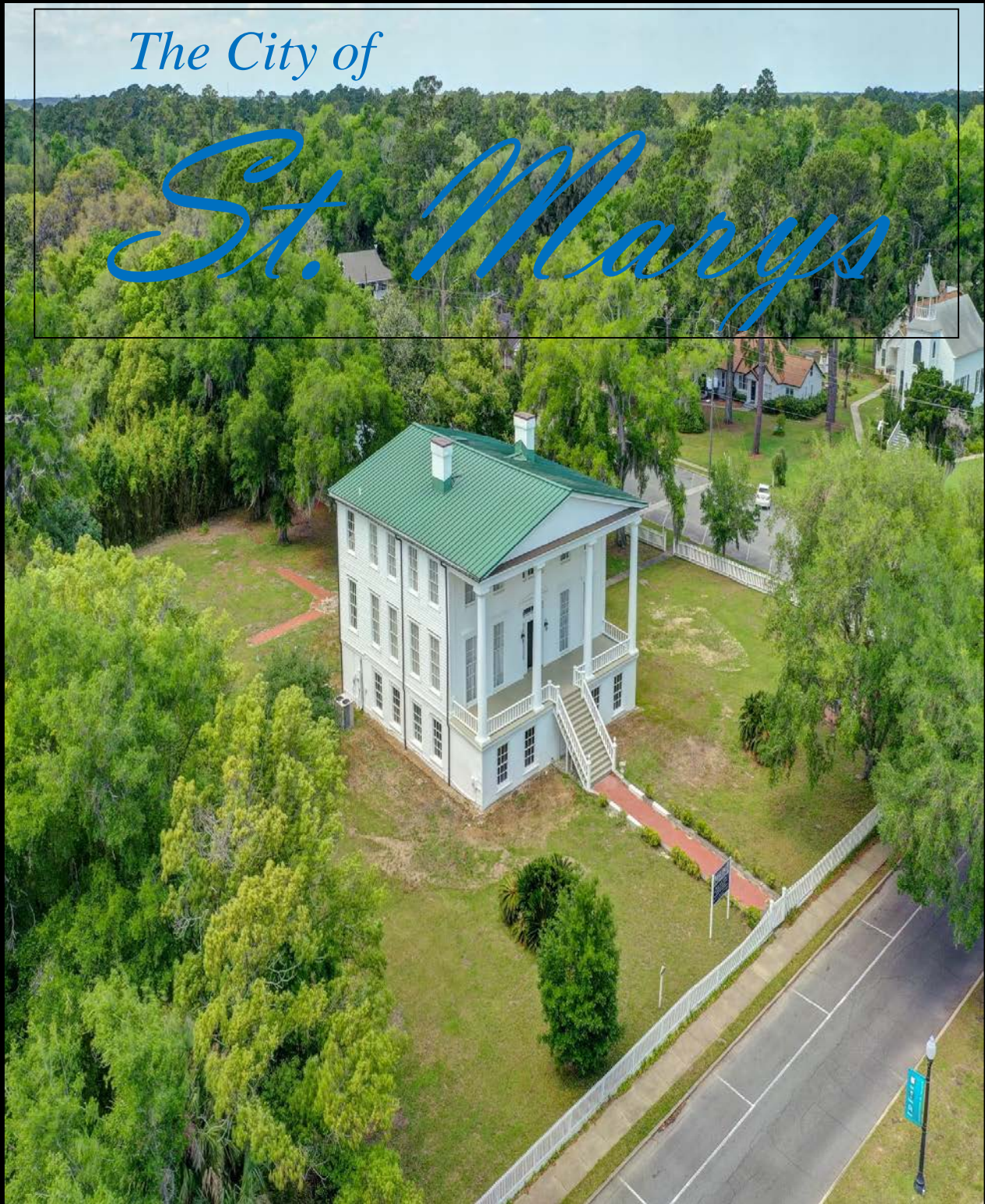
AUDITED FINANCIAL STATEMENTS OF THE CITY OF ST. MARYS, GEORGIA,
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The financial statements of the City as of and for the year ended June 30, 2020, included as part of this Appendix A, have been audited by Mauldin & Jenkins, LLC, Certified Public Accountants, of Savannah, Georgia, independent Certified Public Accountants, to the extent and for the period indicated in their report thereon which also appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins, LLC.

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The City of

St. Marys



CITY OF ST. MARYS, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PREPARED BY
City Finance Department

CITY OF ST. MARYS, GEORGIA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF ST. MARYS, GEORGIA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF ST. MARYS, GEORGIA

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

February 24, 2021

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") for the City of St. Marys, Georgia (the "City") for the year ended June 30, 2020. A copy of this report is on file with the Finance Department for public inspection and is located in the Customer Service Department. A copy will be filed with the State Auditor's office to fulfill the requirements set forth.

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

Mauldin & Jenkins, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2020. The Independent Auditor's Report is located at the front of the financial section of this report. Generally Accepted Accounting Principles ("GAAP") requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

Government Overview

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

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

The financial reporting entity of the City includes all the funds of the City, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included as part of the City. Each June, the Council adopts the budget for the upcoming year in the form of an ordinance. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department and is closely monitored throughout the year. Additionally, expenditures, revenues and performance data are monitored in order to ensure the successful implementation of the City's service plan. As conditions change or circumstances are altered, the budget process allows for amendments. The City, as a first-time submittal, received the Distinguished Budget Award from the Governmental Finance Officers Association ("GFOA") for the fiscal year 2012 budget and has been awarded the same honor for the following fiscal years. The City received the Certificate of Achievement in Financial Reporting for the fiscal year 2014 and the same recognition for the following fiscal years and the Certificate of Achievement in Popular Annual Financial Reporting for the fiscal year 2018 and 2019.

Budget Adjustments/Amendments

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

Per O.C.G.A. §36-81-3:

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

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

Local Economy

The City is located in Camden County and is considered to be a tourist destination. The federal government is a significant economic presence thanks to Kings Bay Naval Base and the United States Coast Guard. Besides the Naval Base, the City's top employer is Express Scripts, which is a pharmaceutical call center. As of June 2020, unemployment in the Camden County area was 5.4% compared to 11.1% nationally and 7.6% for the State of Georgia as a whole.

Palpable growth is evident when looking at the census numbers. The City's population has grown significantly since 1990 (from 8,187 to 18,567 est. 2019 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. Planned development in the City is in the works that will include a marina with approximately 181 wet slips, 212 dry stacks, townhomes, apartments, retail units, restaurants, and the possibility of new commercial establishments. Other interests include an Aquaponics facility and several new residential developments.

Within the area, the City is currently working on initiatives to develop a commercial spaceport site. 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, 2020, 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 2021 budget.

The City has made great strides to improve service levels and improve the financial integrity of the City. The fiscal year 2021 budget was a challenge again this year due to the COVID-19 pandemic. The entire country was looking at an economic downturn due to travel restrictions, quarantine of individuals, and the shutdown of many businesses. The City decreased its budget due to the unforeseen future of the pandemic. The City did decide to maintain a millage rate that would net the same amount of taxes as in the previous year's fiscal year 2020.

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

In addition to the annual operating budget, the City prepares a five-year capital plan that is updated on a yearly basis. The most recent plan update for years 2021 through 2025 identifies projects and funding that total \$7.19 million and includes major categories of water and sewer, public buildings, parks and recreation, community development, drainage, streets, and traffic improvements. The General Fund is projected to contribute \$2.24 million of the funding for the five-year plan.

Major Initiatives

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

The City Council has approved upgrades to city facilities, building a city marina, drainage project, road, streets, and trails. The City will invest funds in the Coast Guard to install storm shutters. This will keep the facility secure during hurricanes and adverse weather. Building a City marina will help improve tourism and attract more traffic in the City's downtown area to promote growth. The City will continue its efforts to work on drainage projects around the City to eliminate flooding. The City will continue to change over its meter program to increase efficiency with meter reading and billing. Also, the City continues to use Special Purpose Local Option Sales Tax ("SPLOST") VIII funds to help assist with its bond debt payment. 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 and the certified public accounting firm of Mauldin & Jenkins, CPA.

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

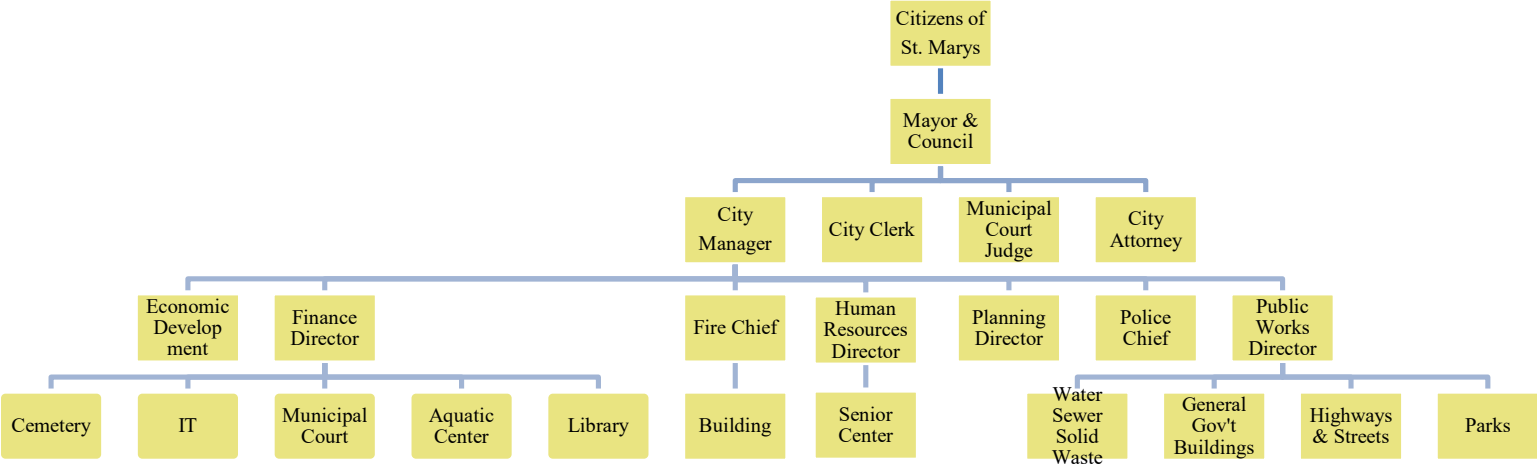
Respectfully submitted,



Jennifer Brown
Finance Director

CITY OF ST. MARYS, GEORGIA

ORGANIZATIONAL CHART JUNE 30, 2020



CITY OF ST. MARYS, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2020

ELECTED

Mayor

John F. Morrissey

City Council

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

APPOINTED

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 Lacker	Fire Chief
Chris Cox	City Engineer
Bobby Marr	Utilities Director

CITY OF ST. MARYS, GEORGIA

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Marys
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of St. Marys, Georgia** (the "City"), as of and for the year ended June 30, 2020, 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, 2020, 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 Annotated §48-8-121, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds 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 and the schedules of expenditures of special purpose local option sales tax proceeds 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 February 24, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Savannah, Georgia
February 24, 2021

CITY OF ST. MARYS, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Within this section of the City of St. Marys, Georgia's (the "City") annual financial statements, management is pleased to offer readers this narrative overview and analysis of the financial activities of the City of St. Marys, Georgia for the fiscal year ended June 30, 2020. 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, 2020, exceeded its liabilities on June 30, 2020, by \$68.5 million (net position). Of this amount, \$13.8 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by \$2 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8.7 million, a decrease of \$1.5 million in comparison with the prior year. Approximately 67% of this total amount, \$5.9 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 \$41.1 million, an increase of \$.05 million in comparison with the prior year. Approximately 19.1% of this total amount, \$7.8 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 \$6.0 million, or a positive 44.1%, of total General Fund expenditures.

During the current fiscal year, the City did not issue new debt for the Governmental funds or Business-type funds. The Governmental funds had a decrease of \$497,775 in debt service. The Business-type funds had a decrease of \$2,462,168 in debt service. The total overall change in debt service was a decrease of \$2,959,943. *Numbers do not include compensated absences or the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

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

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

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

The *statement of net position* presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. This statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities. This statement presents information on four component units of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 18 – 22 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 Special Purpose Local Option Sales Tax ("SPLOST") VIII Fund because they are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 22 – 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 nonmajor fund of the City.

The basic proprietary fund financial statements can be found on pages 28 – 31 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 32 – 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 nonmajor governmental funds and enterprise funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 58 — 67 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 68 – 88 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

City of St. Marys - Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 9,499,917	\$ 10,855,539	\$ 10,444,232	\$ 10,008,759	\$ 19,944,149	\$ 20,864,298
Capital assets	20,148,294	17,470,606	64,578,432	67,167,511	84,726,726	84,638,117
Total assets	29,648,211	28,326,145	75,022,664	77,176,270	104,670,875	105,502,415
Deferred outflows of resources	-	-	3,736,960	4,024,418	3,736,960	4,024,418
Other liabilities	371,480	535,230	920,622	959,142	1,292,102	1,494,372
Long-term liabilities	1,578,345	2,127,283	36,735,580	39,188,214	38,313,925	41,315,497
Net pension liability	306,665	214,897	-	-	306,665	214,897
Total liabilities	2,256,490	2,877,410	37,656,202	40,147,356	39,912,692	43,024,766
Deferred inflows of resources	6,508	41,173	-	-	6,508	41,173
Net position:						
Net investment in capital assets	18,789,097	15,613,634	31,641,871	28,031,822	50,430,968	43,645,456
Restricted	2,667,851	3,349,525	1,629,514	1,840,323	4,297,365	5,189,848
Unrestricted	5,928,265	6,444,403	7,832,037	11,181,187	13,760,302	17,625,590
Total net position	<u>\$ 27,385,213</u>	<u>\$ 25,407,562</u>	<u>\$ 41,103,422</u>	<u>\$ 41,053,332</u>	<u>\$ 68,488,635</u>	<u>\$ 66,460,894</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, \$50.4 million (73.6%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net position, \$4.3 million (6.3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13.8 million (20.1%) is the unrestricted net position that may be used to meet the government's ongoing obligations of the City.

Governmental activities during the fiscal year ended June 30, 2020, increased the City's net position by \$1.98 million. Business-type activities during the same period increased the net position by \$.05 million for a total increase in net position of \$2.03 million. The following chart shows the revenue and expenses by activity for the total primary government.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of St. Marys - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 1,568,776	\$ 1,436,350	\$ 8,232,790	\$ 8,572,028	\$ 9,801,566	\$ 10,008,378
Capital grants and contributions	3,578,031	4,554,489	-	-	3,578,031	4,554,489
General revenues:						
Property taxes	4,585,293	4,339,628	-	-	4,585,293	4,339,628
Franchise taxes	1,043,888	1,032,606	-	-	1,043,888	1,032,606
Sales taxes	2,151,902	2,005,315	-	-	2,151,902	2,005,315
Hotel/Motel taxes	128,652	140,216	-	-	128,652	140,216
Other taxes	1,553,550	1,466,945	-	-	1,553,550	1,466,945
Unrestricted investment earnings	7,417	6,360	13,142	23,922	20,559	30,282
Gain on sale of capital assets	-	8,378	-	10,796	-	19,174
Total revenues	14,617,509	14,990,287	8,245,932	8,606,746	22,863,441	23,597,033
Expenses						
Governmental activities:						
General government	1,828,789	2,306,567	-	-	1,828,789	2,306,567
Public safety	4,366,745	4,009,102	-	-	4,366,745	4,009,102
Public works	3,068,719	2,476,956	-	-	3,068,719	2,476,956
Health and welfare	183,951	168,699	-	-	183,951	168,699
Judicial	164,460	173,484	-	-	164,460	173,484
Culture and recreation	482,502	429,153	-	-	482,502	429,153
Housing and development	1,247,176	711,232	-	-	1,247,176	711,232
Interest on long-term debt	47,516	30,958	-	-	47,516	30,958
Business-type activities:						
Water and sewer	-	-	7,800,699	7,814,485	7,800,699	7,814,485
Solid waste	-	-	1,233,861	1,172,093	1,233,861	1,172,093
Aquatic center	-	-	411,282	525,076	411,282	525,076
Total expenses	11,389,858	10,306,151	9,445,842	9,511,654	20,835,700	19,817,805
Increase (decrease) in net position before transfers	3,227,651	4,684,136	(1,199,910)	(904,908)	2,027,741	3,779,228
Transfers	(1,250,000)	(1,228,969)	1,250,000	1,228,969	-	-
Increase (decrease) in net position	1,977,651	3,455,167	50,090	324,061	2,027,741	3,779,228
Net position, beginning of year	25,407,562	21,952,395	41,053,332	40,729,271	66,460,894	62,681,666
Net position, end of year	\$ 27,385,213	\$ 25,407,562	\$ 41,103,422	\$ 41,053,332	\$ 68,488,635	\$ 66,460,894

Changes in Net Position. The City's total revenues before transfers were \$22.9 million in the fiscal year 2020. Expenses were \$20.8 million. Governmental and business-type activities combined provided a \$2.03 million increase in net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities revenues, before transfers, were \$14.6 million and included \$1.57 million for charges for services, \$3.6 for grants and contributions, and \$9.74 million in taxes and other revenues. The most significant governmental activities expenses were for public safety of \$4.4 million, public works of \$3.1 million, and the general government of \$1.8 million.

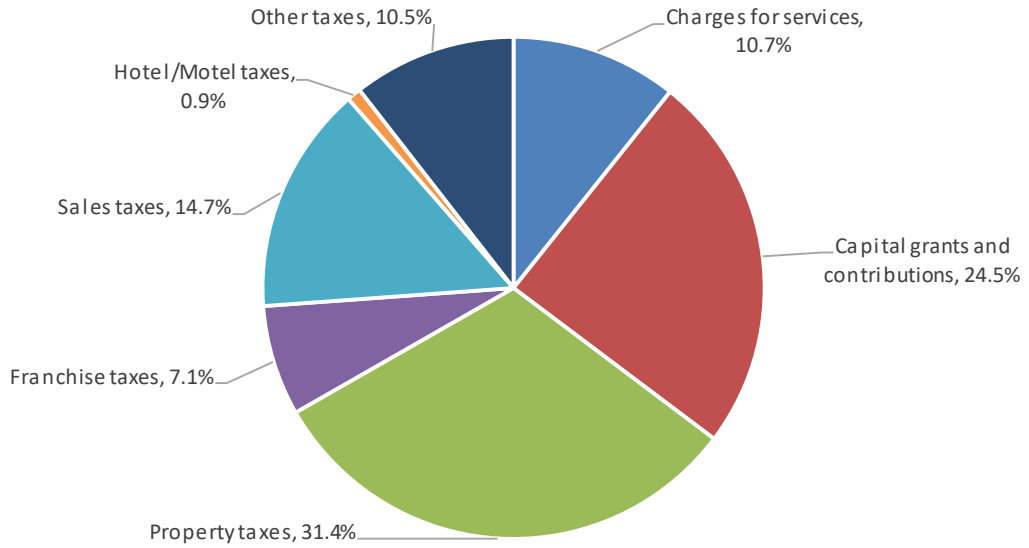
Business-type activity revenues, before transfers, were \$8.24 million and included \$8.23 million in charges for services and \$.01 million in other revenues. The most significant business-type activity expenses were personal services of \$1.5 million, purchased and contracted services of \$2.6 million, supplies of \$1.3 million, and depreciation of \$2.7 million.

City of St. Marys - Changes in Net Position

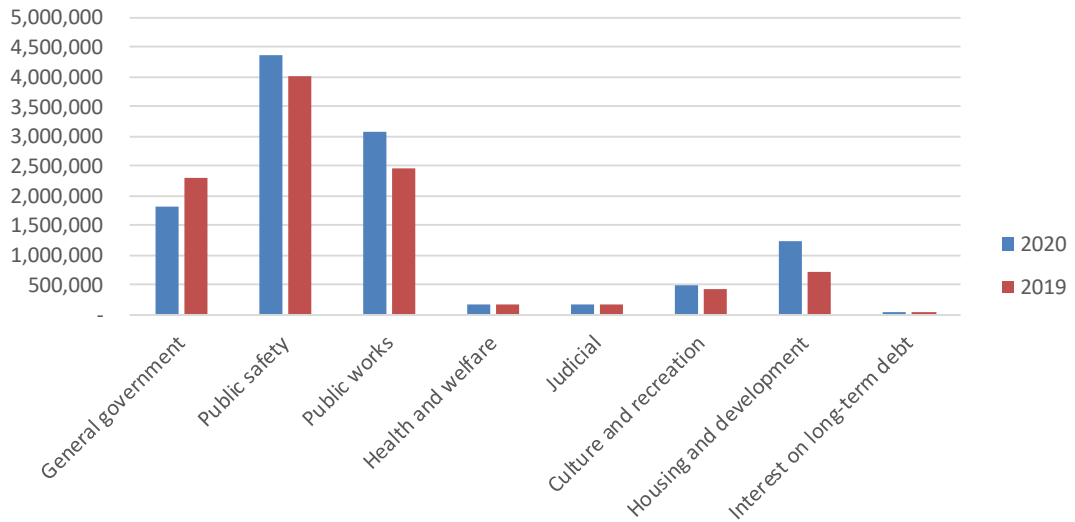
	Total		Increase (Decrease)	Percentage Change
	2020	2019		
Revenues				
Program revenues:				
Charges for services	\$ 9,801,566	\$ 10,008,378	\$ (206,812)	-2.1%
Capital grants and contributions	3,578,031	4,554,489	(976,458)	-21.4%
General revenues:				
Property taxes	4,585,293	4,339,628	245,665	5.7%
Franchise taxes	1,043,888	1,032,606	11,282	1.1%
Sales taxes	2,151,902	2,005,315	146,587	7.3%
Hotel/Motel taxes	128,652	140,216	(11,564)	-8.2%
Other taxes	1,553,550	1,466,945	86,605	5.9%
Unrestricted investment earnings	20,559	30,282	(9,723)	-32.1%
Gain on sale of capital assets	-	19,174	(19,174)	-100.0%
Total revenues	<u>22,863,441</u>	<u>23,597,033</u>	<u>(733,592)</u>	-3.1%
Expenses				
Governmental activities:				
General government	1,828,789	2,306,567	(477,778)	-20.7%
Public safety	4,366,745	4,009,102	357,643	8.9%
Public works	3,068,719	2,476,956	591,763	23.9%
Health and welfare	183,951	168,699	15,252	9.0%
Judicial	164,460	173,484	(9,024)	-5.2%
Culture and recreation	482,502	429,153	53,349	12.4%
Housing and development	1,247,176	711,232	535,944	75.4%
Interest on long-term debt	47,516	30,958	16,558	53.5%
Business-type activities:				
Water and sewer	7,800,699	7,814,485	(13,786)	-0.2%
Solid waste	1,233,861	1,172,093	61,768	5.3%
Aquatic center	411,282	525,076	(113,794)	-21.7%
Total expenses	<u>20,835,700</u>	<u>19,817,805</u>	<u>1,017,895</u>	5.1%
Increase (decrease) in net position	<u>2,027,741</u>	<u>3,779,228</u>	<u>(1,751,487)</u>	-46.3%
Net position, beginning of year	66,460,894	62,681,666	3,779,228	6.0%
Net position, end of year	<u>\$ 68,488,635</u>	<u>\$ 66,460,894</u>	<u>\$ 2,027,741</u>	3.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities Revenue by Source - June 30, 2020

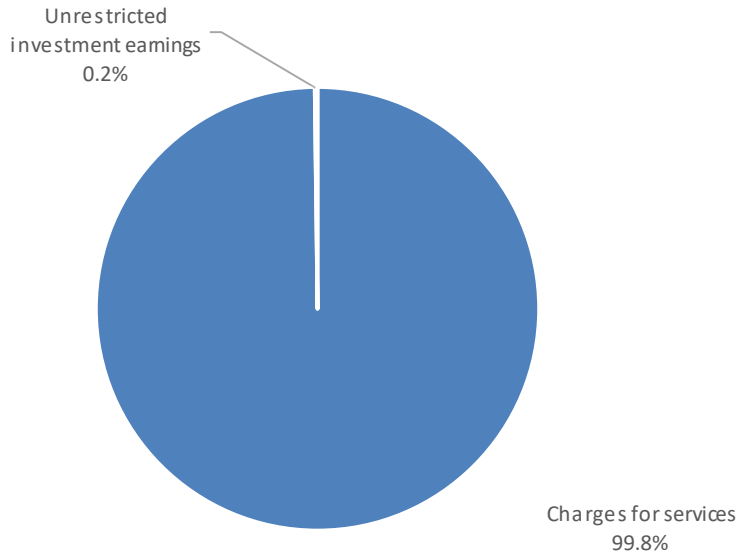


Governmental Activities Program Expenses - June 30, 2020

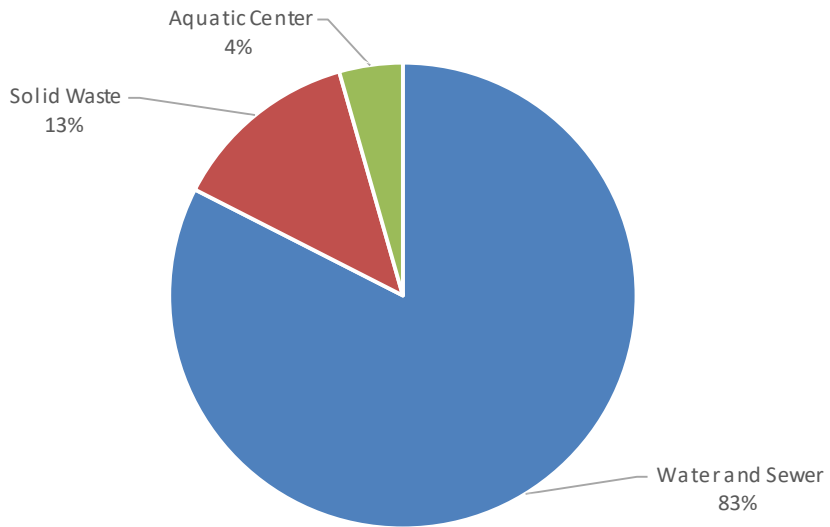


MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-Type Activities - Revenues By Source - June 30, 2020



Business-Type - Expenses By Source - June 30, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenue Impacts. Capital grants and contributions decreased 21.4%, or \$976,458. This is due to projects that were completed in the previous year. Unrestricted investment earnings realized a decrease of 32.1% or \$9,723 due to a decrease in cash on hand and interest rates. Gain on sale of capital assets realized a decrease of \$19,174, or 100%, due to the lack of sale of assets.

Expense Impacts. The general government decreased \$477,778, or 20.7%, which is primarily due to the Wheeler Street. boat ramp that was mostly completed in the previous year. Public Works increased \$591,763, or 23.9%, which is mainly due to capital projects that are in progress for our downtown area. Culture and recreation increased \$53,349, or 12.4%, due to site improvement. Housing and development increased \$535,944, or 75.4% due to major repairs to Orange Hall. Interest on long-term debt increased 53.5%, or \$16,558, due to a new loan acquired in the previous year. Aquatic park decreased 21.7%, or \$113,794 due to the current COVID-19 pandemic.

Fund Balance

<u>Fund</u>	<u>Fund Balance 6/30/2019</u>	<u>Revenues/ Sources</u>	<u>Expenses/ Uses</u>	<u>Over (under) Exp./Uses</u>	<u>Fund Balance 6/30/2020</u>
General Fund	\$ 7,075,603	\$ 12,740,516	\$ 13,602,875	\$ (862,359)	\$ 6,213,244
SPLOST VIII Fund	-	1,634,122	1,250,000	384,122	384,122
Nonmajor Governmental Funds	3,147,672	674,581	1,678,794	(1,004,213)	2,143,459
Total	<u>\$ 10,223,275</u>	<u>\$ 15,049,219</u>	<u>\$ 16,531,669</u>	<u>\$ (1,482,450)</u>	<u>\$ 8,740,825</u>

As of June 30, 2020, the City's governmental funds reported a combined fund balance of \$8.7 million, which is a net decrease of \$1.48 million from the previous year.

General Fund's fund balance decreased by \$.86 million and was \$6.2 million at the end of the year. This decrease was mainly due to the Stormwater, Highways, Renovations, Improvement, Maintenance ("SHRIMP") project in the downtown area.

The SPLOST VIII Fund's fund balance increased by \$.38 million and was \$.38 million at the end of the year. The revenues exceeded the expenditures. These funds are restricted for capital projects.

Other Funds fund balance decreased \$1 million and was \$2.1 million at the end of the year. The decrease was due to grants and SPLOST VII funds 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

Governmental Funds:

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

The chief operating fund of the government is the General Fund. At the end of the fiscal year 2020, the General Fund reported a fund balance of \$6,213,244. This is a decrease of \$862,359 from the beginning fund balance. Of the total amount, \$5,993,853 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 the fund balance are non-spendable prepaid items and advance.

The SPLOST VIII Fund is presented as a major governmental fund. The SPLOST VIII Funds are used to account for projects constructed with special purpose local option sales tax. The SPLOST VIII Fund is a major fund in most years. The fund balance of \$384,122 is restricted for voter-approved SPLOST projects.

The fund balances for the other governmental funds decreased by \$1,004,213. The total combined fund balances for the additional governmental funds were a positive \$2,143,459 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 \$9,890,990 at the end of the fiscal year ended June 30, 2020. Of this amount, \$2,164,299 is reported as restricted assets.

The Water and Sewer Fund had an ending net position of \$39,443,379 for the fiscal year 2020. This was an increase of \$249,370 from the previous year. Of the balance, \$30,556,718 is the net investment in capital assets, and \$1,629,514 is reported as restricted net position.

The Solid Waste Fund had an ending net position of \$537,210 for the fiscal year 2020. This was an increase of \$6,568 from the previous year.

The Aquatic Center Fund had an ending net position balance of \$1,132,833 for the fiscal year 2020. This was a decrease of \$205,848 from the previous year. Of the balance, \$1,085,153 is invested in capital assets.

General Fund Budget Highlights:

The budget was prepared according to Georgia Law. The fiscal year 2020 original revenue budget was \$9,863,110. The original budget was amended to \$11,837,381. The major increase is in miscellaneous income, which included funds for insurance reimbursement due to hurricane damage. The final budgeted revenues increased 20%, or \$1,974,271. The total budgeted expenditures increased by \$2,635,808, or 20%, from the original budget due to capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ended June 30, 2020, governmental activities and business-type activities had capital assets of \$84,726,726 (net of accumulated depreciation) invested in land, buildings, system improvements, machinery and equipment, and recreation and park facilities. This represents a .1% increase, or \$88,609 overall. The governmental activities increased by \$2,677,688, or 15.3%, due to new assets acquired. Business-type activities decreased by 3.9%, 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 \$3,976,739.
- 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,085,907	\$ 1,952,638	\$ 846,727	\$ 846,727	\$ 2,932,634	\$ 2,799,365
Construction in progress	2,827,775	3,160,298	125,479	78,425	2,953,254	3,238,723
Infrastructure	9,261,025	6,283,158	60,348,943	62,712,938	69,609,968	68,996,096
Buildings	3,525,601	2,988,967	2,944,048	3,137,425	6,469,649	6,126,392
Improvements	1,934,553	2,187,468	-	-	1,934,553	2,187,468
Machinery and equipment	513,433	898,077	313,235	391,996	826,668	1,290,073
	\$ 20,148,294	\$ 17,470,606	\$ 64,578,432	\$ 67,167,511	\$ 84,726,726	\$ 84,638,117

Additional information on the City's capital assets can be found in Note 5 on pages 44 and 45 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, 2020, the City had \$1,359,197 of outstanding debt related to governmental activities and \$36,673,521 of outstanding debt related to business-type activities, for a total of \$38,032,718 compared to the previous year's total of \$40,992,661. This is a decrease of \$2,959,943. *Numbers do not include compensated absences or the net pension liability.

At the end of 2020, the business activities had a bonded debt of 34,094,207. 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 46 – 48 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Factors affecting the Fiscal Year 2021 Budget

The City of St. Marys started the initial planning of budget preparation by evaluating what "Quality of Life" in the City is and how to support the community. The Mayor and Council of the City considered many factors when approving the City's fiscal year 2021 budget. The fiscal year 2021 City-wide budget decreased by approximately 6%.

With the uncertainty of the pandemic of COVID-19, the City took a proactive approach and decreased the fiscal year 2021 budget. Also, the City completed various capital projects in the prior year, which reduced the budget. The City-wide budget was set at \$27,424,553. 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 significant capital equipment needs for safety concerns with public safety and public works and the downtown boating infrastructure project.

Fiscal Year 2021 Major Initiatives

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

1. In March 2013, voters approved a 1% Special Purpose Local Option Sales Tax ("SPLOST") VII. In 2021, SPLOST will be used for police buildings, additional parking, storm drainage, multi-use trails, playground equipment, marina project, repairs to the aquatic park, software upgrade, 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 project that is part of the renaissance plan.
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

14. Council approved \$5,000 to assist with ferry services to Fernandina Beach.
15. The City continues to work toward bringing in new business and retaining current businesses in the City. The following tools will be considered to assist the City in this effort:
 - Identify vendors conducting business with various entities (i.e., base, school district, etc.) to ascertain potential opportunities for local vendors;
 - Continue business recruiting;
 - Develop a marketing plan for the community;
 - Promote appearance and safety at Exit 1;
 - Create incentives to attract business.

The fiscal year 2021 projections continue to be conservative yet realistic.

Economic Factors

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

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

Requests for Information

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

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CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2020

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 7,830,594	\$ 7,726,691	\$ 15,557,285
Taxes receivable	130,662	-	130,662
Accounts receivable, net of allowances	419,908	606,747	1,026,655
Prepaid expenses	189,391	100,066	289,457
Due from other governments	775,155	-	775,155
Internal balances	153,571	(153,571)	-
Due from component units	636	-	636
Due from primary government	-	-	-
Restricted assets, cash and cash equivalents	-	2,164,299	2,164,299
Capital assets			
Non-depreciable	4,913,682	972,206	5,885,888
Depreciable, net of accumulated depreciation	15,234,612	63,606,226	78,840,838
Total assets	29,648,211	75,022,664	104,670,875
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding loss	-	3,736,960	3,736,960
LIABILITIES			
Accounts payable	287,148	279,487	566,635
Accrued liabilities	71,785	239,255	311,040
Due to component units	12,547	-	12,547
Due to primary government	-	-	-
Customer deposits	-	390,210	390,210
Unearned revenue	-	11,670	11,670
Compensated absences due within one year	219,148	62,059	281,207
Capital leases due within one year	267,845	-	267,845
Capital leases due in more than one year	347,665	-	347,665
Notes payable due within one year	163,169	375,332	538,501
Notes payable due in more than one year	580,518	2,203,982	2,784,500
Net pension liability due in more than one year	306,665	-	306,665
Bonds payable due within one year	-	2,550,000	2,550,000
Bonds payable due in more than one year	-	31,544,207	31,544,207
Total liabilities	2,256,490	37,656,202	39,912,692
DEFERRED INFLOWS OF RESOURCES			
Pension	6,508	-	6,508
NET POSITION			
Net investment in capital assets	18,789,097	31,641,871	50,430,968
Restricted for capital projects	2,667,637	-	2,667,637
Restricted for debt service	-	1,629,514	1,629,514
Restricted for public safety	214	-	214
Unrestricted	5,928,265	7,832,037	13,760,302
Total net position	\$ 27,385,213	\$ 41,103,422	\$ 68,488,635

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

Component Units			
Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
\$ 11,877	\$ 45,053	\$ 38,657	\$ 180,814
-	-	-	-
-	-	29	10,018
-	-	1,116	-
-	-	-	-
-	-	-	-
-	-	12,547	-
-	-	-	-
332,234	620,000	-	-
-	-	-	-
<u>344,111</u>	<u>665,053</u>	<u>52,349</u>	<u>190,832</u>
-	-	-	-
-	1,858	1,271	-
-	-	381	-
-	-	-	-
-	-	636	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,858	2,288	-
-	-	-	-
-	-	-	-
332,234	620,000	-	-
-	-	-	-
-	-	-	-
-	-	-	-
11,877	43,195	50,061	190,832
<u>\$ 344,111</u>	<u>\$ 663,195</u>	<u>\$ 50,061</u>	<u>\$ 190,832</u>

CITY OF ST. MARYS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 1,828,789	\$ 1,314,381	\$ -	\$ 1,411,244
Public safety	4,366,745	187,444	-	-
Public works	3,068,719	59,622	-	2,116,955
Health and welfare	183,951	-	-	-
Judicial	164,460	-	-	-
Culture and recreation	482,502	7,329	-	49,832
Housing and development	1,247,176	-	-	-
Interest on long-term debt	47,516	-	-	-
Total governmental activities	<u>11,389,858</u>	<u>1,568,776</u>	<u>-</u>	<u>3,578,031</u>
Business-type activities:				
Water and sewer	7,800,699	6,786,927	-	-
Solid waste	1,233,861	1,240,429	-	-
Aquatic center	411,282	205,434	-	-
Total business-type activities	<u>9,445,842</u>	<u>8,232,790</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 20,835,700</u>	<u>\$ 9,801,566</u>	<u>\$ -</u>	<u>\$ 3,578,031</u>
Component units				
Industrial Development Authority	\$ -	\$ -	\$ -	\$ -
Downtown Development Authority	31,618	3,600	25,000	-
Convention and Visitors Bureau	168,044	1,244	157,002	-
Cemetery Authority	21,383	28,609	-	-
Total component units	<u>\$ 221,045</u>	<u>\$ 33,453</u>	<u>\$ 182,002</u>	<u>\$ -</u>

General revenues
Property taxes
Franchise taxes
Sales taxes
Hotel/motel taxes
Other taxes
Unrestricted investment earnings
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
\$ 896,836	\$ -	\$ 896,836	\$ -	\$ -	\$ -	\$ -
(4,179,301)	-	(4,179,301)	-	-	-	-
(892,142)	-	(892,142)	-	-	-	-
(183,951)	-	(183,951)	-	-	-	-
(164,460)	-	(164,460)	-	-	-	-
(425,341)	-	(425,341)	-	-	-	-
(1,247,176)	-	(1,247,176)	-	-	-	-
(47,516)	-	(47,516)	-	-	-	-
<u>(6,243,051)</u>	<u>-</u>	<u>(6,243,051)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1,013,772)	(1,013,772)	-	-	-	-
-	6,568	6,568	-	-	-	-
-	<u>(205,848)</u>	<u>(205,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	<u>(1,213,052)</u>	<u>(1,213,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(6,243,051)</u>	<u>(1,213,052)</u>	<u>(7,456,103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	(3,018)	-	-
-	-	-	-	-	(9,798)	-
-	-	-	-	-	-	7,226
-	-	-	-	<u>(3,018)</u>	<u>(9,798)</u>	<u>7,226</u>
4,585,293	-	4,585,293	-	-	-	-
1,043,888	-	1,043,888	-	-	-	-
2,151,902	-	2,151,902	-	-	-	-
128,652	-	128,652	-	-	-	-
1,553,550	-	1,553,550	-	-	-	-
7,417	13,142	20,559	6	20	28	19,950
-	-	-	-	54	9,548	40
<u>(1,250,000)</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,220,702</u>	<u>1,263,142</u>	<u>9,483,844</u>	<u>6</u>	<u>74</u>	<u>9,576</u>	<u>19,990</u>
1,977,651	50,090	2,027,741	6	(2,944)	(222)	27,216
25,407,562	41,053,332	66,460,894	344,105	666,139	50,283	163,616
<u>\$ 27,385,213</u>	<u>\$ 41,103,422</u>	<u>\$ 68,488,635</u>	<u>\$ 344,111</u>	<u>\$ 663,195</u>	<u>\$ 50,061</u>	<u>\$ 190,832</u>

CITY OF ST. MARYS, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General Fund	SPLOST VIII Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,815,788	\$ 88,867	\$ 2,925,939	\$ 7,830,594
Taxes receivable	130,662	-	-	130,662
Accounts receivable	407,361	-	12,547	419,908
Prepaid items	189,391	-	-	189,391
Due from other governments	338,538	409,063	27,554	775,155
Due from other funds	917,095	-	-	917,095
Due from component units	636	-	-	636
Advance to other funds	30,000	-	-	30,000
	<u>\$ 6,829,471</u>	<u>\$ 497,930</u>	<u>\$ 2,966,040</u>	<u>\$ 10,293,441</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 271,713	\$ -	\$ 15,435	\$ 287,148
Accrued liabilities	70,710	-	1,075	71,785
Due to component units	-	-	12,547	12,547
Due to other funds	-	-	793,524	793,524
	<u>342,423</u>	<u>-</u>	<u>822,581</u>	<u>1,165,004</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	273,804	113,808	-	387,612
FUND BALANCES				
Nonspendable:				
Prepaid items	189,391	-	-	189,391
Advances to other funds	30,000	-	-	30,000
Restricted for:				
Capital projects	-	384,122	2,283,515	2,667,637
Public safety	-	-	214	214
Unassigned	5,993,853	-	(140,270)	5,853,583
	<u>6,213,244</u>	<u>384,122</u>	<u>2,143,459</u>	<u>8,740,825</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,829,471</u>	<u>\$ 497,930</u>	<u>\$ 2,966,040</u>	<u>\$ 10,293,441</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, 2020

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

Total governmental fund balances.	\$ 8,740,825
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,148,294
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(219,148)
Net pension liability	(306,665)
Note payable	(743,687)
Capital leases	(615,510)
Certain pension related deferred inflows are not reported in the funds.	(6,508)
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>387,612</u>
Net position of governmental activities.	<u>\$ 27,385,213</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, 2020

	<u>General Fund</u>	<u>SPLOST VIII Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
Revenues				
Taxes	\$ 9,044,055	\$ -	\$ 128,652	\$ 9,172,707
Licenses and permits	464,527	-	-	464,527
Intergovernmental	195,432	1,634,059	532,665	2,362,156
Fines and forfeitures	182,998	-	-	182,998
Charges for services	81,489	-	-	81,489
Interest income	5,853	63	1,564	7,480
Other revenues	2,043,874	-	11,700	2,055,574
Total revenues	<u>12,018,228</u>	<u>1,634,122</u>	<u>674,581</u>	<u>14,326,931</u>
Expenditures				
Current:				
General government	3,755,946	-	-	3,755,946
Public safety	4,144,992	-	-	4,144,992
Public works	3,258,701	-	-	3,258,701
Health and welfare	164,977	-	-	164,977
Judicial	164,426	-	-	164,426
Culture and recreation	486,505	-	-	486,505
Housing and development	1,082,037	-	128,652	1,210,689
Capital outlay	-	-	827,854	827,854
Debt service:				
Principal	497,775	-	-	497,775
Interest and fiscal charges	47,516	-	-	47,516
Total expenditures	<u>13,602,875</u>	<u>-</u>	<u>956,506</u>	<u>14,559,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,584,647)</u>	<u>1,634,122</u>	<u>(281,925)</u>	<u>(232,450)</u>
Other financing sources (uses)				
Transfers in	722,288	-	-	722,288
Transfers out	<u>-</u>	<u>(1,250,000)</u>	<u>(722,288)</u>	<u>(1,972,288)</u>
Total other financing sources (uses)	<u>722,288</u>	<u>(1,250,000)</u>	<u>(722,288)</u>	<u>(1,250,000)</u>
Net change in fund balances	(862,359)	384,122	(1,004,213)	(1,482,450)
Fund balances, beginning of year	<u>7,075,603</u>	<u>-</u>	<u>3,147,672</u>	<u>10,223,275</u>
Fund balances, end of year	<u>\$ 6,213,244</u>	<u>\$ 384,122</u>	<u>\$ 2,143,459</u>	<u>\$ 8,740,825</u>

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, 2020**

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

Net change in fund balances - total governmental funds. \$ (1,482,450)

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	3,976,739
Depreciation expense	(1,292,787)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations to other funds) is to decrease net position. (6,264)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 290,578

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on capital leases and notes	497,775
--	---------

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	51,163
Net pension liability and deferred inflows of resources related to pension	(57,103)

\$ 1,977,651

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,512,300	\$ 8,822,300	\$ 9,044,055	\$ 221,755
Licenses and permits	562,350	562,350	464,527	(97,823)
Intergovernmental	-	108,780	195,432	86,652
Fines and forfeitures	216,550	216,550	182,998	(33,552)
Interest	5,400	5,400	5,853	453
Charges for services	95,345	95,345	81,489	(13,856)
Miscellaneous	471,165	2,026,656	2,043,874	17,218
Total revenues	<u>9,863,110</u>	<u>11,837,381</u>	<u>12,018,228</u>	<u>180,847</u>
Expenditures				
Current				
General government:				
Legislative	241,238	260,958	243,786	17,172
Executive	389,175	460,775	425,419	35,356
Finance	1,050,780	1,082,822	981,504	101,318
Building and plant	210,024	1,809,800	1,716,029	93,771
Human resources	181,325	192,960	172,592	20,368
Information technology	222,125	222,775	216,616	6,159
Total general government	<u>2,294,667</u>	<u>4,030,090</u>	<u>3,755,946</u>	<u>274,144</u>
Public safety:				
Fire	2,058,655	2,045,785	1,902,310	143,475
Police	2,412,812	2,411,707	2,242,682	169,025
Total public safety	<u>4,471,467</u>	<u>4,457,492</u>	<u>4,144,992</u>	<u>312,500</u>
Public works:				
Public works administration	1,453,473	1,467,348	1,409,595	57,753
Highways and streets administration	1,106,314	1,882,544	1,709,895	172,649
Cemetery	143,195	148,595	139,211	9,384
Total public works	<u>2,702,982</u>	<u>3,498,487</u>	<u>3,258,701</u>	<u>239,786</u>
Judicial:				
Municipal court	177,915	180,615	164,426	16,189
Total judicial	<u>177,915</u>	<u>180,615</u>	<u>164,426</u>	<u>16,189</u>
Health and welfare:				
Senior citizens center	148,719	201,064	164,977	36,087
Total health and welfare	<u>148,719</u>	<u>201,064</u>	<u>164,977</u>	<u>36,087</u>
Culture and recreation:				
Culture and recreation administration	1,376,246	1,376,246	218,924	1,157,322
Library administration	333,092	335,492	267,581	67,911
Total culture and recreation	<u>1,709,338</u>	<u>1,711,738</u>	<u>486,505</u>	<u>1,225,233</u>

(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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Current (continued)				
Housing and development:				
Protective inspection administration	\$ 143,742	\$ 147,467	\$ 133,533	\$ 13,934
Planning and zoning	307,055	296,680	268,521	28,159
Special facilities	533,100	533,100	518,989	14,111
Economic development	101,810	101,810	68,580	33,230
Code enforcement	96,095	99,495	92,414	7,081
Total housing and development	<u>1,181,802</u>	<u>1,178,552</u>	<u>1,082,037</u>	<u>96,515</u>
Debt service:				
Principal	409,385	479,453	497,775	(18,322)
Interest	59,990	54,582	47,516	7,066
Total debt service	<u>469,375</u>	<u>534,035</u>	<u>545,291</u>	<u>(11,256)</u>
Total expenditures	<u>13,156,265</u>	<u>15,792,073</u>	<u>13,602,875</u>	<u>2,189,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,293,155)</u>	<u>(3,954,692)</u>	<u>(1,584,647)</u>	<u>2,370,045</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	10,000	10,000	-	(10,000)
Proceeds from capital leases	906,281	906,281	-	(906,281)
Transfers in	1,191,246	1,892,111	722,288	(1,169,823)
Total other financing sources (uses)	<u>2,107,527</u>	<u>2,808,392</u>	<u>722,288</u>	<u>(2,086,104)</u>
Net change in fund balances	(1,185,628)	(1,146,300)	(862,359)	283,941
Fund balances, beginning of year	<u>7,075,603</u>	<u>7,075,603</u>	<u>7,075,603</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,889,975</u>	<u>\$ 5,929,303</u>	<u>\$ 6,213,244</u>	<u>\$ 283,941</u>

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

CITY OF ST. MARYS, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

ASSETS	Major Enterprise Funds		Nonmajor Enterprise Fund	Totals
	Water and Sewer Fund	Solid Waste Fund	Aquatic Center Fund	
CURRENT ASSETS				
Cash and cash equivalents	\$ 7,074,932	\$ 537,597	\$ 114,162	\$ 7,726,691
Restricted cash and cash equivalents	2,164,299	-	-	2,164,299
Accounts receivable, net	509,682	97,065	-	606,747
Prepaid expenses	92,454	2,945	4,667	100,066
Total current assets	9,841,367	637,607	118,829	10,597,803
NON-CURRENT ASSETS				
Capital assets				
Non-depreciable	972,206	-	-	972,206
Depreciable, net of accumulated depreciation	62,521,073	-	1,085,153	63,606,226
Total non-current assets	63,493,279	-	1,085,153	64,578,432
Total assets	73,334,646	637,607	1,203,982	75,176,235
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding loss	3,736,960	-	-	3,736,960
LIABILITIES				
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS				
Accounts payable	170,191	94,256	15,040	279,487
Accrued interest payable	84,053	-	-	84,053
Other accrued liabilities	148,110	809	6,283	155,202
Due to other funds	123,571	-	-	123,571
Unearned revenue	-	-	11,670	11,670
Current portion of compensated absences	48,571	5,332	8,156	62,059
Current portion of notes payable	375,332	-	-	375,332
Current portion of bonds payable	2,550,000	-	-	2,550,000
Total current liabilities, payable from current assets	3,499,828	100,397	41,149	3,641,374
CURRENT LIABILITIES, PAYABLE FROM RESTRICTED ASSETS				
Customer deposits	390,210	-	-	390,210
Total current liabilities, payable from restricted assets	390,210	-	-	390,210
LONG-TERM LIABILITIES				
Revenue bonds payable, net	31,544,207	-	-	31,544,207
Notes payable	2,203,982	-	-	2,203,982
Advances from other funds	-	-	30,000	30,000
Total long-term liabilities	33,748,189	-	30,000	33,778,189
Total liabilities	37,638,227	100,397	71,149	37,809,773
NET POSITION				
Net investment in capital assets	30,556,718	-	1,085,153	31,641,871
Restricted for debt service	1,629,514	-	-	1,629,514
Unrestricted	7,247,147	537,210	47,680	7,832,037
Total net position	\$ 39,433,379	\$ 537,210	\$ 1,132,833	\$ 41,103,422

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, 2020

	Major Enterprise Funds		Nonmajor Enterprise Fund	Totals
	Water and Sewer Fund	Solid Waste Fund	Aquatic Center Fund	
OPERATING REVENUE				
Sanitation fees	\$ -	\$ 1,200,206	\$ -	\$ 1,200,206
Admission fees	-	-	113,661	113,661
Concessions	-	-	55,462	55,462
Water sales	3,030,983	-	-	3,030,983
Sewer sales	2,856,130	-	-	2,856,130
Tap and capacity recovery fees	317,459	-	-	317,459
Reconnection fees	53,165	-	-	53,165
Construction fees	322,918	-	-	322,918
Penalties	91,999	18,683	-	110,682
Miscellaneous	114,273	21,540	36,311	172,124
Total operating revenues	<u>6,786,927</u>	<u>1,240,429</u>	<u>205,434</u>	<u>8,232,790</u>
OPERATING EXPENSES				
Personal services	1,290,313	93,626	151,273	1,535,212
Purchased and contracted services	1,468,964	1,105,124	30,994	2,605,082
Supplies	1,131,740	35,111	127,535	1,294,386
Depreciation	2,585,818	-	98,777	2,684,595
Amortization	287,458	-	-	287,458
Total operating expenses	<u>6,764,293</u>	<u>1,233,861</u>	<u>408,579</u>	<u>8,406,733</u>
Operating income (loss)	<u>22,634</u>	<u>6,568</u>	<u>(203,145)</u>	<u>(173,943)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	13,142	-	-	13,142
Interest expense	(1,036,406)	-	-	(1,036,406)
Loss on disposal of capital assets	-	-	(2,703)	(2,703)
Total non-operating expenses, net	<u>(1,023,264)</u>	<u>-</u>	<u>(2,703)</u>	<u>(1,025,967)</u>
Income (loss) before transfers	<u>(1,000,630)</u>	<u>6,568</u>	<u>(205,848)</u>	<u>(1,199,910)</u>
TRANSFERS				
Transfers in	1,250,000	-	-	1,250,000
Total transfers	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
Change in net position	249,370	6,568	(205,848)	50,090
Total net position, beginning of year	<u>39,184,009</u>	<u>530,642</u>	<u>1,338,681</u>	<u>41,053,332</u>
Total net position, end of year	<u>\$ 39,433,379</u>	<u>\$ 537,210</u>	<u>\$ 1,132,833</u>	<u>\$ 41,103,422</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, 2020

	Major Enterprise Funds		Nonmajor Enterprise Fund	Totals
	Water and Sewer Fund	Solid Waste Fund	Aquatic Center Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,874,976	\$ 1,252,872	\$ 208,310	\$ 8,336,158
Payments to suppliers	(2,450,988)	(1,133,430)	(175,604)	(3,760,022)
Payments to employees	(1,284,185)	(92,248)	(156,425)	(1,532,858)
Net cash provided by (used in) operating activities	3,139,803	27,194	(123,719)	3,043,278
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on revenue bonds payable	(1,960,000)	-	-	(1,960,000)
Principal payments on notes payable	(469,020)	-	-	(469,020)
Principal payments on leases	(33,148)	-	-	(33,148)
Interest paid	(1,037,292)	-	-	(1,037,292)
Transfers in - SPLOST	1,250,000	-	-	1,250,000
Purchase of capital assets	(96,663)	-	(3,057)	(99,720)
Net cash used in capital and related financing activities	(2,346,123)	-	(3,057)	(2,349,180)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	13,142	-	-	13,142
Net cash provided by investing activities	13,142	-	-	13,142
Net increase in cash	806,822	27,194	(126,776)	707,240
Cash and cash equivalents, beginning of year	8,432,409	510,403	240,938	9,183,750
Cash and cash equivalents, end of year	\$ 9,239,231	\$ 537,597	\$ 114,162	\$ 9,890,990
Classified as				
Cash and cash equivalents	\$ 7,074,932	\$ 537,597	\$ 114,162	\$ 7,726,691
Restricted assets:				
Current cash and cash equivalents	2,164,299	-	-	2,164,299
	\$ 9,239,231	\$ 537,597	\$ 114,162	\$ 9,890,990

(Continued)

CITY OF ST. MARYS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<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 (used in) operating activities				
Operating income (loss)	\$ 22,634	\$ 6,568	(203,145)	\$ (173,943)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	2,585,818	-	98,777	2,684,595
Loss on disposal	-	-	(2,703)	(2,703)
Change in assets and liabilities				
Decrease in accounts receivable	108,404	12,443	2,876	123,723
Increase in prepaid expenses	(36,869)	(63)	(324)	(37,256)
Decrease in due from other funds	228,970	-	-	228,970
Decrease in deferred outflows of resources	287,458	-	-	287,458
Increase (decrease) in accounts payable	(17,240)	6,868	(3,627)	(13,999)
Increase (decrease) in accrued liabilities	8,525	309	(7,489)	1,345
Decrease in customer deposits	(20,355)	-	-	(20,355)
Increase in compensated absences	6,128	1,069	2,337	9,534
Decrease in unearned revenue	-	-	(421)	(421)
Decrease in due to other funds/advances	(33,670)	-	(10,000)	(43,670)
Net cash provided by (used in) operating activities	<u>\$ 3,139,803</u>	<u>\$ 27,194</u>	<u>\$ (123,719)</u>	<u>\$ 3,043,278</u>

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

CITY OF ST. MARYS, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Marys, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below:

A. Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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 the City’s City Council. The City is able to impose its will on the Authority. The Authority is presented as a governmental fund-type component unit. Separate financial statements are not prepared for the Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

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

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

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

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

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

The City reports the following major proprietary funds:

The **Water & 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 fund's (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Restricted Assets

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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 represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

M. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the City's retirement plan and is reported in the government-wide statement of net position. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources.

O. Pensions

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE

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

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Council, the Council holds a public hearing on the budget, giving notice in the official newspaper of the City, at least ten days prior to such hearing.
3. The budget is then revised and adopted or amended by the Council at a regular meeting in June.
4. This budget may be revised during the year only by formal action of the Council in a regular or special called meeting. No increase to the budget may be made without a provision for financing such an increase.
5. Budgetary control is exercised at the department, function or activity, and major object of expenditures group for capital and grant projects within each fund. The legal level of budgetary control is the department level. Budgets for the City may be increased or decreased as the City Council deems appropriate. Budgets are adopted for the General and Special Revenue funds. Capital project funds adopt a project length budget. The supplementary budgetary appropriations made during the year were not material.

Fund Deficit. The Tax Allocation District Fund reported a fund deficit of \$140,270 as of June 30, 2020. This deficit will be reduced by future revenues generated by the fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2020, are summarized as follows:

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

Cash and cash equivalents	\$ 15,557,285
Restricted cash and cash equivalents	2,164,299
Component Units - cash and cash equivalents	276,401
Total	\$ 17,997,985

Cash deposited with financial institutions	\$ 17,174,748
Cash deposited with Georgia Fund 1	823,237
Total	\$ 17,997,985

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, 2020, the City's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's.

As of June 30, 2020, the City had the following investment:

Investment	Maturity	Fair Value
Georgia Fund 1	38 day weighted average	\$ 823,237

Georgia Fund 1 was created under the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8 as a stable net asset value investment pool which follows Standard & Poor's criteria for 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 City'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, 2020, 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 16, 2020. Taxes were levied on October 15, 2019, and payable on or before December 16, 2019. Property taxes not collected by December 16th are considered and reported as delinquent taxes receivable. Property taxes levied for the year ended June 30, 2020, are recorded as receivables, net of estimated uncollectibles.

In the governmental funds, the net receivables collected during the year ended June 30, 2020, and expected to be collected by August 31, 2020, are recognized as revenues for the year ended June 30, 2020, whereas, net receivables estimated to be collectible subsequent to August 31, 2020, are recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Receivables at June 30, 2020, 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	Total
Receivables						
Taxes	\$ 163,943	\$ -	\$ -	\$ -	\$ -	\$ 163,943
Accounts	407,361	-	12,547	1,029,050	175,949	1,624,907
Due from other governments	338,538	409,063	27,554	-	-	775,155
Less allowance for uncollectibles	(33,281)	-	-	(519,368)	(78,884)	(631,533)
Net total receivable	<u>\$ 876,561</u>	<u>\$ 409,063</u>	<u>\$ 40,101</u>	<u>\$ 509,682</u>	<u>\$ 97,065</u>	<u>\$ 1,932,472</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,952,638	\$ 133,269	\$ -	\$ -	\$ 2,085,907
Construction in progress	3,160,298	3,811,118	-	(4,143,641)	2,827,775
Total	<u>5,112,936</u>	<u>3,944,387</u>	<u>-</u>	<u>(4,143,641)</u>	<u>4,913,682</u>
Capital assets, being depreciated:					
Infrastructure	11,053,979	-	-	3,399,081	14,453,060
Buildings	6,940,482	-	-	744,560	7,685,042
Improvements	6,885,138	-	(31,626)	-	6,853,512
Machinery and equipment	9,695,214	32,352	(23,395)	-	9,704,171
Total	<u>34,574,813</u>	<u>32,352</u>	<u>(55,021)</u>	<u>4,143,641</u>	<u>38,695,785</u>
Less accumulated depreciation for:					
Infrastructure	(4,770,821)	(421,214)	-	-	(5,192,035)
Buildings	(3,951,515)	(207,926)	-	-	(4,159,441)
Improvements	(4,697,670)	(246,651)	25,362	-	(4,918,959)
Machinery and equipment	(8,797,137)	(416,996)	23,395	-	(9,190,738)
Total	<u>(22,217,143)</u>	<u>(1,292,787)</u>	<u>48,757</u>	<u>-</u>	<u>(23,461,173)</u>
Total capital assets, being depreciated, net	<u>12,357,670</u>	<u>(1,260,435)</u>	<u>(6,264)</u>	<u>4,143,641</u>	<u>15,234,612</u>
Governmental activities capital assets, net	<u>\$ 17,470,606</u>	<u>\$ 2,683,952</u>	<u>\$ (6,264)</u>	<u>\$ -</u>	<u>\$ 20,148,294</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	78,425	47,054	-	-	125,479
Total	<u>925,152</u>	<u>47,054</u>	<u>-</u>	<u>-</u>	<u>972,206</u>
Capital assets, being depreciated:					
Buildings	8,115,590	-	(1,330)	-	8,114,260
Infrastructure	95,964,996	-	1,330	-	95,966,326
Furniture, fixtures, and equipment	3,937,869	52,666	(6,001)	-	3,984,534
Total	<u>108,018,455</u>	<u>52,666</u>	<u>(6,001)</u>	<u>-</u>	<u>108,065,120</u>
Less accumulated depreciation for:					
Buildings	(4,978,165)	(193,377)	1,330	-	(5,170,212)
Infrastructure	(33,252,058)	(2,363,995)	(1,330)	-	(35,617,383)
Furniture, fixtures, and equipment	(3,545,873)	(127,223)	1,797	-	(3,671,299)
Total	<u>(41,776,096)</u>	<u>(2,684,595)</u>	<u>1,797</u>	<u>-</u>	<u>(44,458,894)</u>
Total capital assets, being depreciated, net	<u>66,242,359</u>	<u>(2,631,929)</u>	<u>(4,204)</u>	<u>-</u>	<u>63,606,226</u>
Business-type activities capital assets, net	<u>\$ 67,167,511</u>	<u>\$ (2,584,875)</u>	<u>\$ (4,204)</u>	<u>\$ -</u>	<u>\$ 64,578,432</u>

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

Governmental activities:	
General government	\$ 308,758
Public safety	457,087
Public works	408,489
Culture and recreation	68,602
Health and welfare	18,471
Economic development	31,380
Total governmental activities	<u>\$ 1,292,787</u>
Business-type activities:	
Water and sewer fund	\$ 2,585,818
Aquatics center fund	98,777
Total business-type activities	<u>\$ 2,684,595</u>

Component Units. The IDA and DDA 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, 2020, 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%	<u>\$ 34,094,207</u>
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Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
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	2,495,000	630,132	3,125,132
2026 – 2030	13,220,000	2,087,745	15,307,745
2031 – 2033	8,509,207	353,324	8,862,531
Total	\$ 34,094,207	\$ 6,463,987	\$ 40,558,194

Notes Payable

The City has incurred debt to the Georgia Environmental Facilities Authority (“GEFA”) for construction of various water and sewer system projects and various improvements to the water and sewer system. 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, 2020.

These notes are as follows at June 30, 2020:

Interest Rate	Term	Fiscal Year Due Date	Amount
3.00%	20 years	2025	\$ 1,378,727
3.81%	20 years	2033	663,316
1.09%	20 years	2035	297,587
1.40%	15 years	2035	239,684
			\$ 2,579,314

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

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

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 375,332	\$ 69,592	\$ 444,924
2022	386,362	58,562	444,924
2023	397,795	47,129	444,924
2024	409,561	35,363	444,924
2025	225,098	26,627	251,725
2026 – 2030	476,970	80,580	557,550
2031 – 2035	308,196	14,506	322,702
Total	<u>\$ 2,579,314</u>	<u>\$ 332,359</u>	<u>\$ 2,911,673</u>

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,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 163,169	\$ 19,106	\$ 182,275
2022	182,874	14,027	196,901
2023	188,098	8,803	196,901
2024	193,472	3,429	196,901
2025	16,074	38	16,112
Total	<u>\$ 743,687</u>	<u>\$ 45,403</u>	<u>\$ 789,090</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 reported equipment acquired under capital leases with a total acquisition value of \$1,895,594 at June 30, 2020. The City reported accumulated depreciation and depreciation expense as of June 30, 2020, on these assets in the amounts of \$1,477,304 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, 2020.

	Governmental Activities
Fiscal year ending June 30,	
2021	\$ 282,079
2022	230,420
2023	145,965
Total minimum lease payments	658,464
Less amounts representing interest	(42,954)
Present value of future minimum lease payments	\$ 615,510

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 939,726	\$ -	\$ (324,216)	\$ 615,510	\$ 267,845
Notes payable	917,246	-	(173,559)	743,687	163,169
Net pension liability	214,897	144,153	(52,385)	306,665	-
Compensated absences	270,311	288,969	(340,132)	219,148	219,148
Governmental activity long-term liabilities	\$ 2,342,180	\$ 433,122	\$ (890,292)	\$ 1,885,010	\$ 650,162
Business-type activities:					
Bonds payable	\$ 36,054,207	\$ -	\$ (1,960,000)	\$ 34,094,207	\$ 2,550,000
Notes payable	3,048,334	-	(469,020)	2,579,314	375,332
Capital leases payable	33,148	-	(33,148)	-	-
Compensated absences	52,525	47,609	(38,075)	62,059	62,059
Business-type activity long-term liabilities	\$ 39,188,214	\$ 47,609	\$ (2,500,243)	\$ 36,735,580	\$ 2,987,391

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 793,524
General Fund	Water and sewer fund	123,571
		\$ 917,095
<u>Advance To</u>	<u>Advance From</u>	
General Fund	Nonmajor enterprise fund	\$ 30,000
		\$ 30,000

These balances resulted from time lag between the dates the: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Additionally, at June 30, 2020, the City's General Fund has advanced the Aquatic Center Fund \$30,000.

The composition of interfund transfers as of June 30, 2020, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 722,288
Water and Sewer Fund	SPLOST Fund	1,250,000
		\$ 1,972,288

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

NOTE 8. PENSION PLANS

Plan Description

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

Benefits Provided

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

Employee Participation

At June 30, 2020, 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 Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the Plan. The City is required to contribute at an actuarially determined rate. As there are no active participants, the contribution has remained at the 2011 dollar amount and is no longer being shown as a percentage of payroll.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

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, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 898,708	\$ 683,811	\$ 214,897
Changes for the year			
Interest	63,277	-	63,277
Differences between expected and actual experience	25,920	-	25,920
Assumption changes	-	-	-
Contributions - employer	-	37,456	(37,456)
Net investment income	-	14,929	(14,929)
Benefit payments, including refunds of employee contributions	(110,034)	(110,034)	-
Administrative expense	-	(8,999)	8,999
Other changes	45,957	-	45,957
Net changes	25,120	(66,648)	91,768
Ending Balance	\$ 923,828	\$ 617,163	\$ 306,665

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 364,981	\$ 306,665	\$ 254,672

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, 2019, 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, 2020, the City recognized pension expense of \$94,559 and deferred inflows of resources related to pensions of \$6,508 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:	
2021	\$ (10,699)
2022	(5,897)
2023	3,428
2024	6,660
Total	<u>\$ (6,508)</u>

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The City has established a defined contribution pension plan (the "Plan") that is administered by the Variable Annuity Life Insurance Company for all of its full-time employees. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the City Council. At June 30, 2020, there were 108 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to a maximum of \$19,500 for the year ended June 30, 2020. 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, 2020, were \$234,755. Total employee contributions for the year ended June 30, 2020 were \$195,597.

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, 2020, the City paid \$22,257 in such dues. Membership in the CRC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from the Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

NOTE 11. RELATED ORGANIZATIONS

The City Council is responsible for the appointment of a board member to the Southeast Georgia Consolidated Housing Authority. However, the City has no further accountability for this organization. During the year ended June 30, 2020, the City did not provide any contributions to the Southeast Georgia Consolidated Housing Authority.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member City contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims in the past three years have not exceeded the coverages.

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, 2020, \$128,652 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, 2020, the City has contractual commitments on uncompleted contracts of approximately \$517,955.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. MARYS, GEORGIA

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

	2020	2019	2018	2017	2016	2015
Total pension liability						
Interest on total pension liability	\$ 63,277	\$ 65,937	\$ 71,041	\$ 65,625	\$ 67,785	\$ 69,743
Differences between expected and actual experience	25,920	11,400	(3,979)	124,702	12,987	1,546
Changes of assumptions	-	-	13,951	-	-	2,191
Benefit payments, including refunds of employee contributions	(110,034)	(115,574)	(121,442)	(119,457)	(97,821)	(99,674)
Other changes	45,957	-	-	-	-	-
Net change in total pension liability	25,120	(38,237)	(40,429)	70,870	(17,049)	(26,194)
Total pension liability - beginning	898,708	936,945	977,374	906,504	923,553	949,747
Total pension liability - ending (a)	\$ 923,828	\$ 898,708	\$ 936,945	\$ 977,374	\$ 906,504	\$ 923,553
Plan fiduciary net position						
Contributions - employer	\$ 37,456	\$ 36,135	\$ 35,443	\$ 22,683	\$ 19,285	\$ 19,285
Net investment income	14,929	65,859	97,638	76,881	12,598	88,859
Benefit payments, including refunds of member contributions	(110,034)	(115,574)	(121,442)	(119,457)	(97,821)	(99,674)
Administrative expenses	(8,999)	(9,943)	(11,048)	(7,861)	(7,167)	(5,996)
Net change in plan fiduciary net position	(66,648)	(23,523)	591	(27,754)	(73,105)	2,474
Plan fiduciary net position - beginning	683,811	707,334	706,743	734,497	807,602	805,128
Plan fiduciary net position - ending (b)	\$ 617,163	\$ 683,811	\$ 707,334	\$ 706,743	\$ 734,497	\$ 807,602
City's net pension liability - ending (a) - (b)	\$ 306,665	\$ 214,897	\$ 229,611	\$ 270,631	\$ 172,007	\$ 115,951
Plan fiduciary net position as a percentage of the total pension liability	66.8%	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%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 36,135	\$ 37,456	\$ 35,443	\$ 19,285	\$ 19,285
Contributions in relation to the actuarially determined contribution	<u>36,135</u>	<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>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 47,778
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	40.4%

Notes to the Schedule:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return	
On Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF ST. MARYS, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Capital Project Funds

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

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

CITY OF ST. MARYS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds	
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund	Multiple Grants Fund	SPLOST		Capital Project
Cash and cash equivalents	\$ -	\$ 131,473	\$ 214	\$ -	\$ 1,917,548	\$ 876,704	\$ 2,925,939
Accounts receivable	12,547	-	-	-	-	-	12,547
Due from other governments	-	-	-	27,554	-	-	27,554
Total assets	\$ 12,547	\$ 131,473	\$ 214	\$ 27,554	\$ 1,917,548	\$ 876,704	\$ 2,966,040
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,435	\$ -	\$ 15,435
Accrued liabilities	-	1,075	-	-	-	-	1,075
Due to component units	12,547	-	-	-	-	-	12,547
Due to other funds	-	270,668	-	27,554	17,434	477,868	793,524
Total liabilities	12,547	271,743	-	27,554	32,869	477,868	822,581
FUND BALANCE (DEFICIT)							
Restricted for:							
Capital projects	-	-	-	-	1,884,679	398,836	2,283,515
Public safety	-	-	214	-	-	-	214
Unassigned	-	(140,270)	-	-	-	-	(140,270)
Total fund balances (deficit)	-	(140,270)	214	-	1,884,679	398,836	2,143,459
Total liabilities and fund balances	\$ 12,547	\$ 131,473	\$ 214	\$ 27,554	\$ 1,917,548	\$ 876,704	\$ 2,966,040

CITY OF ST. MARYS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds	
	Hotel/Motel Tax Fund	Tax Allocation District	Confiscated Assets Fund	Multiple Grants Fund	SPLOST		Capital Project
REVENUES							
Taxes	\$ 128,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,652
Intergovernmental	-	49,832	-	244,420	-	238,413	532,665
Interest	-	51	-	-	1,135	378	1,564
Miscellaneous	-	11,700	-	-	-	-	11,700
Total revenues	128,652	61,583	-	244,420	1,135	238,791	674,581
EXPENDITURES							
Current:							
Housing and development	128,652	-	-	-	-	-	128,652
Capital outlay	-	-	-	-	827,694	160	827,854
Total expenditures	128,652	-	-	-	827,694	160	956,506
Excess (deficiency) of revenues over (under) expenditures	-	61,583	-	244,420	(826,559)	238,631	(281,925)
Other financing uses							
Transfers out	-	-	-	(244,420)	-	(477,868)	(722,288)
Total other financing uses	-	-	-	(244,420)	-	(477,868)	(722,288)
Net change in fund balances	-	61,583	-	-	(826,559)	(239,237)	(1,004,213)
FUND BALANCE (DEFICIT), beginning of year	-	(201,853)	214	-	2,711,238	638,073	3,147,672
FUND BALANCE (DEFICIT), end of year	\$ -	\$ (140,270)	\$ 214	\$ -	\$ 1,884,679	\$ 398,836	\$ 2,143,459

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 145,200	\$ 145,200	\$ 128,652	\$ (16,548)
Total revenues	<u>145,200</u>	<u>145,200</u>	<u>128,652</u>	<u>(16,548)</u>
Expenditures				
Current:				
Housing and development	145,200	145,200	128,652	16,548
Total expenditures	<u>145,200</u>	<u>145,200</u>	<u>128,652</u>	<u>16,548</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 49,832	\$ 14,832
Interest	25	25	51	26
Miscellaneous	-	-	11,700	11,700
Total revenues	<u>35,025</u>	<u>35,025</u>	<u>61,583</u>	<u>26,558</u>
Expenditures				
Capital outlay	<u>35,025</u>	<u>35,025</u>	-	<u>35,025</u>
Total expenditures	<u>35,025</u>	<u>35,025</u>	-	<u>35,025</u>
Net change in fund balances	-	-	61,583	61,583
Fund balance (deficit), beginning of year	<u>(201,853)</u>	<u>(201,853)</u>	<u>(201,853)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (201,853)</u></u>	<u><u>\$ (201,853)</u></u>	<u><u>\$ (140,270)</u></u>	<u><u>\$ 61,583</u></u>

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
Housing and development	-	-	-	-
Total expenditures	-	-	-	-
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
MULTIPLE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,191,246	\$ 1,191,246	\$ 244,420	\$ (946,826)
Total revenues	1,191,246	1,191,246	244,420	(946,826)
Other financing uses				
Transfers out	(1,191,246)	(1,191,246)	(244,420)	946,826
Total other financing uses	(1,191,246)	(1,191,246)	(244,420)	946,826
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF ST. MARYS, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX - 2012 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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	\$ 7,648,250	\$ -	\$ 7,648,250
Improvements	4,327,918	4,327,918	369,029	827,694	1,196,723
Equipment/vehicles capital outlay	<u>2,503,375</u>	<u>2,503,375</u>	<u>288,461</u>	<u>-</u>	<u>288,461</u>
Totals	<u>\$ 17,831,293</u>	<u>\$ 17,831,293</u>	<u>\$ 8,305,740</u>	<u>\$ 827,694</u>	<u>\$ 9,133,434</u>

CITY OF ST. MARYS, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX - 2019 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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	\$ 9,600,000	\$ 9,600,000	\$ -	\$ 1,250,000	\$ 1,250,000
Improvements	2,525,729	2,525,729	-	-	-
Equipment/vehicles capital outlay	1,250,000	1,250,000	-	-	-
Totals	<u>\$ 13,375,729</u>	<u>\$ 13,375,729</u>	<u>\$ -</u>	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>

CITY OF ST. MARYS, GEORGIA

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

CITY OF ST. MARYS, GEORGIA

**BALANCE SHEET
COMPONENT UNITS
JUNE 30, 2020**

ASSETS	Industrial Development Authority	Downtown Development Authority	Convention & Visitors Bureau	Cemetery Authority
Cash and cash equivalents	\$ 11,877	\$ 45,053	\$ 38,657	\$ 180,814
Accounts receivable	-	-	29	10,018
Prepaid items	-	-	1,116	-
Due from primary government	-	-	12,547	-
Total assets	\$ 11,877	\$ 45,053	\$ 52,349	\$ 190,832
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 1,858	\$ 1,271	\$ -
Due to primary government	-	-	636	-
Accrued expenses	-	-	381	-
Total liabilities	-	1,858	2,288	-
FUND BALANCE				
Unassigned	11,877	43,195	50,061	190,832
Total fund balances	11,877	43,195	50,061	190,832
Total liabilities and fund balances	\$ 11,877	\$ 45,053	\$ 52,349	\$ 190,832

CITY OF ST. MARYS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Industrial Development Authority</u>	<u>Downtown Development Authority</u>	<u>Convention & Visitors Bureau</u>	<u>Cemetery Authority</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ 25,000	\$ 157,002	\$ -
Charges for services	-	-	1,244	28,609
Rental income	-	3,600	-	-
Interest revenue	6	20	28	19,950
Miscellaneous	-	54	9,548	40
Total revenues	<u>6</u>	<u>28,674</u>	<u>167,822</u>	<u>48,599</u>
EXPENDITURES				
Current:				
Housing and development	-	31,618	168,044	21,383
Net change in fund balance	6	(2,944)	(222)	27,216
FUND BALANCE, beginning of year	<u>11,871</u>	<u>46,139</u>	<u>50,283</u>	<u>163,616</u>
FUND BALANCE, end of year	<u>\$ 11,877</u>	<u>\$ 43,195</u>	<u>\$ 50,061</u>	<u>\$ 190,832</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents

Page

Financial Trends	68 – 73
<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	74 – 79
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	80 – 83
<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	84 and 85
<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	86 – 88
<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.

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 18,789,097
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	2,667,851
Unrestricted	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	5,928,265
Total governmental activities net position	<u>\$ 22,868,713</u>	<u>\$ 22,965,284</u>	<u>\$ 23,240,790</u>	<u>\$ 23,480,709</u>	<u>\$ 23,186,909</u>	<u>\$ 23,449,061</u>	<u>\$ 22,733,058</u>	<u>\$ 21,952,395</u>	<u>\$ 25,407,562</u>	<u>\$ 27,385,213</u>
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 31,641,871
Restricted	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	1,629,514
Unrestricted	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	7,832,037
Total business-type activities net position	<u>\$ 40,036,617</u>	<u>\$ 38,188,751</u>	<u>\$ 36,037,063</u>	<u>\$ 34,934,331</u>	<u>\$ 36,906,865</u>	<u>\$ 39,185,344</u>	<u>\$ 39,269,113</u>	<u>\$ 40,729,271</u>	<u>\$ 41,053,332</u>	<u>\$ 41,103,422</u>
Primary government:										
Net investment in capital assets	\$ 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	\$ 50,430,968
Restricted	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	4,297,365
Unrestricted	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	13,760,302
Total primary government net position	<u>\$ 62,905,330</u>	<u>\$ 61,154,035</u>	<u>\$ 59,277,853</u>	<u>\$ 58,415,040</u>	<u>\$ 60,093,774</u>	<u>\$ 62,634,405</u>	<u>\$ 62,002,171</u>	<u>\$ 62,681,666</u>	<u>\$ 66,460,894</u>	<u>\$ 68,488,635</u>

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Primary government:										
Governmental activities										
General government	\$ 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	\$ 1,828,789
Public safety	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	4,366,745
Public works	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	3,068,719
Health and welfare	98,558	116,492	111,221	118,747	129,908	129,467	145,040	152,029	168,699	183,951
Judicial	227,996	201,782	188,216	176,296	165,599	176,330	187,872	188,366	173,484	164,460
Culture and recreation	549,875	521,389	501,057	437,819	456,448	507,216	520,280	379,147	429,153	482,502
Housing and development	484,338	438,725	483,860	682,444	603,979	659,695	737,632	744,961	711,232	1,247,176
Interest on long-term debt	16,492	3,821	1,786	727	20	2,151	25,381	25,614	30,958	47,516
Total governmental activities expenses	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	11,389,858
Business-type activities										
Water and sewer	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	7,800,699
Solid waste	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	1,233,861
Aquatic center	460,695	409,451	408,567	441,899	434,759	465,014	449,460	433,650	525,076	411,282
Total business-type activities expenses	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	9,445,842
Total primary government expenses	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	20,835,700
Program revenues										
Governmental activities										
Charges for services:										
General government	1,182,164	1,101,935	986,902	838,573	969,520	1,001,862	1,093,999	1,221,504	1,176,408	1,314,381
Public safety	449,060	431,856	369,934	5,684	1,147	550	993	235,348	169,025	187,444
Public works	40,940	45,154	27,232	72,071	38,266	38,112	43,135	64,213	79,487	59,622
Health and welfare	-	-	-	25,000	30,000	30,000	30,000	-	-	-
Judicial	-	-	-	318,859	242,778	294,720	202,089	-	-	-
Culture and recreation	61,578	56,090	43,437	6,124	4,924	4,866	4,564	12,178	11,430	7,329
Housing and development	-	-	-	16,300	14,914	15,568	11,572	-	-	-
Operating grants and contributions	224,705	305,498	191,685	157,803	8,618	67,767	261,385	-	-	-
Capital grants and contributions	940,701	565,399	1,119,677	851,770	3,646,965	4,619,371	2,183,873	4,602,481	4,554,489	3,578,031
Total governmental activities program revenues	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	5,146,807
Business-type activities										
Charges for services ^(a)										
Water and sewer	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	6,786,927
Solid waste	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	1,240,429
Aquatic center	338,636	332,148	332,912	354,069	392,422	407,946	404,773	433,845	461,209	205,434
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	403,316	-	-	614,258	590,526	-	-	-	-	-
Total business-type activities program revenues	\$ 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	\$ 8,232,790
Total primary government program revenues	\$ 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	\$ 13,379,597

(Continued)

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position										
Primary government										
Governmental activities:										
Property taxes	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	4,585,293
Franchise taxes	874,322	910,675	887,266	905,317	1,070,546	1,011,980	996,179	969,126	1,032,606	1,043,888
Sales taxes	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	2,151,902
Hotel/motel taxes	107,006	104,033	103,943	118,907	138,298	140,460	157,570	139,172	140,216	128,652
Other taxes	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	1,553,550
Unrestricted investment earnings	14,345	11,032	7,775	8,460	8,007	4,859	5,034	5,867	6,360	7,417
Gain on sale of capital assets	14,602	-	-	-	12,963	-	-	-	8,378	-
Miscellaneous	-	-	-	131	19,825	3,586	2,351	-	-	-
Transfers	(1,003,102)	(91,553)	(67,400)	(102,639)	(3,031,768)	(3,896,100)	(1,669,300)	(1,654,050)	(1,228,969)	(1,250,000)
Total governmental activities general revenues and changes in net position	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	8,220,702
Business-type activities										
Unrestricted investment earnings	30,055	12,271	4,710	3,898	4,498	4,726	7,867	16,731	23,922	13,142
Gain on sale of assets	-	-	28,662	-	26,185	3,779	-	7,684	10,796	-
Miscellaneous	19,353	15,132	20,101	5,583	4,390	22,385	22,055	-	-	-
Transfers	1,003,102	91,553	67,400	102,639	3,031,768	3,896,100	1,669,300	1,654,050	1,228,969	1,250,000
Total business type activities general revenues and changes in net position	1,052,510	118,956	120,873	112,120	3,066,841	3,926,990	1,699,222	1,678,465	1,263,687	1,263,142
Total primary government general revenues and other changes in net position	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	9,483,844
Change in net position										
Governmental activities	356,225	96,571	275,506	235,972	(123,109)	262,152	(716,003)	(780,663)	3,455,167	1,977,651
Business-type activities	32,027	(1,849,866)	(1,853,455)	(1,102,732)	1,972,534	2,278,479	83,769	1,460,158	324,061	50,090
Total primary government change in net position	\$ 388,252	\$ (1,753,295)	\$ (1,577,949)	\$ (866,760)	\$ 1,849,425	\$ 2,540,631	\$ (632,234)	\$ 679,495	\$ 3,779,228	\$ 2,027,741

^(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 135,283	\$ 231,136	\$ 115,494	\$ 97,190	\$ 107,651	\$ 113,760	\$ 284,805	\$ 102,159	\$ 140,530	\$ 219,391
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	5,993,853
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>	<u>6,213,244</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	214
Capital projects funds	-	-	-	769,908	704,018	1,291,854	1,477,913	2,127,068	3,349,311	2,667,637
Unassigned	-	-	(4,024)	-	-	-	-	-	(201,853)	(140,270)
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>	<u>2,527,581</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>	<u>\$ 8,740,825</u>

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 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	\$ 9,172,707
Licenses and permits	312,663	416,059	348,420	360,696	384,527	470,557	519,316	599,329	489,223	464,527
Intergovernmental	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	2,362,156
Fines and forfeitures	449,060	431,856	369,934	331,474	249,957	302,847	209,762	228,945	161,689	182,998
Charges for services	123,375	127,975	67,652	92,955	85,531	81,706	86,323	96,162	116,115	81,489
Interest income	15,093	11,032	7,775	8,460	8,827	5,313	5,484	6,345	7,253	7,480
Contributions and donations	-	-	-	131	19,825	3,586	2,351	-	-	-
Other revenues	848,644	659,145	641,499	497,486	581,534	530,568	570,951	1,824,619	1,885,135	2,055,574
Total revenues	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	14,326,931
Expenditures										
Current										
General government	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	3,755,946
Public safety	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	4,144,992
Public works	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	3,258,701
Health and welfare	98,558	116,492	111,221	118,747	129,908	129,467	145,040	129,591	144,634	164,977
Judicial	227,996	201,782	188,216	176,296	165,599	176,330	187,872	188,376	173,498	164,426
Culture and recreation	488,321	477,569	439,315	346,379	406,381	459,233	460,441	362,028	366,767	486,505
Housing and development	444,060	398,102	460,368	650,942	579,536	625,370	699,243	720,609	687,998	1,210,689
Capital outlay	1,907,993	565,399	982,128	219,605	2,072,855	2,350,735	328,513	25,320	549,756	827,854
Debt service:										
Principal	479,813	166,731	51,055	40,653	10,188	15,024	197,898	246,183	326,990	497,775
Interest and fiscal charges	17,697	3,884	1,885	808	42	2,151	25,381	25,614	30,958	47,516
Total expenditures	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	14,559,381
Excess (deficiency) of revenues over (under) expenditures	(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	(232,450)

(Continued)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Proceeds from the sale of capital assets	\$ 14,602	\$ -	\$ 2,500	\$ -	\$ 12,963	\$ -	\$ -	\$ 16,851	\$ 8,378	\$ -
Issuance of note payable	-	119,700	-	-	-	1,160,987	-	-	-	-
Issuance of lease payable	-	-	-	-	-	-	121,321	443,513	917,246	-
Transfers in	410,701	417,324	307,674	295,352	-	100,116	261,385	26,218	704,310	722,288
Transfers out	(417,611)	(424,234)	(307,674)	(315,500)	(1,640,000)	(1,780,916)	(1,930,685)	(1,680,268)	(1,933,279)	(1,972,288)
Total other financing sources	<u>7,692</u>	<u>112,790</u>	<u>2,500</u>	<u>(20,148)</u>	<u>(1,627,037)</u>	<u>(519,813)</u>	<u>(1,547,979)</u>	<u>(1,193,686)</u>	<u>(303,345)</u>	<u>(1,250,000)</u>
Net change in fund balances	<u>\$ (1,161,950)</u>	<u>\$ 1,092,992</u>	<u>\$ 753,301</u>	<u>\$ 1,092,324</u>	<u>\$ 508,683</u>	<u>\$ 1,165,018</u>	<u>\$ (73,855)</u>	<u>\$ 52,442</u>	<u>\$ 1,853,328</u>	<u>\$ (1,482,450)</u>
Debt service as a percentage of noncapital expenditures	<u>5.00%</u>	<u>2.10%</u>	<u>0.60%</u>	<u>0.49%</u>	<u>0.10%</u>	<u>0.16%</u>	<u>2.33%</u>	<u>2.24%</u>	<u>3.95%</u>	<u>5.43%</u>

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
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
2020	4,254,119	1,043,888	2,151,902	128,652	1,594,146	9,172,707

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
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%
2020	2019	587,870,913	7,341,110	1,292,712	211,727	19,665,894	577,050,568	6.60	1,442,626,420	40%

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	
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
2020	2019	6.600	15.790	16.000	-	38.390

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>	2020			2011		
	<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	\$ 22,140,871	1	3.84%	\$ 13,106,293	5	2.00%
Georgia Pacific	16,881,423	2	2.93%	12,717,542	6	1.94%
Brant Creek LLC	10,879,224	3	1.89%			
Wilkinson Harbor Pines, LLC	10,220,772	4	1.77%			
Old Weed & Ready Plantation, LLC	9,546,281	5	1.65%			
Wilkinson St Marys, LLC	8,070,034	6	1.40%			
PFJ Southeast LLC	7,152,665	7	1.24%			
Walmart Stores East, LP	6,896,646	8	1.20%	7,579,558	7	1.16%
Walmart Real Estate	6,662,922	9	1.15%	14,761,551	4	2.26%
Express Scripts	6,236,115	10	1.08%			
Landmar				21,675,955	1	5.81%
Point Peter LLP				19,511,234	2	2.13%
Crescent Resources				17,753,586	3	2.05%
Nicholson Travel Plaza				7,425,707	8	1.88%
Park Place 1-17 LLC				7,102,039	9	1.49%
Camden Telegraph and Telephone Co.				6,717,956	10	1.08%
Total	\$ 104,686,953		18.14%	\$ 128,351,421		21.80%

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	
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
2020	2019	3,796,129	3,640,050	95.89%	92,569	3,732,619	98.33%	63,510

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

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

CITY OF ST. MARYS, GEORGIA

**WATER SEWER RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Gallons of Water Consumed	Water Base Rate	Total Direct Rate		Wastewater Base Rate	Per Gallon Variable Rate	
			Per Gallon Variable Rate			Per Gallon Variable Rate	
			0 Through 6,000 (per 1,000)	6,001 and Over (per 1,000)		0 Through 6,000 (per 1,000)	6,001 and Over (per 1,000)
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
2020	460,253,600	20.45	2.860	3.280	20.45	2.860	4.280

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				
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%	7.5%	2,208
2020	743,687	615,510	34,094,207	2,579,314	-	38,032,718	2.64%	**	**

** Information not readily available

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

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

CITY OF ST. MARYS, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽¹⁾
2011	\$ 41,026,056	6.27%	\$ 2,311
2012	41,289,652	6.56%	2,300
2013	41,099,251	7.13%	2,287
2014	41,162,534	7.81%	2,276
2015	39,522,534	7.66%	2,193
2016	37,745,227	7.45%	2,074
2017	1,880,000	0.37%	101
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-

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

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

CITY OF ST. MARYS, GEORGIA

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 66,752	\$ 64,196	\$ 58,881	\$ 54,108	\$ 52,877	\$ 51,966	\$ 50,902	\$ 52,801	\$ 58,508	\$ 57,705
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>	<u>\$ 58,508</u>	<u>\$ 57,705</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%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2020

Total assessed value	\$ 596,716
Less Exempt	19,666
Total taxable assessed value	<u>577,050</u>
Debt limit (10% of total taxable assessed value)	57,705
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 57,705</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 2019 are used for fiscal year ended in 2020).

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	
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
2020	6,787	3,891	2,896	1,960	962	2,922	0.99

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**

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽¹⁾ (In thousands)	Per Capital Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
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	18,567	547,021	29,462	3.80%
2020	**	**	**	**

** 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	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Southeast Georgia Health Systems	500	1	2.80%	260	3	1.51%
Express Scripts	290	2	1.62%	434	1	2.52%
Wal-Mart Supercenter	249	3	1.39%	310	2	1.80%
City of St. Marys	140	4	0.78%	156	4	0.91%
General Dynamics	130	5	0.73%	-	-	0.00%
Georgia Pacific	60	6	0.34%	73	5	0.42%
Pilot Travel Center	41	7	0.23%	-	-	0.00%
Winn Dixie	38	8	0.21%	-	-	0.00%
Osprey Cove Clubhouse	33	9	0.18%	-	-	0.00%
B.A.E. Systems	32	10	0.18%	-	-	0.00%
Harvey's Grocery Store	-	-	-	28	6	0.16%
Corys Thunder	-	-	-	27	7	0.16%
Sonic Drive In	-	-	-	25	8	0.15%
The Grill at Osprey Cove	-	-	-	20	9	0.12%
Belk	-	-	-	19	10	0.11%
Total	1,513		8.47%	1,352		7.85%

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

CITY OF ST. MARYS, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
General government	9	8	9	9	9	9	8	8	8	8
Public safety										
Police department	41	37	36	36	34	34	34	34	34	34
Fire department	26	29	29	26	26	26	26	26	26	26
Public works	30	19	20	20	18	18	18	18	24	24
Health and welfare	2	2	2	2	2	2	2	3	2	2
Judicial	2	1	1	1	1	1	1	1	1	1
Culture and recreation	5	5	5	5	6	6	5	6	7	8
Housing and development	7	7	7	7	6	6	11	9	8	7
Business-type activities										
Water and sewer	39	35	35	34	34	34	34	34	36	36
Solid waste	5	1	1	1	2	2	2	2	2	2
Aquatic center	10	9	9	0	0	0	0	0	9	9
Total	<u>175</u>	<u>154</u>	<u>153</u>	<u>141</u>	<u>138</u>	<u>138</u>	<u>140</u>	<u>140</u>	<u>157</u>	<u>157</u>

Source: City Finance Department.

CITY OF ST. MARYS, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Building permits issued	261	285	282	316	287	108	93	263	186	226
Building inspections conducted	1,660	1,609	1,621	1,815	2,110	2,367	3,282	3,705	3,004	2,733
Police:										
Physical arrests	868	759	652	376	515	518	568	581	384	**
Other violations	2,568	2,374	2,128	2,542	1,753	1,443	571	403	394	**
Traffic violations	4,299	3,369	3,088	3,208	2,713	3,081	2,287	2,182	1,618	**
Fire										
Emergency room	1,617	1,863	1,733	1,417	1,011	1,193	1,276	1,435	1,453	1,523
Fires extinguished	82	99	75	60	51	68	78	58	61	55
Inspections	228	279	250	50	70	300	325	336	315	315
Public works:										
Streets resurfaced (miles)	1	-	-	-	-	-	-	-	-	-
Water:										
New connections	32	21	29	36	29	43	44	107	156	216
Volume (thousands of gallons per day)	1,516	1,445	1,103	1,363	1,388	1,430	1,471	1,410	1,409	1,330
Wastewater:										
Average daily sewage treatment (thousands of gallons per day)	1,259	1,521	1,900	1,985	1,468	1,903	2,992	2,244	1,805	2,740

** Information was not readily available.

Sources: Various City departments.

CITY OF ST. MARYS, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2020</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)	107	107	107	107	107	107	107	107	107	107
Water:										
Fire hydrants	1,127	1,135	1,135	1,135	1,135	1,150	1,150	1,150	1,150	1,150
Storage capacity (thousands of gallons)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Wastewater:										
Treatment capacity (thousands of gallons)	5,200	5,200	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Sources: Various City departments.

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of St. Marys, Georgia** (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 24, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Savannah, Georgia
February 24, 2021

CITY OF ST. MARYS, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

There was not an audit of major federal award programs as of June 30, 2020 due to the total amount expended being less than \$750,000.

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, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

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Appendix B

FORM OF RESOLUTION AND CONTRACT

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A BOND RESOLUTION OF THE CAMDEN COUNTY PUBLIC SERVICE AUTHORITY (THE "AUTHORITY") TO PROVIDE FOR THE ISSUANCE OF THE CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT OF [\$ _____] (THE "SERIES 2021 BONDS"); SAID SERIES 2021 BONDS TO PROVIDE FUNDS TO FINANCE, IN WHOLE OR IN PART, THE COST OF CURRENTLY REFUNDING AND REDEEMING THE CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017 (THE "SERIES 2017 BOND"); TO PROVIDE THAT PAYMENT OF THE SERIES 2021 BONDS SHALL BE SECURED BY A FIRST AND PRIOR PLEDGE OF AND CHARGE OR LIEN ON THE REVENUES RECEIVED BY THE AUTHORITY PURSUANT TO AN INTERGOVERNMENTAL CONTRACT WITH THE CITY OF ST. MARYS (THE "CITY"); TO PROVIDE FOR THE EXECUTION OF SAID CONTRACT WITH THE CITY; TO PROVIDE FOR THE ISSUANCE OF BONDS ON A PARITY WITH THE SERIES 2021 BONDS; TO PROVIDE FOR THE CREATION OF A CERTAIN FUND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS (AS DEFINED HEREIN); TO PROVIDE FOR THE VALIDATION OF THE BONDS; AND FOR OTHER PURPOSES.

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Exhibit A: Form of Contract

BOND RESOLUTION

THIS BOND RESOLUTION (this “**Resolution**”), adopted by the Camden County Public Service Authority (the “**Authority**”);

PREAMBLE

1. The Constitution of the State of Georgia, Article IX, Section III, Paragraph I(a), provides that:

[A]ny county, municipality, school district or other political subdivision of the state may contract for any period not exceeding 50 years with each other or with any other public agency, public corporation, or public authority for joint services, for the provisions of services, or for the joint or separate use of facilities or equipment; but such contracts must deal with activities, services, or facilities which the contracting parties are authorized by law to undertake or provide.

2. The Camden County Public Service Authority (the “**Authority**”) is a body corporate and politic created and existing pursuant to an act of the General Assembly of Georgia (Ga. Laws 1990 p. 4273, as amended by Ga. Laws 1991 p. 4189, and Ga. Laws 2019 p. 3948) (the “**Act**”) and is deemed to be a political subdivision of the State of Georgia and a public corporation and instrumentality of the State of Georgia.

3. The Authority was created by the Act for the purpose of providing governmental, proprietary, and administrative services and facilities to the County of Camden and the municipal corporations of Kingsland, St. Marys, and Woodbine, and other political subdivisions, agencies, and authorities authorized to undertake such cooperative activities or projects.

4. Under the Act, the Authority is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of one or more “projects,” which include the acquisition, construction, equipping, maintenance, and operation of any undertaking, project, or service for which the governmental body contracting with the Authority is authorized by law to undertake in the performance of its governmental, proprietary, or administrative functions, and a project may be composed exclusively of real or personal property, equipment, fixtures, machinery, or other property of any nature whatsoever used or useful in connection with the governmental, administrative, and proprietary functions of any governmental body contracting with the authority for its services or facilities.

5. The City of St. Marys (the “**City**”) is within the Authority’s area of operation and is a municipal corporation of the State of Georgia.

6. The City and the Authority are each a “governmental body,” as defined by the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended, and are authorized to finance any revenue “undertaking” described therein and to issue revenue bonds to refund or refinance outstanding revenue bonds against any undertaking and to refund or refinance all obligations or debt of any nature against any undertaking.

7. In accordance with requests made by the City and pursuant to a bond resolution adopted by the Authority on May 1, 2017 (the “**2017 Resolution**”), the Authority has heretofore

14. In furtherance of its public purposes, and pursuant to said request of the City, the Authority has determined that it is now necessary and desirable to refund, prepay and redeem the outstanding Series 2017 Bond in accordance with the notice previously given to Ameris Bank, as registered owner of the Series 2107 Bond and to provide funds for such prepayment from proceeds of the Series 2021 Bonds, pursuant to this Resolution.

15. The City is authorized pursuant to the Constitution of the State of Georgia to levy taxes, and to expend tax money of the City and other available funds and to obligate the City to make payment thereof to the Authority of the amounts provided for in the Contract.

16. The Act provides that revenue bonds issued by the Authority shall not be deemed to constitute a debt of the State of Georgia or any political subdivision thereof, but any political subdivision contracting with the Authority may obligate itself to make the payments required under such contract from money received from taxes levied for such purpose and from any other source, and such obligation shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt within the meaning of Article IX, Section V, Paragraph 1 of the Constitution of the State of Georgia, and when the obligation is made to make such payments from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation.

17. Nothing in this Resolution shall be construed as limiting or restricting the ability of the City to hereafter issue water and sewer revenue bonds or combined utility revenue bonds of the City and to pledge to the payment thereof a first and prior pledge on the revenues of its water and sewer system or combined utility system.

NOW, THEREFORE, BE IT RESOLVED by the Camden County Public Service Authority in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

issued its CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017 (the “**Series 2017 Bond**”), in the principal amount of \$38,270,000, to provide for the advance refunding and redemption of Series 2010 Bonds issued by the Authority for the benefit of the City and to pay other obligations of the City incurred in connection with its water supply and distribution system and the wastewater collection system constructed and maintained by the City (the “**System**”).

8. The Series 2017 Resolution provided for the sale of the Series 2017 Bond to Ameris Bank, Moultrie, Georgia, which is the registered owner of the Series 2017 Bond. Section 301 of the 2017 Resolution provides for the prepayment of the Series 2017 Bond at par without penalty at any time upon direction of the City by giving thirty (30) days written notice to said registered owner designating the prepayment or redemption date and the series and amount of the Series 2017 Bond to be prepaid or redeemed, signed by the Chairman or Vice Chairman of the Authority.

9. The Mayor and Council, acting for and on behalf of the City, by resolution adopted on September 20, 2021 (the “**City Resolution**”), determined that it is in its financial best interests to cause the Series 2017 Bond to be prepaid in full at the earliest date possible under the terms of the 2017 Resolution in order to achieve debt service cost savings and to restructure the payments due on its intergovernmental contract with the Authority (the “**2017 Contract**”), which secures the payment of the Series 2017 Bond.

10. The City Resolution also requests that the Authority issue its refunding revenue bonds in the aggregate principal amount of not to exceed \$32,300,000 for the purpose of prepaying in full Series 2017 Bond, a certified copy of which City Resolution is on file with the Authority.

11. The City Resolution also requested that the Authority give such notices and take such actions as may be required to prepay the Series 2017 Bond and in accordance therewith the Authority on October 6, 2021, gave notice to Ameris Bank, as registered owner of the Series 2017 Bond of its intent to prepay the Series 2107 Bond in full upon the issuance and delivery of the Series 2021 Bonds (defined herein).

12. It is expected that the Mayor and Council will approve this Resolution, the form of Contract described in paragraph 13 of this preamble and will authorize the Mayor to execute and deliver the Contract by adopting a resolution (the “**Approving Resolution**”) at a regular meeting of the Mayor and Council scheduled on [October 21, 2021].

13. Pursuant to the Approving Resolution, the Mayor is authorized to enter into an intergovernmental contract with the Authority, to be dated as of the date of issuance and delivery of the Series 2021 Bonds (the “**Contract**”). The form of the Contract is attached hereto as Exhibit A. The Contract provides, among other provisions, for payment by the City to the Debt Service Fund (as defined herein), for the account of the Authority, amounts sufficient to pay the principal of, and premium, if any, and interest on the Series 2021 Bonds and any bonds issued hereafter on a parity therewith and other expenses more fully and clearly referenced by the terms and provisions contained in the form of the Contract.

**ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION**

Section 101. Definitions. Unless the context clearly requires otherwise, all terms used herein shall have the meanings set forth in this Article I.

“**2017 Contract**” means the intergovernmental contract, dated June 1, 2017, between the Authority and the City.

“**2017 Resolution**” means the bond resolution adopted by the Authority on May 1, 2017, authorizing the issuance of the Series 2017 Bond.

“**Act**” means Ga. Laws 1990 p. 4273, as amended by Ga. Laws 1991 p. 4189, and Ga. Laws 2019 p. 3948.

“**Authentication Agent**” means The Bank of New York Mellon Trust Company, N.A., or such other bank or trust company so designated by the Authority for the Series 2021 Bonds.

“**Authorized Newspaper**” means a newspaper or financial journal of general circulation in New York, New York which carries financial news, is printed in the English language and is customarily published on each Business Day.

“**Authority**” means the Camden County Public Service Authority and its successors.

“**Bond Counsel**” means an attorney at law or a firm of attorneys, designated by the Authority, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Bond Date**” means the date of issuance and delivery of a series of Bonds or such other date as the Authority shall approve.

“**Bond Year**” means the period beginning on December 2 of each calendar year and ending on December 1 of the following calendar year.

“**Bondholder**,” “**Bondholders**,” “**Holder**,” or “**owner of Bonds**” means the registered owner of any Bond.

“**Bond Registrar**” means The Bank of New York Mellon Trust Company, N.A., or such other bank or trust company so designated by the Authority for the Series 2021 Bonds.

“**Bonds**” means the outstanding Series 2021 Bonds and, from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

“**Business Day**” means a day which is not (a) a Saturday, a Sunday, or a legal holiday on which banking institutions in the State of Georgia, the State of New York, or the state in which is located the Principal Office of the Paying Agent (if a bank or trust company) are authorized by

law or executive order to close or (b) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to close.

“**Cede & Co.**” means Cede & Co., the nominee of DTC or any successor nominee of DTC.

“**City**” means the City of St. Marys, a municipal corporation and political subdivision of the State.

“**City Representative**” means the person or persons at the time designated to act on behalf of the City by written certificate furnished to the Authority, containing the specimen signature of each such person.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Continuing Disclosure Certificate**” means that certain Continuing Disclosure Certificate or Disclosure Dissemination Agent Agreement executed by the City and dated the date of issuance and delivery of the Series 2021 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Contract**” means the intergovernmental contract, to be dated as of the date of issuance and delivery of the Series 2021 Bonds, between the Authority and the City, as the same may be amended or supplemented.

“**Costs of Issuance**” means the reasonable and necessary costs and expenses incurred by the Authority and the City with respect to the issuance of a series of Bonds, the Contract, this Resolution, and any transaction or event contemplated by the Contract or this Resolution, including fees and expenses of engineers, accountants, attorneys, and underwriters, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other expenses incurred in connection with the issuance of a series of Bonds.

“**Costs of Issuance Account**” means the account authorized to be established by Section 502 of this Resolution.

“**Counsel**” means an attorney at law duly admitted to practice law before the highest court in any state.

“**Debt Service Fund**” means the fund authorized to be established by Section 503 of this Resolution.

“**Debt Service Fund Custodian**” means such bank or trust company to be designated in accordance with Section 602.

“**DTC**” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or its nominee, or any other person, firm, association or corporation designated in any resolution of the Authority supplemental hereto to serve as securities depository for a series of Bonds.

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“**Refunding**” means the prepayment, refunding and redeeming of the Series 2017 Bond.

“**Resolution**” means this Bond Resolution, as the same may be amended or supplemented.

“**Revenues**” means all money paid to the Authority by the City pursuant to Section 5.02(a) of the Contract, and all receipts of the Paying Agent credited under the provisions of this Resolution against such payments.

“**Series 2017 Bond**” means the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017, dated as of June 1, 2017, described in paragraph 7 of the preamble.

“**Series 2021 Bonds**” means the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021 authorized to be issued pursuant to the terms of this Resolution.

“**State**” means the State of Georgia.

“**System**” means the water supply and distribution system and the wastewater collection system constructed and maintained by the City.

“**Underwriter**” means with respect to the Series 2021 Bonds, Stephens Inc., Atlanta, Georgia.

Section 102. Rules of Construction. The definitions set forth herein shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter,” and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

All references herein to particular Articles or Sections are references to Articles or Sections of this Resolution unless otherwise specified.

[END OF ARTICLE I]

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“**DTC Participant**” means securities brokers and dealers, banks, trust companies, clearing corporation, and certain other corporations which have access to the DTC system.

“**Event of Default**” shall have the meaning given such term in Section 801 of this Resolution.

“**Federal Tax Certificate**” means a certificate executed by the appropriate officer of the Authority, dated the date of issuance and delivery of a series of Bonds, to the effect that on the basis of facts and estimates set forth therein, which may be provided by the City, (A) it is not expected that the proceeds of the series of Bonds will be used in a manner that would cause the said Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable regulations thereunder, and (B) to the best knowledge and belief of said officer, such expectations are reasonable.

“**Interest Payment Date**” shall have the meaning given such term in Section 202 of this Resolution.

“**Mayor and Council**” means the Mayor and Council of the City of St. Marys, Georgia, and any successor or successors in office to the present Mayor and Council.

“**O.C.G.A.**” means Official Code of Georgia Annotated.

“**Outstanding under this Resolution,**” “**Outstanding hereunder,**” or “**Outstanding**” when used in reference to the Bonds means, as at any particular date, the aggregate of all Bonds authenticated and delivered under this Resolution except:

(a) Bonds canceled after purchase in the open market or because of payment at maturity or redemption prior to maturity;

(b) Bonds otherwise deemed to be paid in accordance with Article VII of this Resolution; and

(c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Resolution unless proof is presented that such Bonds are held by a bona fide purchaser.

“**Parity Bonds**” means any revenue bonds of the Authority which may be issued hereafter on a parity with the Series 2021 Bonds in accordance with the terms of this Resolution.

“**Paying Agent**” means The Bank of New York Mellon Trust Company, N.A., or such other bank or trust company so designated by the Authority for the Series 2021 Bonds.

“**Person**” or “**persons,**” unless the context shall otherwise indicate, shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Record Date**” shall have the meaning given such term in Section 202 of this Resolution.

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ARTICLE II AUTHORIZATION, TERMS, AND FORM OF BONDS

Section 201. Authorization and Designation of Bonds. Revenue bonds of the Authority designated CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021 (the “**Series 2021 Bonds**”) are hereby authorized to be issued in the aggregate principal amount of \$[] pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended, the Constitution of the State, the general laws of the State, the laws of the State relating to the Authority, and pursuant to this Resolution, and all the covenants, agreements, and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

Section 202. Interest Rate; Interest Payment Dates, Maturities, Date, Denominations, and Other Particulars of the Bonds.

(a) The Series 2021 Bonds shall bear interest at the rates set forth below, calculated on the basis of a 360-day year of twelve 30-day months, payable on June 1 and December 1 (each an “**Interest Payment Date**”) in each year, beginning December 1, 2021, and shall mature and be paid on December 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) The Series 2021 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity according to the records maintained by the Bond Registrar.

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(c) The Series 2021 Bonds shall be dated the date of their issuance and delivery or such other date as the Authority shall approve (the “**Bond Date**”).

(d) Except as provided in this Section, each Series 2021 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Series 2021 Bond to which interest on such Series 2021 Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication of such Series 2021 Bond is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on such Series 2021 Bond, in which case from the Bond Date.

(e) The person in whose name any Series 2021 Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date. The term “**Record Date**” as used in this Section with respect to any Interest Payment Date means the 15th day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name Outstanding Series 2021 Bonds are registered on a subsequent date of record established by notice given by mail by the Bond Registrar to the Holders of the Series 2021 Bonds not less than 30 days preceding such subsequent date of record.

(f) The principal of and redemption premium, if any, and interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of the Series 2021 Bonds shall be payable upon the presentation and surrender of the Series 2021 Bonds to the Paying Agent. The interest on the Series 2021 Bonds shall be paid by check or draft mailed by the Paying Agent by first class mail to the respective owners of the Series 2021 Bonds at their addresses as they appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of Series 2021 Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five business days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary).

(g) The Series 2021 Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$5,000 in principal amount or any integral multiple of \$5,000 in excess thereof.

(h) The Series 2021 Bonds are authorized to be issued in either certificated form distributed to the purchaser thereof or book-entry only form, with no physical distribution of Series 2021 Bonds made to the public.

Section 203. Execution of Bonds. The Bonds will be executed on behalf of the Authority with the manual or facsimile signature of its Chairman and shall have printed or impressed thereon the official seal of the Authority and be attested with the manual or facsimile signature of its Secretary. In case any officer of the Authority whose signature shall appear on

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Section 209. Transfer and Registration of Bonds. Bonds shall be transferable only upon the books of the Authority (which shall be kept for that purpose by the Bond Registrar) by the registered owner thereof in person or by such owner’s attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or such owner’s duly authorized attorney. Upon the transfer of any such registered Bond the Authority shall issue in the name of the transferee a new fully registered Bond, without coupons, of the same aggregate principal amount and maturity as the surrendered Bond.

Section 210. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled or retained by the Bond Registrar. No service charge shall be made to any Bondholder for any registration of transfer or exchange of Bonds, but for every such exchange or transfer the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge, if any, required to be paid with respect to such exchange or transfer. The Bond Registrar shall not be required (i) to issue, transfer, or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange of any Bond so selected for redemption in whole or in part.

Section 211. Book-Entry Only System. If Series 2021 Bonds are issued as book-entry bonds, the following procedures shall apply thereto:

The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants (which include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations), which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (a “Beneficial Owner”) is in turn to be recorded on the records of the Direct Participants and others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021

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any Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 204. Authentication of Bonds. Each Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent, and such certificate of the Authentication Agent shall be conclusive evidence that such Bond so authenticated has been duly authenticated, registered, and delivered, and that the owner thereof is entitled to the benefits of this Resolution. The Authentication Agent’s certificate of authentication on any Bond shall be deemed to have been executed by the Authentication Agent if signed manually by the Authentication Agent or its authorized representative, but it shall not be necessary that the same signatory or authorized signatory sign the certificate of authentication on all of the Bonds.

Section 205. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Authentication Agent shall authenticate and deliver a new Bond of like date, maturity, and denomination to that mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond first shall be surrendered to the Authority or the Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Authority and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the Authority and the Bond Registrar, together with an indemnity satisfactory to them. If any such Bond shall have matured, instead of issuing a duplicate Bond, the Paying Agent may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument bond. In executing a new Bond, the Authority may rely conclusively upon a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Section 206. Validation Certificate. A duly executed validation certificate of the Clerk of the Superior Court of Camden County, Georgia, signed with the manual or facsimile signature of such Clerk, will be endorsed on each Bond and will be essential to its validity.

Section 207. Paying Agent and Bond Registrar; Authentication Agent. The Bond Registrar, Paying Agent, and the Authentication Agent for a series of Bonds will keep proper registration, exchange, and transfer records in which it shall register the name and address of the owner of each Bond for which it serves as Bond Registrar, Paying Agent, and the Authentication Agent.

Section 208. Interchangeability of Bonds. The Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or such owner’s duly authorized attorney, may be exchanged, at the option of the registered owner and upon payment by such registered owner of any charges which the Bond Registrar may make as provided in Section 210, for an equal aggregate principal amount of Bonds of any other authorized denominations.

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Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Principal and interest payments on the Series 2021 Bonds will be made by the Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

If (a) DTC determines not to continue to act as securities depository for the Series 2021 Bonds or (b) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2021 Bonds would adversely affect the interests of the Authority or the Beneficial Owners of the Series 2021 Bonds, the Authority shall discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority will cause the Paying Agent to authenticate and deliver replacement Series 2021 Bonds in the form of fully registered Series 2021 Bonds to each Beneficial Owner.

If a book-entry system of evidence and transfer of ownership of the Series 2021 Bonds is discontinued pursuant to the provisions of this Section, the Series 2021 Bonds shall be delivered solely as fully registered Series 2021 Bonds without coupons, shall be lettered “R” and numbered separately from 1 upward, and shall be payable, executed, authenticated, registered, exchanged, and canceled pursuant to the provisions of this Article. In addition, the Authority will pay all costs and fees associated with the printing of the Series 2021 Bonds and issuance of the same in certificated form.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE AUTHORITY AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE SERIES 2021 BONDS FOR ALL PURPOSES UNDER THIS

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RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2021 BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE AUTHORITY OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE AUTHORITY HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

If Series 2021 Bonds are issued as book-entry only, the form of said Series 2021 Bonds shall contain the following text:

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Camden County Public Service Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Authority has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the [hereinafter defined] Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

Section 212. Form of Bonds. The Series 2021 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and form, with such variations, omissions, and insertions as may be required to complete properly each respective Series 2021 Bond and as may be approved by the officer or officers executing each Series 2021 Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution:

calendar month preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Series 2021 Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the Holders of the Series 2021 Bonds not less than 30 days preceding such subsequent date of record. Both the principal of and interest on this Series 2021 Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Series 2021 Bond is one of the duly authorized series of Bonds designated CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021, in the original aggregate principal amount of \$[] (the "Series 2021 Bonds"), issued under and secured by a bond resolution adopted by the Authority on October [], 2021 (the "Resolution"). The Series 2021 Bonds are issued to provide funds needed to currently prepay, refund and redeem the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017, and to pay the costs of issuance of the Series 2021 Bonds.

Pursuant to an intergovernmental contract, dated as of the date hereof (the "Contract"), between the Authority and the City, a municipal corporation and political subdivision of the State of Georgia, the City is obligated to pay the principal of and redemption premium, if any, and interest on the Series 2021 Bonds and any additional Parity Bonds (as hereinafter defined) (collectively, the "Bonds") as the same shall become due in accordance with their terms and provisions and to pay all fees and expenses as provided for in the Resolution. The City is to pay the payments due under the Contract directly to the Debt Service Fund Custodian for the account of the Authority and deposited in the Camden County Public Service Authority (City of St. Marys Project) Series 2021 Debt Service Fund (the "Debt Service Fund").

Payment of the Series 2021 Bonds is secured by a first and prior pledge of and charge or lien on the revenues to be derived by the Authority pursuant to the Contract and the money on deposit in the Debt Service Fund. In addition to the Series 2021 Bonds, the Authority, under certain conditions as provided in the Resolution, may issue additional revenue bonds ("Parity Bonds") which, if issued in accordance with such provisions, will rank *pari passu* with the Series 2021 Bonds with respect to the pledge of and the charge or lien on the revenues pledged to the payment thereof. Any such Parity Bonds may be redeemed in whole or in part before the maturity of the Series 2021 Bonds, subject to the requirements of the Resolution.

Nothing in the Resolution, this Bond, or the Contract shall be construed so as to limit or restrict the ability of the City to issue water and sewer revenue bonds payable from the revenues or net revenues of its water and sewer system, as the same now exists or as it may be hereafter expanded and improved, and to pledge to the payment of such bonds a lien on the revenues of its water and sewer system in accordance with the laws of the State of Georgia, including specifically the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.* as amended).

This Series 2021 Bond shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, but this Series 2021 Bond shall be payable solely from certain revenues and other funds of the Authority as provided in the Resolution. The issuance of this Series 2021 Bond shall not obligate the State of Georgia or any

Unless this Series 2021 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Camden County Public Service Authority or its agent for registration of transfer, exchange, or payment, and any Series 2021 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF GEORGIA

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY
REFUNDING REVENUE BOND
(CITY OF ST. MARYS PROJECT), SERIES 2021

No. R-__ CUSIP:

Maturity Date: December 1, ____
Interest Rate:
Principal Amount: \$
Bond Date: [Date of Issuance and Delivery]
Registered Owner: Cede & Co.

The Camden County Public Service Authority (the "Authority"), a body corporate and politic, duly created and existing pursuant to the Constitution and laws of the State of Georgia, particularly an act of the General Assembly of Georgia (Ga. Laws 1990 p. 4273, as amended) (the "Act"), for value received hereby promises to pay or cause to be paid to the registered owner named above, or registered assigns, the principal amount specified above, on the maturity date specified above, upon presentation and surrender of this Series 2021 Bond to The Bank of New York Mellon Trust Company, N.A., as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof by check or draft mailed by first class mail to such owner at such owner's address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of Series 2021 Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary), interest on such principal sum, at the interest rate per annum specified above, payable on June 1 and December 1 (each an "Interest Payment Date") of each year, beginning December 1, 2021, from the Bond Date specified above or from the most recent Interest Payment Date to which interest has been paid until payment is made of such principal sum in full.

The interest so payable on any such Interest Payment Date will be paid to the person in whose name this Series 2021 Bond is registered at the close of business on the 15th day of the

political subdivision thereof, including the City or the Authority, to levy or pledge any form of taxation whatever for the payment hereof. No holder hereof or receiver or trustee in connection herewith shall have the right to enforce payment hereof against any property of the State of Georgia or any political subdivision thereof, including the City, or against any property of the Authority (other than the funds specifically pledged therefor pursuant to the Resolution), nor shall this Series 2021 Bond constitute a charge, lien or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of or the interest on this Series 2021 Bond against any officer, director or member of the authority. The Authority has no taxing power.

Terms defined in the Resolution and used but not defined herein, shall, unless the context otherwise requires, have the meanings ascribed to such terms in the Resolution.

[This Series 2021 Bond is subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the December 1, 20__ amount to be paid rather than redeemed):

Year Principal Amount Maturing]

[This Series 2021 Bond is subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the December 1, 20__ amount to be paid rather than redeemed):

Year Principal Amount Maturin

The Series 2021 Bonds maturing on December 1, 20__ and thereafter may be redeemed prior to their respective maturities at the option of the Authority, upon direction of the City, in whole or in part at any time beginning December 1, 20__, from any money available therefor. Series 2021 Bonds which are subject to redemption are callable in such order as may be designated by the Authority, upon direction of the Mayor and Council. Such redemption shall be made upon payment of 100% of the principal amount of Series 2021 Bonds to be redeemed prior to maturity plus accrued interest to the redemption date.

THE AUTHORITY HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2021 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE RESOLUTION, CEDE & CO., AS NOMNEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2021 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2021 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT.

CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2021 BOND, WILL BE TREATED AS THE OWNER OF THIS SERIES 2021 BOND FOR ALL PURPOSES.

Notice of redemption shall be given one time not less than 30 days nor more than 45 days prior to the date fixed for redemption to the registered owners of the Series 2021 Bonds being redeemed by first class mail at the address shown on the register of the Bond Registrar. No transfer or exchange of the Series 2021 Bonds so called for redemption shall be allowed. If any Holder of the Series 2021 Bonds being redeemed shall fail to present for redemption any such Series 2021 Bond within 60 days after the date fixed for [optional] redemption, a second notice of the redemption of such Series 2021 Bond shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. Any notice mailed or delivered as herein provided shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Notice of redemption having been given in the manner and under the terms and conditions hereinabove provided, the Series 2021 Bond being redeemed shall become and be due and payable on the redemption date designated in such notice to the extent of the principal amount of the Series 2021 Bond to be redeemed and accrued interest thereon. After the giving of such notice, interest on the principal amount shall cease to accrue from and after the date fixed for redemption unless default shall be made in redemption upon presentation of said Series 2021 Bond.

Except as otherwise provided in the Resolution, this Series 2021 Bond is transferable, as provided in the Resolution, only upon the books of the Bond Registrar, upon presentation at said office of this Series 2021 Bond with the written request of the registered owner hereof or such owner's attorney duly authorized in writing, and a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

Upon such transfer a new registered Series 2021 Bond or Series 2021 Bonds of the same series and the same maturity and of authorized denomination or denominations for the proper principal amount shall be authenticated and delivered by the Authentication Agent. The Authority and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Series 2021 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Authority nor the Paying Agent shall be affected by any notice to the contrary.

The person in whose name this Series 2021 Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Series 2021 Bond to the extent of the sum or sums so paid. This Series 2021 Bond is registrable as transferred by the owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Bond Registrar, all subject to the terms and conditions of the Resolution.

The Series 2021 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 in principal amount or any integral multiple of \$5,000 in excess thereof. This Series 2021 Bond, upon the surrender thereof to the Bond Registrar with a written instrument of

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transfer satisfactory to the Bond Registrar executed by the owner or the owner's attorney duly authorized in writing, may be exchanged, at the option of the owner, for an equal aggregate principal amount of Series 2021 Bonds of the same maturity and interest rate of any other authorized denomination. No service charge shall be made for any such exchange or registration of transfer, but the Bond Registrar may require payment of such charges as shall be sufficient to cover any tax or other governmental charge, if any, which may be payable in connection therewith.

In certain events, on the conditions, in the manner, and with the effect set forth in the Resolution, the principal of all Series 2021 Bonds then outstanding together with the interest thereon may become or may be declared to be due and payable before the stated maturities thereof.

To the extent and in the manner permitted by the Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the Series 2021 Bonds may be made by the Authority with the consent of the owners of a majority in principal amount of the Series 2021 Bonds then outstanding without necessity for notation hereon or reference thereto. Any amendments to the Contract shall be made only in accordance with the provisions of the Resolution.

No covenant or agreement contained in this Series 2021 Bond or the Resolution shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any official executing this Series 2021 Bond shall be liable personally on this Series 2021 Bond or be subject to any personal liability or accountability by reason of the issuance of this Series 2021 Bond.

It is hereby certified and recited that all conditions, acts, and things required by law and the Resolution to exist, to have happened, and to have been performed precedent to and in the issuance of this Series 2021 Bond, do exist, have happened, and have been performed and that this Series 2021 Bond complies in all respects with the Act and with all applicable laws of the State of Georgia.

This Series 2021 Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Series 2021 Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

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IN WITNESS WHEREOF, the Camden County Public Service Authority has caused this Series 2021 Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal to be hereunto reproduced or impressed and attested with the manual or facsimile signature of its Secretary, as of the day first above written.

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

By: _____ (FORM) Chairman

(S E A L)

Attest: _____ (FORM) Secretary

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is part of the series of bonds duly authorized by the within mentioned Resolution.

Date of Authentication: [Date of Issuance and Delivery]

The Bank of New York Mellon Trust Company, N.A., as Authentication Agent

By: _____ (FORM) Authorized Signatory

* * * * *

STATE OF GEORGIA) CAMDEN COUNTY)

VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Camden County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Series 2021 Bond was validated and confirmed by judgment of the Superior Court of Camden County, Georgia, on _____, 2021.

IN WITNESS WHEREOF, I hereunto have set my hand or caused my official signature and the seal of the Superior Court of Camden County, Georgia, to be reproduced hereon in facsimile.

(SEAL)

(FORM)
Clerk of Superior Court
Camden County, Georgia

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address, including postal zip code of transferee.

the within Series 2021 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Agent to transfer the within Series 2021 Bond on the books kept for registration thereof, with full power of substitution in the premises.

(FORM)
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Series 2021 Bond in every particular, without alteration or enlargement or any change whatever.

Date: _____, 20__

Signature Guaranteed:

(FORM)

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guarantee medallion programs.

[END OF FORM OF SERIES 2021 BOND]

[END OF ARTICLE II]

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**ARTICLE III
REDEMPTION OF BONDS BEFORE MATURITY**

[Section 301. **Optional Redemption.** Series 2021 Bonds maturing on December 1, 20__ and thereafter may be redeemed prior to their respective maturities at the option of the Authority, upon direction of the City, in whole or in part at any time beginning December 1, 20__, from any money available therefor. Series 2021 Bonds which are subject to redemption are callable in such order as may be designated by the Authority, upon direction of the Mayor and Council. Such redemption shall be made upon payment of 100% of the principal amount of Series 2021 Bonds to be redeemed prior to maturity plus accrued interest to the redemption date.]

[The Series 2021 Bonds shall be called for redemption by the Bond Registrar pursuant to this Section 301 upon receipt by the Bond Registrar at least 30 days prior to the redemption date of a certificate of the Authority directing such redemption. Such certificate shall specify the maturity or maturities of the Series 2021 Bonds to be redeemed, the redemption date, the principal amount of the Series 2021 Bonds or portions thereof so to be called for redemption, the applicable redemption price or prices, and the provision or provisions of this Resolution pursuant to which such Series 2021 Bonds are to be called for redemption.]

[Section 302. **Scheduled Mandatory Redemption.** The Series 2021 Bonds maturing on December 1, 20__, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the December 1, 20__, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
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The Series 2021 Bonds maturing on December 1, 20__, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the December 1, 20__, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
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therefor, fully registered Series 2021 Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for redemption in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of this Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units

Section 305. Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed herein, and money for the payment of the redemption price being held by the Paying Agent, all as provided in this Resolution, the Series 2021 Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Series 2021 Bonds on such date. Interest on the Series 2021 Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such Series 2021 Bonds shall cease to be entitled to any lien, benefit or security under this Resolution and the Owners of such Series 2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such Bond paid or redeemed in part only, the Authority shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

Section 306. Purchase of Bonds in Market. Nothing herein contained shall be construed to limit the right of the Authority to purchase Series 2021 Bonds in the open market, at a price not exceeding the then applicable redemption price of the Series 2021 Bonds to be acquired, or at par and accrued interest for Series 2021 Bonds not then subject to redemption, from funds in the Debt Service Fund. Any such Series 2021 Bonds so purchased shall not be reissued and shall be cancelled.

Section 307. Redemption of Parity Bonds. Additional Parity Bonds may be made subject to redemption either mandatorily or at the option of the Authority prior to maturity at the times and upon such terms and conditions as may be prescribed in the respective resolutions of the Authority supplemental to this Resolution relating to such Parity Bonds. If Parity Bonds are issued hereafter, such Parity Bonds of any such future issue or issues may be redeemed in whole or in part before the maturity of the Series 2021 Bonds, subject to the Debt Service Fund requirements herein prescribed, and subject to the call provisions of such future Parity Bond series; provided, however, the Authority is not restricted hereby from acquiring as a whole, by redemption or otherwise, all Outstanding Bonds of all such issues from any money which may be available for that purpose.

[END OF ARTICLE III]

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The *pro rata* redemption provided for in this Section 302 shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Bond at any time.]

Section 303. Notice of Redemption. The Bond Registrar shall give notice of redemption pursuant to this Article III one time not less than 30 days nor more than 45 days prior to the date fixed for redemption to the Holders of each of the Series 2021 Bonds being called for redemption by first class mail (electronically while the Series 2021 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice shall contain the complete official name of the Series 2021 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2021 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("EMMA") operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Bond so called for redemption shall be allowed. If any Holder of any Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Section 304. Manner of Redemption. Series 2021 Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of the Series 2021 Bonds of denominations greater than \$5,000, if less than all of such Series 2021 Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge

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**ARTICLE IV
GENERAL AUTHORIZATIONS AND AGREEMENTS;
PARITY BONDS; NON-ARBITRAGE AND TAX COVENANTS**

Section 401. Payment of Principal and Interest; Limited Obligation. The Authority agrees that it will promptly pay the principal of and interest on the Series 2021 Bonds at the place, on the dates, and in the manner provided herein and in the Series 2021 Bonds according to the true intent and meaning hereof and thereof. The Series 2021 Bonds shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the City, or of the Authority, but shall be payable from Revenues as provided herein. The issuance of the Series 2021 Bonds shall not obligate the State or any political subdivision thereof, including the City, to levy or pledge any form of taxation whatever for the payment thereof. No Holder of the Series 2021 Bonds or receiver or trustee in connection therewith shall have the right to enforce payment thereof against any property of the State or any political subdivision thereof, including the City, or against any property of the Authority (other than the funds specifically pledged therefor pursuant to this Resolution), nor shall the Series 2021 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of or interest on the Series 2021 Bonds against any officer, director or member of the Authority. The Authority has no taxing power.

Section 402. Performance of Covenants; Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in the Contract, in any and every Bond executed, authenticated, and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Series 2021 Bonds authorized hereby and to adopt this Resolution and to execute the Contract, that all action on its part for the execution and delivery of this Resolution has been duly and effectively taken, and that the Series 2021 Bonds in the hands of the owners thereof will be valid and enforceable obligations of the Authority according to the terms thereof and hereof.

Section 403. Instruments of Further Assurance. The Authority will execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered, such resolutions supplemental hereto and such further acts and instruments for the better assuring, pledging, and confirming the amounts pledged hereby to the payment of the principal of and redemption premium, if any, and interest on the Series 2021 Bonds. The Authority, except as herein and in the Contract provided, will not encumber any part of its interest in the Revenues payable under the Contract or its rights under the Contract.

Section 404. Priority of Pledge; Parity Bonds.

(a) The pledge made in Section 508 hereof of the Revenues payable under the Contract and on deposit in the Debt Service Fund constitutes a first and prior pledge of and lien on said Revenues. No other bonds or obligations of any kind or nature will be issued hereafter which are payable from or enjoy a lien on the Revenues prior to the lien created thereon for the payment of the Series 2021 Bonds.

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(b) Parity Bonds may be issued by the Authority from time to time, ranking as to the lien on the Revenues *pari passu* with the Series 2021 Bonds for the specific purpose of refunding all or a portion of a series of Bonds or financing improvements or additions, real or personal, to any portion of the System of the City, provided all the following conditions are met:

(1) The payments covenanted to be made hereunder have been and are being made as required.

(2) The Authority and the City shall enter into a contract or an amendment to the Contract, reaffirming and extending through the final maturity of the Parity Bonds then proposed to be issued all applicable covenants, terms, and provisions of the Contract. Under the terms of such contract or amendment to the Contract, the City shall obligate itself to pay directly to the Debt Service Fund Custodian, for credit to the Debt Service Fund, amounts sufficient to pay the principal of and the interest on the Bonds then outstanding and on the Parity Bonds then proposed to be issued, and for the payment of the reasonable fees and charges, if any, of the Paying Agent and Bond Registrar, less the interest and principal requirements on any bonds or obligations to be paid or redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued.

(3) The Authority shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds and shall provide in such proceedings, among other things, for the date, the rate or rates of interest, maturity dates, and redemption provisions, if any, which such Parity Bonds shall bear. The interest on any such Parity Bonds shall fall due on the Interest Payment Dates in each year, and the Parity Bonds shall mature in annual installments on either Interest Payment Date, but not necessarily in each year or in equal installments. Any such proceeding or proceedings shall require that the payments then being made for deposit into the Debt Service Fund to be increased to the extent necessary to pay the principal of and interest on the Outstanding Bonds and on the Parity Bonds proposed to be issued, less the principal and interest requirements on any bonds or obligations to be redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued. Any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of this Resolution.

(4) Such Parity Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

Section 405. Authorization of Contract. The execution, delivery, and performance of the Contract by and between the Authority and the City be and the same are hereby authorized. The Contract shall be in substantially the form attached hereto as Exhibit A, with such changes, insertions or omissions as may be approved by the Chairman or Vice Chairman of the Authority. The Contract shall be executed by the Chairman or Vice Chairman of the Authority and attested by the Secretary of the Authority.

ARTICLE V

APPLICATION OF BOND PROCEEDS; COSTS OF ISSUANCE ACCOUNT; DEBT SERVICE FUND; PLEDGE OF REVENUES

Section 501. Application of Bond Proceeds. The proceeds derived from the sale of the Series 2021 Bonds, shall be applied by the Authority, concurrently with the delivery of the Series 2021 Bonds to the initial purchaser or purchasers, as follows:

(a) An amount shall be deposited with Ameris Bank, [Moultrie], Georgia, as Registered Owner of the Series 2017 Bond which together with other funds of the City as may be required shall be sufficient to prepay, refund and redeem in full the Series 2017 Bond.

(b) All Costs of Issuance shall be paid at closing directly to those persons who shall be entitled to the same, or an amount sufficient to pay all or a portion of the same may be deposited in a Costs of Issuance Account, from which the Costs of Issuance shall be disbursed in accordance with Section 502 hereof to those persons who shall be entitled to the same. At such time as all Costs of Issuance have been paid, any money remaining for purposes of paying Costs of Issuance, or in a Costs of Issuance Account, shall be transferred to the Debt Service Fund.

Section 502. Costs of Issuance Account.

(a) A special account is hereby authorized to be created and established prior to the issuance and delivery of the Series 2021 Bond, with the Debt Service Fund Custodian, said fund to be designated the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY SERIES 2021 COSTS OF ISSUANCE ACCOUNT (the "Costs of Issuance Account"). If created, said fund shall be held separate and apart from all other deposits or funds, and any money deposited into the Costs of Issuance Account shall be disbursed to pay, or reimburse the City, for all or a portion of the Costs of Issuance.

(b) The Authority hereby appoints the City as agent of the Authority to make disbursements from the Costs of Issuance Account. Such disbursements shall not require a requisition and certificate but shall require an invoice for such payment; however, the City shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom.

(c) The balance of the proceeds (if any) shall be deposited to the Debt Service Fund.

Section 503. Creation of Debt Service Fund; Use of Money Therein.

(a) There is hereby authorized to be established a special trust fund in the name of the Authority to be designated CAMDEN COUNTY PUBLIC SERVICE AUTHORITY (CITY OF ST. MARYS PROJECT) SERIES 2021 DEBT SERVICE FUND (the "Debt Service Fund") to be held in the custody of the Debt Service Fund Custodian, but in the name of the Authority.

(b) Except as otherwise provided in this Section 503 and in Sections 506 and 601, money in the Debt Service Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds, whether at maturity, by redemption, or otherwise.

Section 406. Authorization for Validation of Bonds. In order to carry out the issuance of the Series 2021 Bonds, and pursuant to the Constitution and laws of the State, including the Act, any officer of the Authority is hereby authorized and directed to immediately notify the District Attorney of the Brunswick Judicial District of the adoption of this Resolution by the Authority, to request said District Attorney to file a petition and complaint to confirm and validate the Series 2021 Bonds and to pass upon the security therefor, and any such officer is further authorized to acknowledge service and make answer in such proceeding.

Section 407. General Authorization. The proper officers of the Authority are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution and the Contract, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2021 Bonds and the execution and delivery of the Contract and all other documents authorized hereby.

Section 408. Non-Arbitrage and Tax Covenants.

(a) The Authority covenants and agrees for the benefit of the purchasers and owners of the Series 2021 Bonds from time to time outstanding that so long as any of the Series 2021 Bonds remain outstanding, it will not intentionally cause any proceeds of the Series 2021 Bonds to be used to acquire higher yielding investments, except as may be otherwise permitted by Section 148 of the Code, and that, at the written request of the City, it will comply with, and take such action and make such payments as may be permitted or required by Section 148(f) of the Code, to insure that the Series 2021 Bonds do not constitute "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(b) The Authority hereby covenants and agrees that it will cause the proceeds from the sale of the Series 2021 Bonds to be expended and will take such action as may be requested of it by the City so that the interest on the Series 2021 Bonds will be and will remain excluded from the gross income of the owners thereof for federal income tax purposes, including, without limitation, compliance with provisions of Sections 141-149 of the Code, as applicable. In furtherance of this covenant, for the benefit of the Bondholders, the Authority agrees to comply with the provisions of a Federal Tax Certificate to be executed by the Authority and delivered concurrently with the issuance and delivery of the Series 2021 Bonds.

Section 409. Continuing Disclosure. No financial or operating data concerning the Authority is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell the Series 2021 Bonds and the Authority will not provide any such information. The Authority shall have no liability to the beneficial owners of the Series 2021 Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12(b)(5). Pursuant to Section 2.02(e) of the Contract, the City has undertaken all responsibility for compliance with continuing disclosure requirements.

[END OF ARTICLE IV]

The Authority hereby authorizes and directs the Paying Agent to withdraw sufficient funds from the Debt Service Fund during each Bond Year to pay the principal of and interest on the Bonds as the same shall become due and payable, whether at maturity, or otherwise. Any money held as a part of the Debt Service Fund shall be invested and reinvested in accordance with the provisions of Section 601 hereof.

(c) Any amount in the Debt Service Fund at the close of business of the Debt Service Fund Custodian on the day immediately preceding any Interest Payment Date shall be credited against the obligations of the City to make payments under the Contract on such Interest Payment Date. Any amount in the Debt Service Fund on any Interest Payment Date in excess of the amount necessary to pay the principal of and interest on Bonds on such date, at the written direction of the City Representative, shall be applied by the Paying Agent to the purchase of Bonds in the open market at a price not exceeding the principal amount of Bonds so purchased plus accrued interest to the date of such purchase. Any amounts remaining in the Debt Service Fund at the end of each Bond Year, after payment in full of the principal of and interest on Bonds (or provision for payment thereof as provided in this Resolution), the fees, charges, and expenses, if any, of the Bond Registrar and Paying Agent, and all other amounts required to be paid hereunder shall be paid to the City; provided however that the City may direct that a reasonable carry over amount shall be held in the Debt Service Fund, as described in the Federal Tax Certificate.

Section 504. Revenues to be Paid to Debt Service Fund Custodian; Pledge of Revenues; Collateral Assignment to Bondholders.

(a) The Revenues (including the payments provided for in Section 5.02(a) of the Contract) are to be paid directly to the Debt Service Fund Custodian for the account of the Authority, and deposited in the Debt Service Fund. Said Revenues shall be sufficient in amount to pay the principal of and interest on the Bonds.

(b) The Authority hereby covenants and agrees that so long as any of the Bonds issued hereunder are Outstanding it will cause to be deposited in the Debt Service Fund, pursuant to the Contract, sufficient sums from the Revenues to meet and pay promptly the principal of and interest on the Bonds as the same become due and payable.

(c) All Revenues payable under the Contract and on deposit in the Debt Service Fund shall be and are hereby pledged by the Authority to the prompt payment of the principal of and interest on the Bonds. Such money shall immediately be subject to the lien of this pledge for the benefit of the Bondholders without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the Authority and against all other persons having claims against the Authority, whether such claims shall have arisen in tort, contract, or otherwise and irrespective of whether such parties have notice thereof. This pledge shall rank superior to all other pledges which hereafter may be made of any of the funds and accounts pledged in this Resolution.

(d) In order to secure the Authority's obligations under the Bonds, the Authority hereby collaterally assigns, for the benefit of the Bondholders, all of the right, title, and interest of the Authority in and to the Contract, and all extensions and renewals of the term thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the

foregoing, the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Authority is or may become entitled to do under the foregoing, provided that the assignment made by this sentence shall not impair or diminish any obligation of the Authority under the provisions of the Contract or impair or diminish the right of the Authority to enforce compliance with the obligations of the City under the Contract.

(e) The Bondholders may enforce all rights of the Authority and all obligations of the City under and pursuant to the Contract, whether or not the Authority is in default hereunder. So long as any of the Bonds remain Outstanding, and for such longer period when required by the Contract, the Authority shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Contract. The Authority covenants to maintain, at all times, the validity and effectiveness of the Contract and (except as expressly permitted by the Contract) shall take no action, and shall not omit to take any action, which action or omission might release the City from its liabilities or obligations under the Contract or result in the surrender, termination, amendment, or modification of, or impair the validity of the Contract.

(f) The Authority covenants to enforce all covenants, undertakings, and obligations of the City under the Contract, and the Authority hereby authorizes and directs the Bondholders to enforce any and all of the Authority's rights under the Contract on behalf of the Authority. The Authority shall retain possession of an executed original or counterpart of the Contract and shall release the same only in accordance with the provisions thereof. The Contract shall be available for inspection at reasonable times and under reasonable conditions by any owner of any Bond.

(g) The Authority shall not create or suffer to be created any lien, security interest, or charge upon the Revenues or the Contract, other than the pledge and assignment created by this Resolution.

Section 505. Deposits into Debt Service Fund. There shall be paid into the Debt Service Fund, as and when received: (i) all payments under the Contract which are required to be paid into the Debt Service Fund, (ii) any other money required to be deposited therein pursuant to this Resolution, and (iii) all other money received by the Debt Service Fund Custodian when accompanied by directions that such money is to be paid into the Debt Service Fund. There also shall be retained in the Debt Service Fund interest and other income received on investments of money in the Debt Service Fund, to the extent provided in Section 601 hereof.

Section 506. Bonds Not Presented When Due. If any Bonds shall not be presented for payment when the principal thereof and premium, if any, become due, either at maturity or otherwise, if money sufficient to pay such Bonds are on deposit in the Debt Service Fund for the benefit of the Holders thereof, all liability of the Authority to the Holders thereof for the payment of such Bonds shall cease forthwith, terminate, and be completely discharged, and it shall be the duty of the Paying Agent to segregate and hold such money in trust, without liability for interest thereon, for the benefit of Holders of such Bonds who thereafter shall be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Resolution or relating to said Bonds. Such segregated funds shall not be subject to investment.

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ARTICLE VI INVESTMENT OF MONEY; DESIGNATION OF DEPOSITORIES

Section 601. Authorized Investments.

(a) Money in the Debt Service Fund and any money in the Costs of Issuance Account not funded with Bond proceeds, if any, may be invested by the custodian of said funds, at the direction of the City Representative, in such investments as are authorized by law at the time the investment is made, including specifically investments pursuant to O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4, if and to the extent the same are at the time legal for investment of such money. The interest accruing on such investments and any profit realized therefrom shall be credited to each respective fund, and any losses on such investments shall be charged against each respective fund.

Pursuant to O.C.G.A. § 36-80-3, the City Representative may invest and reinvest money in the Debt Service Fund and the Costs of Issuance Account in:

1. Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.
2. Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities.
3. Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Pursuant to O.C.G.A. § 36-83-4, the City Representative may invest and reinvest money subject to its control and jurisdiction in:

1. Obligations of the State or of other states;
2. Obligations issued by the United States government;
3. Obligations fully insured or guaranteed by the United States government or by one of its agencies;
4. Obligations of any corporation of the United States government;
5. Prime bankers' acceptances;
6. The local government investment pool established by O.C.G.A. § 36-83-8;

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Any money deposited with the Paying Agent in trust for the payment of the principal of and premium, if any, or interest on any Bond and remaining unclaimed for five years after such principal, premium, if any, or interest has become due and payable shall, upon the City's request to the Paying Agent, be paid to the City; provided, however, that before the Paying Agent shall be required to make any such payment, the Paying Agent, at the expense of the City, may cause to be published once, in an Authorized Newspaper, a notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the City. After the payment of such unclaimed money to the City, the Bondholder thereafter shall look only to the City for the payment thereof, and any liability of the Paying Agent with respect to such money shall thereupon cease.

Section 507. Fees, Charges, and Expenses. Pursuant to the Contract, during such time as the Bond Registrar, Paying Agent, and Authentication Agent is a bank or trust company, the City is to pay, during such time, the reasonable and necessary fees and expenses of the Bond Registrar and Paying Agent, as and when the same become due, upon the submission by the Bond Registrar and Paying Agent of invoices therefor.

[END OF ARTICLE V]

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7. Repurchase agreements; and
8. Obligations of other political subdivisions of the State of Georgia.

(b) Money in the Costs of Issuance Account that is funded with Bond proceeds, if any, may be invested by the custodian of said funds, at the direction of the City Representative, in any of the following investments (presently authorized by O.C.G.A. § 36-82-7), if and to the extent the same are at the time legal for investment of bond proceeds:

1. Investments and reinvestments in the local government investment pool created in O.C.G.A. § 36-83-8; or
2. Investment in the following securities and no others:

(A) Bonds or other obligations of the issuer, or bonds or obligations of the State of Georgia or other states or other counties, municipal corporations, and political subdivisions of the State of Georgia;

(B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(C) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(D) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;

(E) Certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting

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as depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations included in paragraph (B) above, obligations of the agencies and instrumentalities of the United States government included in paragraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (D) above;

(F) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

- (1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (A) and (B) above and repurchase agreements fully collateralized by any such obligations;
- (2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;
- (3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and
- (4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(G) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to

**ARTICLE VII
DEFEASANCE**

Section 701. Defeasance.

(a) Bonds shall be deemed to have been paid in full and the lien of this Resolution shall be discharged:

(i) after there shall have been irrevocably deposited with the Paying Agent for that purpose, either (A) sufficient money or (B) obligations of, or guaranteed as to principal and interest by, the United States of America, or certificates of an ownership interest in the principal or interest of obligations of or guaranteed as to principal and interest by the United States of America, which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which when due, will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), together with any money deposited therewith, sufficient for the payment at the respective maturities or redemption dates of the Series 2021 Bonds to be defeased, of the principal thereof and the redemption premium, if any, and the interest to accrue thereon to such maturity or redemption date, as the case may be;

(ii) after there shall have been paid to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment or redemption of the Series 2021 Bonds to be defeased or satisfactory arrangements have been made with the Bond Registrar and Paying Agent to make said payments; and

(iii) unless all Outstanding Bonds are to mature or be redeemed within the next 60 days, the Authority shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the owners of the Outstanding Bonds to be defeased, by first class mail, postage prepaid, at their last addresses appearing upon the books of registration, that the deposit required by (i) above has been made with the Bond Registrar and Paying Agent and that said Series 2021 Bonds are deemed to have been paid in accordance with this Section 701 and stating such maturity date or redemption date upon which money is to be available for the payment of the principal or redemption price of said Series 2021 Bonds. The Bond Registrar and Paying Agent may also give such notice by publication in an Authorized Newspaper but such publication shall not be a condition precedent to payment in full of the Series 2021 Bonds and failure so to publish any such notice shall not affect the validity of the proceedings for the payment in full of the Series 2021 Bonds to be defeased.

(b) In addition to the foregoing provisions of this Article VII, the lien of this Resolution shall only be discharged pursuant to this Article VII if the City delivers to the Authority an opinion of Bond Counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Article VII have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on the Series 2021 Bonds from federal income taxation.

registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

Section 602. Designation of Bond Registrar, Paying Agent, and Debt Service Fund Custodian.

(a) The Bank of New York Mellon Trust Company, N.A., is hereby designated the Bond Registrar, Paying Agent, and Authentication Agent for the Series 2021 Bonds.

(b) _____, is hereby designated Debt Service Fund Custodian.

(c) A successor Bond Registrar and Paying Agent or depository for or custodian of any fund or account may, from time to time, be designated provided such successor agrees to comply with all of the provisions of this Resolution.

Section 603. Bank or Trust Company as Bond Registrar, Paying Agent, and Authentication Agent.

(a) During such time as the Bond Registrar, Paying Agent, and Authentication Agent is a bank or trust company, any presentation and surrender of the Series 2021 Bonds to the Paying Agent or Bond Registrar as required herein shall be to the principal corporate office of said bank or trust company.

(b) During such time as the Bond Registrar and Paying Agent is a bank or trust company, any corporation into which the Bond Registrar and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bond Registrar and Paying Agent shall be a party, or any corporation to which substantially all the corporate trust business of the Bond Registrar and Paying Agent may be transferred, shall, subject to the terms of this Resolution, be Bond Registrar and Paying Agent under this Resolution without further act.

[END OF ARTICLE VI]

(c) It is contemplated that any Series 2021 Bonds issued and secured pursuant to this Resolution may be paid, or deemed to be paid in full as aforesaid, and any other Series 2021 Bonds not paid, or not deemed to be paid in full as aforesaid, shall remain Outstanding hereunder. Upon payment in full of any Series 2021 Bonds as provided in this Section 701, the Owners of such Series 2021 Bonds shall no longer be entitled to the benefits of the security afforded by this Resolution and, except for the purposes of registration, exchange, and transfer, shall no longer be deemed outstanding hereunder.

(d) Whenever Series 2021 Bonds shall be deemed to have been paid pursuant to this Section 701, any balances remaining in the Debt Service Fund shall be retained by the City and used for any lawful purpose.

[END OF ARTICLE VII]

**ARTICLE VIII
DEFAULT PROVISIONS AND REMEDIES OF BONDHOLDERS**

Section 801. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default":

(a) default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity or by proceedings for redemption prior to maturity, or otherwise; or

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or

(c) default in the performance or observance of any of the other covenants, agreements, or conditions on the part of the Authority in this Resolution or in the Bonds contained and failure to remedy the same within 30 days after written notice specifying such default and requiring the same to be remedied shall have been received by the Authority and the City from the owner of any Bond; unless, however, action to remedy such failure shall have been undertaken and more than 30 days is reasonably required for its completion, in which event the Authority and the City may permit such failure to remain unremedied during the lesser of 90 days or the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30 day period after the receiving of notice, unless by such action the lien or charge hereof on any part of the Revenues shall be materially endangered, in which event, such failure shall be promptly remedied; or

(d) the dissolution or liquidation of the City or the Authority or the voluntary initiation by the City or the Authority of any proceeding under any law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the City or the Authority of any such proceeding which shall remain undismissed for 60 days, or assignment by the City or the Authority for the benefit of creditors, or the entry by the City or the Authority into an agreement of composition with creditors or the failure generally by the City or the Authority to pay its debts as they become due; or

(e) the occurrence and continuance of any event of default as described in Section 8.01 of the Contract.

Section 802. Acceleration. Upon the occurrence and continuance of an Event of Default under Section 801(a), (b), (d), or (e) hereof, the owners of the Bonds holding not less than a majority in principal amount of the Bonds Outstanding may (a) declare the principal of the Bonds Outstanding, the premium, if any, and the interest accrued thereon immediately due and payable, and such principal, premium, if any, and interest shall thereupon become and be immediately due and payable, and (b) declare an amount equal to all amounts then due and payable on the Bonds Outstanding to be immediately due and payable as accelerated contract payments due under Section 8.02(a) of the Contract. If at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal, premium, if any, and interest upon the Bonds, together with interest on such overdue installments of principal and interest, to the extent permitted by law, and the reasonable and proper charges, expenses and liabilities of the Bond Registrar and Paying Agent, if any, and all other sums then

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prevent or hinder the enforcement of this Resolution, and the Authority, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 806. Application of Money. After payment of the costs and expenses of the proceedings resulting in the collection of money and of the expenses, liabilities, and advances incurred or made pursuant to any right given or action taken under the provisions of this Article, all money received shall be deposited in the Debt Service Fund and all money in the Debt Service Fund shall be applied to or in connection with the payment of Bondholders in respect of all accrued and unpaid interest and unpaid principal, or unpaid premium due on redemption, which has become due on such Bonds, and, if the amount available shall not be sufficient to pay in full any amount owed on the Bonds, then to the payment, according to the amount due respectively, for principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal or premium over interest, or of interest over principal or premium, if any, or of any installments of interest over any other installments of interest or of any Bonds over any other Bonds, ratably, according to the amount due, respectively, of principal and interest to the persons entitled thereto without any discrimination or privilege.

Section 807. Limitation on Rights and Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Resolution, for the execution of any trust thereof or to enforce any other right or remedy hereunder, unless a default has occurred nor unless also such default shall have become an Event of Default and the Holders of not less than a majority in principal amount of Bonds Outstanding shall have instituted an action, suit or proceeding in its, his or their own name or names, it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Resolution by its, his or their action or to enforce any right or remedy hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds Outstanding. Nothing in this Resolution contained shall affect or impair, however, the right of any Bondholder to enforce the payment of the principal of and premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and premium, if any, and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source, and in the manner expressed in the Bonds.

Section 808. Termination of Proceedings. In case any proceedings taken by the owner of any Bond on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority and the owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the owners of the Bonds shall continue as if no such proceedings had been taken.

[END OF ARTICLE VIII]

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payable by the Authority under this Resolution (except the principal of and interest accrued since the next preceding Interest Payment Date on the Bonds due and payable solely by virtue of such declaration) shall be paid either by or for the account of the Authority or provision shall be made for such payment, and all defaults under the Bonds or under this Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good, the Holders of a majority in principal amount of the Bonds Outstanding, may rescind such declaration and annul such default in its entirety. In such event, said Bondholders shall rescind any declaration of acceleration of amounts payable under the Contract. In case of any rescission, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 803. Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the owners of not less than a majority in principal amount of the Bonds Outstanding may pursue any available remedy (other than the remedy of acceleration set forth in Section 802 hereof, which remedy is limited to an Event of Default under Section 801(a), (b), (d), and (e) hereof) provided by the Contract as well as any available remedy at law or in equity to enforce the payment of the principal of and premium, if any, and interest on the Bonds.

If an Event of Default shall have occurred the owners of not less than a majority in principal amount of Bonds Outstanding may exercise such one or more of the rights and powers conferred by this Section 803 and by Section 802 hereof, including the right to secure specific performance by the Authority of any covenant or agreement herein contained; the right to protect and enforce the rights of the owners of the Bonds by suit, action or special proceedings in equity or at law in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy deemed most effectual to protect and enforce such rights; and the right to enforce remedies afforded to the Authority under the Contract.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Section 804. Right of Bondholders to Direct Proceedings. The Holders of a majority in principal amount of the Bonds Outstanding shall have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution, or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution.

Section 805. Waiver by Authority. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Authority, nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws of any jurisdiction now or hereafter in force, in order to

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**ARTICLE IX
SUPPLEMENTAL RESOLUTIONS;
AMENDMENTS TO CONTRACT**

Section 901. Supplemental Resolutions Not Requiring Consent of Bondholders. The Authority, with the consent of the City, but without the consent of, or notice to, any of the Bondholders, may adopt such resolution or resolutions supplemental to this Resolution as shall be consistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission or inconsistent provision in this Resolution;

(b) to grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;

(c) to subject to the lien and pledge of this Resolution additional revenues, properties or collateral; or

(d) to provide for the issuance of Parity Bonds in accordance with the provisions of this Resolution.

Section 902. Supplemental Resolutions Requiring Consent of Bondholders.

(a) Exclusive of supplemental resolutions covered by Section 901 hereof, and subject to the terms and provisions contained in this Section 902, and not otherwise, the owners of a majority in principal amount of the Bonds Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve, in writing, the adoption by the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution, provided, that without the written consent of owners of all the Bonds Outstanding the Authority may not adopt any supplemental resolution that has the effect of permitting a change in the terms of redemption (other than changes in the procedures for redemption) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Bond Registrar or Paying Agent without its written assent thereto.

(b) If at any time the Authority shall seek to adopt any such supplemental resolution for any purposes of this Section, it shall notify the City and the Bond Registrar, and the Bond Registrar shall cause notice of the proposed execution of such supplemental resolution to be mailed by first class mail to the registered owners of the Bonds, but no failure to mail any such notice nor any defect in any notice shall affect the right of the Authority to effect the validity of such supplemental resolution if all necessary consents are obtained. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy of the same is

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on file with the Bond Registrar. If the owners of a majority in aggregate principal amount of the Bonds Outstanding hereunder at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any such supplemental resolution as in this Section 902 permitted and provided, this Resolution shall be deemed to be modified and amended in accordance therewith.

(c) Anything herein to the contrary notwithstanding, a supplemental resolution adopted under this Article IX shall not become effective unless and until the City shall have consented in writing to the adoption and delivery of such supplemental resolution. In this regard, the Authority shall cause notice of the proposed adoption and delivery of any such supplemental resolution to which the City has not already consented, together with a copy of the proposed supplemental resolution and a written consent form to be signed by the City, to be hand delivered to the City at least 30 days prior to the proposed date of adoption and delivery of any such supplemental resolution.

Section 903. Amendments to Contract Not Requiring Consent of Bondholders. The Authority and the City, without the consent of or prior notice to the Bondholders, may amend the Contract for the following purposes:

- (a) to cure any ambiguity or formal defect or omission or inconsistent provisions of the Contract;
- (b) to reaffirm all applicable covenants, terms, and provisions of the Contract and extend its term through the final maturity of Parity Bonds then proposed to be issued; or
- (c) any other purpose which does not adversely affect the interest of the Bondholders.

Section 904. Amendments to Contract Requiring Consent of Bondholders. Except for the amendments as provided in Section 903 hereof, neither the Authority nor the City may amend the Contract whereby such amendment would operate to affect adversely the interest of the Holders of the Outstanding Bonds unless written consent is obtained from the City and the Authority and from (A) all the Holders of the Bonds Outstanding or (B) in the case less than all of the Bonds then outstanding are affected by the amendment, the Holders of all the Outstanding Bonds which are so affected. No such amendment shall ever affect the obligations of the City to make payments under the Contract or the City's covenants with respect to the use of the proceeds of the Bonds.

Section 905. Notice of Supplemental Resolutions and Amendments. To the extent herein not otherwise required, a copy of each supplemental resolution or amendment to the Contract, made or entered into in accordance with the preceding Sections of this Article IX, shall be furnished to each of the Authority, the City, and the Bondholders.

Section 906. Effect of Supplemental Proceeding. Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article thereafter shall

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ARTICLE X MISCELLANEOUS

Section 1001. Consents of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive with regard to any action taken under such request or other instrument, namely:

- (a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and
- (b) The fact of ownership of Bonds and the amount or amounts, numbers, and other identification of such Bonds, and the date of holding the same shall be provided by the registration books of the Authority maintained by the Bond Registrar pursuant to Section 207.

Section 1002. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the owner of any Bonds any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds as herein provided.

Section 1003. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 1004. Immunity of Members, Officers, and Employees of Authority. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Resolution or in the Bonds or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise or agreement of the Authority contained in the Contract, against any member, officer or employee, as such, in his individual capacity, past, present or future, of the Authority or of any successor corporation, either directly or through the Authority or any successor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Bonds, and the Contract are solely corporate obligations, and that no personal liability whatsoever shall attach to or be incurred by any member, officer or employee as such, past, present or future, of the Authority or of any successor corporation, either directly or by reason of the obligations, covenants, promises, or agreements entered into between the Authority and the City to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that

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form a part of this Resolution, and all the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be a part of the terms and conditions of this Resolution and shall be effective as to all Owners of the then Outstanding Bonds and of any Parity Bonds, and no notation or legend of such modifications and amendments shall be required to be made on any such Outstanding Bonds.

Section 907. Resolution Constitutes Contract. The provisions, terms, and conditions of this Resolution shall constitute a contract by and between the Authority and the Owners of Outstanding Bonds, and, after the issuance of the Series 2021 Bonds, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the Owners of the Bonds nor shall the Authority adopt any resolution or ordinance in any way ever adversely affecting the rights of such Owners so long as any of the Bonds or the interest thereon shall remain unpaid; provided, however, that the provisions of this Section shall not be construed to restrict or impair any rights reserved to the Authority by the provisions of this Article IX.

Section 908. Subsequent Proceedings Consistent with Resolution. Any subsequent proceeding or proceedings authorizing the issuance of Parity Bonds as permitted under the provisions of this Resolution shall in no wise conflict with the terms and conditions of this Resolution, but, for all legal purposes, shall contain all the covenants, agreements, and provisions of this Resolution for the equal protection and benefit of all Owners of Bonds.

[END OF ARTICLE IX]

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character against every such member, officer and employee is, by the adoption of this Resolution and the issuance of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and execution of the Bonds, expressly waived and released. The immunity of members, officers, and employees of the Authority under the provisions contained in this Section 1004 shall survive the termination of this Resolution.

Section 1005. Communications. All communications provided for herein shall be in writing and shall be sufficiently given and served upon the Authority and the City if sent by facsimile with the original to follow by United States registered mail, return receipt requested, postage prepaid (unless otherwise required by the specific provisions hereof in respect of any matter) and addressed as follows:

If to the Authority:	Buck Johnsen, Executive Director Camden County Public Service Authority 1050 Wildcat Drive Kingsland, Georgia 31548 Telephone: (912) 729-5600 Facsimile: (912) 729-2300
With a copy to:	Patrick Brooks, Authority Attorney 3773 Second Street South, Suite 103 Folkston, GA 31537 Telephone: (912) 496-3231 Facsimile: (912) 496-6378
If to the City:	Robert "Robby" Horton, City Manager City of St. Marys 418 Osborne Street St. Marys, Georgia 31558 Telephone: (912) 510-4041 Facsimile: (912) 510-4013
With a copy to:	Steven Blackerby, City Attorney 5 Glynn Avenue Brunswick, Georgia 31520 Telephone: (912) 264-8544 Facsimile: (912)

A copy of each communication given hereunder by the Authority or the City shall also be given to any registered owner of a majority in principal amount of Outstanding Bonds.

Any party, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 1006. Payments Due on Saturdays, Sundays, and Holidays. When the date on which any payment is due hereunder shall not be a Business Day, then such payment may be made on the next succeeding Business Day with the same force and effect as if made on the date

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fixed for such payment and no additional interest shall accrue because of such payment occurring on said next Business Day.

Section 1007. Laws Governing Resolution. The effect and meaning of this Resolution and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

Section 1008. Performance Audit. Unless specifically waived pursuant to the publication of such waiver in compliance with the provisions of O.C.G.A. § 36-82-100, the Authority will select a certified public accountant or an outside auditor, consultant or provider for the purpose of providing for a continuing performance audit or performance review of the expenditure of bond proceeds and otherwise complying with the provisions of O.C.G.A. § 36-82-100, the cost of which performance audit or performance review shall be paid by the funds of the City. The Authority has determined that the costs of independent performance audits or performance reviews with respect to the Series 2021 Bonds and the application of the proceeds thereof are unwarranted, and that no such performance audits or reviews are to be required. Notice to the public of the waiver of such performance audits or reviews is to contain an appropriate statement of such waiver.

Section 1009. Bond Purchase Agreement. The Chairman and Secretary of the Authority are authorized to execute on behalf of the Authority a Bond Purchase Agreement with the Underwriter of the Bonds, in the form submitted to the Authority at the time of adoption of this Resolution.

Section 1010. Approval of Official Statement. The Authority shall cause to be prepared and distributed a Preliminary Official Statement with respect to the Series 2021 Bonds and shall prepare, execute, and deliver an Official Statement for the Series 2021 Bonds in final form and the execution and delivery of said Official Statement in final form be and the same are hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 2021 Bonds be and the same is hereby ratified and confirmed, and the Chairman of the Authority is duly authorized to "deem final" the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12. The Chairman of the Authority is hereby authorized to execute and deliver the Official Statement for and on behalf of the Authority and said Official Statement shall be in substantially the form of the Preliminary Official Statement, subject to such changes, insertions or omissions as may be approved by the Chairman and the execution of said Official Statement by the Chairman as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Preliminary Official Statement and Official Statement for and on behalf of the Authority is hereby authorized and approved.

Section 1011. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

Section 1012. Repealer. Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Resolution shall be and the same hereby are repealed, and this Resolution shall be in full force and effect from and after its adoption.

[END OF ARTICLE X]

APPROVED AND ADOPTED this [October __, 2021].

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

By: _____
Chairman

[SIGNATURE PAGE TO BOND RESOLUTION]

EXHIBIT A

Form of Contract

[Attached]

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Camden County Public Service Authority (the "Authority") DOES HEREBY CERTIFY that the foregoing constitutes a true and correct copy of a bond resolution adopted on October __, 2021, by a majority of the entire membership of the Authority in a meeting duly called and assembled and open to the public at which a quorum of members was present and acting throughout, and that the original of said resolution appears of record in the minute book of the Authority, which is in my custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of Official Code of Georgia Annotated.

(S E A L)

Secretary
Camden County Public Service Authority

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Intergovernmental Contract
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INTERGOVERNMENTAL CONTRACT

by and between

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

and

CITY OF ST. MARYS, GEORGIA

Dated _____, 2021

Relating to the [\$ _____] in principal amount
CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS
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INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT, dated _____, 2021 (this “Contract”), made and entered into by and between the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY, which is deemed to be a political subdivision of the State of Georgia and a public corporation and instrumentality of the State of Georgia (the “Authority”), and the CITY OF ST. MARYS, GEORGIA, a municipal corporation of the State of Georgia (the “City”);

WITNESSETH:

WHEREAS, the Authority has been created as a body corporate and politic pursuant to an act of the General Assembly of Georgia (Ga. Laws 1990 p. 4273, as amended by Ga. Laws 1991 p. 4189, and Ga. Laws 2019 p. 3948) (together, the “Act”); and

WHEREAS, the Authority was created by the Act for the purpose of providing governmental, proprietary, and administrative services and facilities to the County of Camden and the municipal corporations of Kingsland, St. Marys, and Woodbine, and other political subdivisions, agencies, and authorities authorized to undertake such cooperative activities or projects; and

WHEREAS, under the Act, the Authority is authorized to issue revenue bonds for the purpose of paying all or any part of the cost of one or more “projects,” which include the acquisition, construction, equipping, maintenance, and operation of any undertaking, project, or service for which the governmental body contracting with the Authority is authorized by law to undertake in the performance of its governmental, proprietary, or administrative functions, and a project may be composed exclusively of real or personal property, equipment, fixtures, machinery, or other property of any nature whatsoever used or useful in connection with the governmental, administrative, and proprietary functions of any governmental body contracting with the authority for its services or facilities; and

WHEREAS, under the Act, the Authority is further empowered to make contracts for the construction of projects or contracts with respect to the use of projects which it causes to be erected or acquired, and to contract with any political subdivision of the State of Georgia upon such terms and for such purposes as may be deemed advisable; and

WHEREAS, pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, any City or other political subdivision of the State of Georgia may contract for any period not exceeding 50 years with any public authority for joint services, for the provision of services or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the City and the Authority are each a “governmental body” as defined by the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended, and are authorized to finance any revenue “undertaking” described therein and to issue revenue bonds to refund or refinance outstanding revenue bonds against any undertaking and to refund or refinance all obligations or debt of any nature against any undertaking; and

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. All words and phrases defined in Section 101 of the Resolution, unless the context clearly indicates otherwise, shall have the same meanings in this Contract.

Section 1.02. Rules of Construction. The definitions referred to in Section 1.01 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders.

"Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," "this Contract," and other equivalent words refer to this Contract and not solely to the particular portion thereof in which any such word is used.

All references herein to particular Articles or Sections are references to Articles or Sections of this Contract unless otherwise specified.

[END OF ARTICLE I]

WHEREAS, in furtherance of its public purposes, and at the request of the City, the Authority proposes to provide funds, through the issuance of its CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021, in the principal amount of \$[] (the "Series 2021 Bonds") authorized to be issued pursuant to a bond resolution adopted by the Authority on [], 2021 (the "Resolution"), to (i) provide funds to currently prepay, refund and redeem the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017 (the "Series 2017 Bond"), issued in the original aggregate principal amount of \$38,270,000 and (ii) pay certain costs of issuance as described in the Resolution; and

WHEREAS, said prepayment, refunding and redemption of the Series 2017 Bond is an act authorized by law for the contracting parties to undertake or provide; and

WHEREAS, proceeds of Series 2010 Bonds of the Authority refunded with proceeds from the Series 2017 Bond were used to finance undertakings to acquire, construct and equip extensions and improvements to the water and sewer system of the City (the "System"); and

WHEREAS, the City is authorized pursuant to the Constitution of the State of Georgia to levy taxes, and to expend tax money of the City and other available funds and to obligate the City to make payment thereof to the Authority of the amounts provided for in this Contract; and

WHEREAS, the Act provides that revenue bonds issued by the Authority shall not be deemed to constitute a debt of the State of Georgia or any political subdivision thereof, but any political subdivision contracting with the Authority may obligate itself to make the payments required under such contract from moneys received from taxes levied for such purpose and from any other source, and such obligation shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt within the meaning of Article IX, Section V, Paragraph 1 of the Constitution of the State of Georgia, and when the obligation is made to make such payments from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation; and

WHEREAS, the City and the Authority have approved and executed a bond purchase agreement with Stephens Inc., as underwriter for the Series 2021 Bonds dated [], 2021 agreement (the "Bond Purchase Agreement"); and

WHEREAS, following study and investigation, the City has determined that it is in the best interest of the City to enter into this Contract for the benefit of the City and its residents, and the Authority has determined that is in the best interest of the Authority to enter into this Contract in furtherance of the purposes for which it has been created.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, covenants, and agreements hereinafter set forth, the Authority and the City hereby agree as follows; provided that in the performance of the covenants and agreements of the Authority herein contained, any obligation it thereby may incur for the payment of money shall not be a general debt of the Authority, but shall be payable solely out of the proceeds derived from the sale of the Series 2021 Bonds and the revenues and receipts derived from this Contract.

ARTICLE II

REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Section 2.01. Representations, Warranties, and Agreements of the Authority. The Authority represents, warrants, and agrees that:

(a) The Authority is a public body corporate and politic created and existing under the Act and, unless otherwise required by law, shall maintain its corporate existence so long as any of the Series 2021 Bonds are Outstanding. Under the provisions of the Act, the Authority is authorized to enter into and carry out the transactions contemplated by this Contract and the Resolution.

(b) The Authority and the City heretofore have agreed that the Authority will finance costs of prepaying, refunding and redeeming the Series 2017 Bond by issuing the Series 2021 Bonds pursuant to the provisions of the Resolution.

(c) There is no litigation or proceeding pending, or to the knowledge of the Authority threatened, against the Authority or against any other party which would have a material adverse effect on the right of the Authority to execute this Contract or the ability of the Authority to comply with any of its obligations under the Series 2021 Bonds, this Contract, the Resolution, or any other documents contemplated to be executed by the Authority in connection with the issuance and delivery of the Series 2021 Bonds.

(d) This Contract, upon execution of the same, will constitute the legal, valid, and binding obligation of the Authority in accordance with its terms, and performance by the Authority of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the Authority is a party or by which the Authority is bound.

(e) Except as herein and in the Resolution provided, the Authority will not encumber any part of its interest in the revenues payable by the City under this Contract or its rights under this Contract. The pledge made of the revenues payable under this Contract constitutes a first and prior pledge of and lien on said Revenues derived from the Contract for the payment of the Series 2021 Bonds and said pledge shall at no time be impaired by the Authority.

Section 2.02. Representations, Warranties, and Agreements of the City. The City represents, warrants, and agrees as follows:

(a) The City is a municipal corporation and political subdivision of the State, having power to enter into and execute, deliver, and perform this Contract, and by proper action of its governing body has authorized the execution and delivery of this Contract and the taking of any and all such actions as may be required on its part to carry out, give effect to, and consummate the transactions contemplated by this Contract and the Resolution, and no approval or other action by any governmental authority, agency, or other person is required in connection with the delivery and performance of this Contract by it except as shall have been obtained as of the date hereof.

(b) There is no litigation or proceeding pending, or to the knowledge of the City threatened, against or affecting the City, nor to the best of the knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of the Series 2021 Bonds, this Contract, the Resolution or any other documents contemplated to be executed in connection with the issuance and delivery of the Series 2021 Bonds.

(c) This Contract, upon execution of the same, will constitute the legal, valid, and binding obligation of the City enforceable in accordance with its terms, and performance by the City of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the City is a party or by which the City is bound.

(d) No actions will be taken by the City which shall in any way impair the exclusion of interest on the Series 2021 Bonds from federal income taxation.

(e) The City will comply with the provisions of the Securities Exchange Act Rule 15c2-12 (the "Rule") and carry out all of the provisions of a Disclosure Dissemination Agent Agreement entered into with Digital Assurance Certification, L.L.C., as the City's dissemination agent. Notwithstanding any other provision of this Contract, failure of the City to comply with the Rule shall not be considered an Event of Default under the Resolution or this Contract; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under the Rule. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to or to dispose of ownership of any Series 2021 Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Series 2021 Bonds for federal income tax purposes.

[END OF ARTICLE II]

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. The Series 2021 Bonds. The Authority, in accordance with the Act, will issue the Series 2021 Bonds for the purposes set forth in the preamble hereof, and all of the covenants, agreements, and provisions hereof, to the extent provided herein and in the Resolution, shall be for the equal and proportionate benefit and security of the Registered Owners of the Series 2021 Bonds and for the equal and proportionate benefit of the Registered Owners of any Parity Bonds issued in accordance with the Resolution, as the same may be hereafter amended to authorize the issuance of Parity Bonds, without preference, priority, or distinction as to the charge, lien, or otherwise of any one Bond over any other Bond, so that the Registered Owners of the Series 2021 Bonds and every Registered Owner of any such Parity Bonds shall have the same rights, privileges, and lien by virtue hereof.

Section 3.02. Date, Denomination, and Maturities. The Series 2021 Bonds will be issued in registered form and will mature and be paid pursuant to the provisions of Article II of the Resolution. Interest on the Series 2021 Bonds will be paid to the Bondholders, in the manner stated in the Series 2021 Bonds and in the Resolution, until the obligation of the Authority with respect to the payment of the principal of the Series 2021 Bonds shall be discharged in accordance therewith.

Section 3.03. Obligations Relating to Bonds. The City agrees to perform all such obligations as are contemplated by the Resolution to be performed by the City.

Section 3.04. Application of Bond Proceeds. At and upon the delivery of and payment for the Series 2021 Bonds, the proceeds received therefrom shall be applied in the manner set forth in Section 501 of the Resolution.

[END OF ARTICLE III]

ARTICLE V

CONTRACT PAYMENTS BY THE CITY

Section 5.01. Bond Proceeds Made Available by Authority. The Authority agrees to make the proceeds from the sale of the Series 2021 Bonds available for the benefit of the City, and to apply same in the manner set forth in Section 501 of the Resolution.

Section 5.02. Contract Payments by the City. Pursuant to this Contract, the City agrees to make payment sufficient in amount to pay the following:

- (a) the principal of and premium, if any, and interest due on the Series 2021 Bonds in accordance with Section 202 of the Resolution;
- (b) the reasonable fees of the Paying Agent and Bond Registrar as provided in the Resolution. Said fees and expenses shall be paid when due directly to the Paying Agent and Bond Registrar for its own account; and
- (c) any payments which may be required by Section 6.08(c) hereof.

Each payment to be made by the City hereunder is to be made on a parity with every other payment hereunder.

Section 5.03. Credits. Any amounts in the Debt Service Fund at the close of business of the Debt Service Fund Custodian on the day immediately preceding any Interest Payment Date or date fixed for prepayment and redemption of Bonds shall be credited against the payments due by the City under this Contract on such Interest Payment Date or date of prepayment and redemption.

Section 5.04. Place of Payments. The payments to be made pursuant to Section 5.02(a) hereof shall be paid directly to the Debt Service Fund Custodian, for credit to the Debt Service Fund as required by Section 504 of the Resolution. The payments to be made pursuant to subsections (b) and (c) of Section 5.02 hereof shall be paid directly to the party to whom such payment is to be made for its own use.

Section 5.05. City's Obligations Unconditional. The obligations of the City to make payments required in this Article V on the dates and in the manner herein specified and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of any contingencies whatsoever and notwithstanding any circumstances or occurrences that may arise or take place hereafter, and shall not be subject to diminution by set-off, counterclaim, abatement, or otherwise and whether or not the System is used or usable. Until such time as the principal of and interest on the Series 2021 Bonds shall have been paid or provision for such payment shall have been made in accordance with the Resolution, the City (i) will not suspend or discontinue any payments for which provision is made in Section 5.02 hereof, (ii) will perform and observe all of its other covenants and agreements contained in this Contract, and (iii) will not terminate this Contract for any cause including, without limiting the generality of the foregoing, impossibility or illegality of performance on the part of the Authority of any of its obligations hereunder or under the

ARTICLE IV

FINANCING OF THE REFUNDING

Section 4.01. Title to System; Financing of the Refunding. The City has title to and presently owns and operates the System, portions of which were extended, improved and equipped with funds available to the City including proceeds from undertakings financed with revenue bonds and loans to the City which were currently refunded with proceeds from the Series 2010 Bonds. The Series 2010 Bonds were refunded by the Authority with the proceeds from the sale of the Series 2017 Bond. In accordance with the Revenue Bond Law, the City is authorized to finance or refinance outstanding revenue bonds against any undertaking and to refund or refinance all obligations or debt of any nature against any undertaking. The Authority hereby agrees to issue the Series 2021 Bonds to finance the costs of currently refunding and redeeming the Series 2017 Bond on behalf of the City in accordance with the provisions of this Contract, the Revenue Bond Law, and the Act, and the City agrees to make the payments provided for in Section 5.02 in accordance with the provisions of this Contract.

[END OF ARTICLE IV]

Resolution, any acts or circumstances that may constitute failure of consideration, any change in the tax or other laws of the United States of America or the State or any political subdivision thereof, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract or out of the Resolution.

Section 5.06. City's Remedies. If the Authority fails to perform any of its agreements in this Contract, the City may institute such action against the Authority as the City may deem necessary to compel such performance so long as such action shall not affect, impair or diminish the obligation of the City to make the payments provided for herein, which obligation shall be absolute, unconditional and irrevocable. The City, at its own cost and expense and in its own name, may prosecute or defend any action or proceedings against third parties or take any other action which the City deems reasonably necessary to secure or protect its rights, in which event the Authority agrees to cooperate fully with the City.

Section 5.07. Tax Levy to Make Payments: Revenue Bonds of the City.

(a) The City will exercise its power of taxation, which is not limited as to rate or amount, to the extent necessary to pay the amounts required to be paid hereunder and will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source. The City, in order to make such funds available for such purpose in each fiscal year, will in its general revenue, appropriation, and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for in each fiscal year during the term of this Contract, include sums sufficient to satisfy the payments required to be made under this Contract, whether or not any other sums are included in such measure, until all payments required to be made hereby shall have been made in full. The obligation of the City to make the payments provided for pursuant to the terms of this Contract shall constitute a general obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill such obligation.

(b) If for any reason any such provision or appropriation is not made as provided in the preceding Section 5.07(a), then the fiscal officers of the City are hereby authorized and directed to set up as an appropriation on their accounts in each fiscal year the amounts required to pay the obligations called for under this Contract from its general funds. The amount of the appropriation in each fiscal year to meet the obligations of this Contract shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions hereof, and such appropriation shall have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation, and budgetary measures, and the fiscal officers of the City shall make such payments for deposit to the Debt Service Fund if for any reason such appropriation is not otherwise made.

(c) Nothing in the Contract or the Resolution shall be construed as creating a lien on the revenues of the System which would restrict or prohibit the City from hereafter issuing revenue bonds in accordance with the provisions of the Revenue Bond Law, presently codified at O.C.G.A. § 36-82-60 *et seq.*, as amended, and pledging to the payment of such revenue bonds a lien on the revenues or net revenues of the System and to establish such debt service funds, debt

service reserve funds, or other funds as the City may deem necessary and desirable in connection therewith.

Section 5.08. Prior Lien of Series 2021 Bonds; Parity Bonds.

(a) The Authority will not issue hereafter any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues derived from the Contract superior to the lien created in the Resolution for the payment of the Series 2021 Bonds. Nothing contained herein, however, shall restrict the issuance of bonds or obligations from time to time payable from the revenues derived from the Contract and secured by a lien thereon junior and subordinate to the lien created to secure the payment of the Series 2021 Bonds.

(b) Parity Bonds may be issued by the Authority from time to time, ranking as to the lien on the revenues derived from the Contract *pari passu* with the Series 2021 Bonds for the specific purpose of financing further improvements or additions, real or personal, to the System or refunding all or a portion of a series of Bonds, provided all the provisions of Section 507 of the Resolution are met. No Parity Bonds shall be subject to this Contract unless and until the City and the Authority execute a new contract or an amendment to the Contract specifically incorporating such Parity Bonds.

Section 5.09. Assignment of Contract.

(a) The payments to be made hereunder by the City to the Authority will be assigned and pledged by the Authority for the benefit of the Bondholders pursuant to the Resolution.

(b) The Authority may collaterally assign, grant a security interest in, or otherwise collaterally transfer its rights in this Contract to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to the Authority herein or otherwise. It is understood and agreed that the Authority, contemporaneously with the execution and delivery of this Contract, will collaterally assign its rights under and grant a security interest in its right, title, and interest in this Contract to the Bondholders pursuant to the Resolution, and the City hereby consents to the assignment and grant of the security interest. Upon the issuance and delivery of the Series 2021 Bonds, all appointments, designations, representations, warranties, covenants, assurances, remedies, title, interest, privileges, permits, licenses, and rights of every kind whatsoever herein conferred upon the Authority shall be deemed to be conferred also upon the Bondholders, and any reference herein to the Authority shall be deemed, with the necessary changes in detail, to include the Bondholders, and the Bondholders is deemed to be and is a third party beneficiary of the representations, covenants, and agreements of the City herein contained.

[END OF ARTICLE V]

(b) It will not make or permit any use of the proceeds from the issue and sale of the Series 2021 Bonds which would cause the Series 2021 Bonds to be classified as an "arbitrage bond" within the meaning of § 148(a) of the Code and any Treasury Regulations promulgated thereunder as such provisions may apply to obligations issued as of the date of issuance of the Series 2021 Bonds.

(c) It will comply with, and take such action and make such payments as may be permitted or required by, § 148(f) of the Code to ensure that the Series 2021 Bonds does not constitute an "arbitrage bond" within the meaning of § 148(a) of the Code.

[END OF ARTICLE VI]

ARTICLE VI

SPECIAL COVENANTS; TAX COVENANTS

Section 6.01. Ownership and Use of the System. The Authority acknowledges that it shall not be vested with any interest in the System and that the System and the revenues of its operations will not constitute any part of the security for payment of the Series 2021 Bonds.

Section 6.02. Use of Bond Proceeds. The Authority and City agree that the proceeds of the Series 2021 Bonds shall be applied exclusively to the refunding and redemption of the Series 2017 Bond and the payment of all or a portion of the costs of issuance of the Series 2021 Bonds.

Section 6.03. No Warranty of Condition or Suitability by the Authority. The Authority makes no warranty, either express or implied, as to the refunding or that it will be suitable for the City's purposes or needs.

Section 6.04. Further Assurances. The Authority and the City agree that, from time to time, they will execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Contract.

Section 6.05. Authority of Authorized City Representative. Whenever under the provisions of this Contract the approval of the City is required or the Authority is required to take some action at the request of the City, such approval or such request shall be made by the City Representative unless otherwise specified in this Contract, and the Authority is authorized to act on any such approval or request. The City shall have no complaint against the Authority as a result of any such action taken.

Section 6.06. Prepayment and Redemption of Bonds. The Authority, at the request at any time of the City, shall forthwith take all steps that may be necessary under the applicable prepayment provisions of the Resolution to effect prepayment and redemption of all or any portion of the Series 2021 Bonds as may be specified by the City, on the earliest date on which such prepayment or redemption may be made under such applicable provisions or upon the date set for such redemption by the City pursuant to Section 9.02 hereof.

Section 6.07. City's Performance Under Resolution; Amendments. The City covenants and agrees, for the benefit of the Registered Owners, to comply with the representations, warranties, and agreements set forth in this Contract, and to do and perform all acts and things contemplated in this Contract and in the Resolution to be done or performed by it. The Authority and the City agree that any amendments to the Contract shall be made in accordance with Sections 903 and 904 of the Resolution.

Section 6.08. Tax Covenants. The Authority and City each hereby covenant and represent to the benefit of the Registered Owners of the Series 2021 Bonds that:

(a) It will not expend the proceeds from the sale of the Series 2021 Bonds nor take any other action which would cause the interest on the Series 2021 Bonds to be included in the gross income of the Registered Owner thereof for federal income tax purposes.

ARTICLE VII

INDEMNITY

Section 7.01. Indemnification; Immunity of Members of Authority.

(a) During the term of this Contract, the City, at its own expense, shall handle to conclusion all claims and pay all judgments obtained against the City or the Authority by reason of any failure, breach, or default on the part of the City in the performance of or compliance with any of the obligations of the City under the terms of this Contract, the refunding, or the Series 2021 Bonds.

(b) Notwithstanding the fact that it is the intention of the parties that the Authority shall not incur any pecuniary liability by reason of the terms of this Contract or the undertakings required of the Authority hereunder by reason of the issuance of the Series 2021 Bonds, the adoption of the Resolution, or the performance of any act requested of the Authority by the City, nevertheless, if the Authority should incur any such pecuniary liability, then, in that event, the City shall indemnify and hold the Authority harmless against all claims, demands, or causes of action arising therefrom and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Authority, the City shall defend the Authority in any such action or proceeding.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Authority contained in this Contract or in the Series 2021 Bonds or the Resolution for any claim based hereon or thereon against any member, officer, or employee of the Authority or of any successor thereto, in his or her individual capacity, either directly or through the Authority whether by virtue of any constitutional provision, statute, or rule of law. This Contract, the Series 2021 Bonds, and the Resolution are solely corporate obligations, and no personal liability shall attach to or be incurred by, any member, officer, or employee of the Authority or of any successor thereto, either directly or by reason of the obligations, covenants, or agreements entered into between the Authority and the City, and all personal liability of any character against every such member, officer, and employee is, by the execution of this Contract, expressly waived and released. The immunity of members, officers, and employees of the Authority under the provisions contained in this Section 7.01 shall survive the termination of this Contract.

[END OF ARTICLE VII]

ARTICLE VIII

DEFAULT; REMEDIES

Section 8.01. Events of Default Defined. The following shall be "events of default" under this Contract and the term "event of default," whenever used in this Contract, shall mean any one of the following events:

(a) Failure by the City to pay when due any amount required to be paid under Section 5.02(a) hereof.

(b) The City shall fail to perform any of the other agreements, conditions, covenants or terms herein required to be performed by the City and such default shall continue for a period of 30 days after written notice has been given to the City by the Authority, the Paying Agent, or the Registered Owner specifying such default and requesting that it be remedied, unless, however, action to remedy such failure shall have been undertaken and more than 30 days is reasonably required for its completion, in which event such failure may be permitted to remain unremedied during the lesser of 90 days or the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30-day period after the receiving of notice, unless by such action the lien or charge hereof on any part of the Revenues derived from the Contract shall be materially endangered, in which event, such failure shall be promptly remedied; provided, however, that if, by reason of *force majeure*, the City is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the payments to be made under Section 5.02(a) hereof), the City shall not be deemed in default during the continuance of such inability to perform.

The term *force majeure* shall mean, without limitation, acts of God; strikes; work stoppages, or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the City. The City, however, will use its best efforts to remedy, with all reasonable dispatch, the cause or causes preventing the City from carrying out such obligation; provided, that the settlement of strikes, work stoppages, and similar disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City, unfavorable to the City.

(c) An "Event of Default" shall have occurred under the Resolution.

Section 8.02. Remedies on Default.

(a) If an event of default referred to in Section 8.01(a) hereof occurs and is continuing, then the Authority (i) by written notice to the City, may declare all payments to be made under Section 5.02(a) hereof to be immediately due and payable, and (ii) may take whatever action at law or in equity may appear necessary or desirable to collect said amounts

in remedy of such default in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such acts.

Section 8.06. Failure to Enforce Agreement Not a Waiver. The failure of the Authority or the Registered Owners to enforce any agreement, condition, covenant, or term by reason of any default or breach by the City shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant, or term on the occasion of any subsequent default or breach.

[END OF ARTICLE VIII]

payable by the City under Section 5.02(a) hereof. No remedy conferred upon or reserved to the Authority in this subsection (a) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Resolution.

(b) If an event of default referred to in Section 8.01(b) hereof occurs and is continuing, then the Authority, by written notice to the City, may take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation, agreement, or covenant of the City then in default under this Contract, whether for specific performance of any covenant or agreement contained herein or therein or in aid of the execution of any power herein granted. No remedy conferred upon or reserved to the Authority in this subsection (b) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract and now or hereafter existing at law or in equity or by statute, subject to the provisions of the Resolution.

(c) If an event of default referred to in Section 8.01 hereof occurs, the Registered Owner may exercise any remedies provided in the Resolution.

(d) No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Registered Owner to exercise any respective remedy reserved to them in this Article VIII, it shall not be necessary to give any notice, other than any notice required herein.

(e) Any amounts collected pursuant to action taken under subsection (a) of this Section 8.02 shall be applied in accordance with the Resolution to the extent the provisions of the Resolution relate to such amounts.

Section 8.03. Attorneys' Fees and Expenses. If the City should default under any of the provisions of this Contract and the Registered Owners of a majority in principal amount of the Bonds outstanding shall employ attorneys or incur other expenses for the collection of the amounts payable hereunder or the enforcement, performance or observance of any obligation or agreement on the part of the City herein contained, the City, on demand therefor, will pay the amount of the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred.

Section 8.04. No Waiver of Breach. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.05. City Authorized to Cure Default of Authority. With regard to any default on the part of the Authority under this Contract or under the Resolution, the Authority hereby vests the City with full power, for the account of the Authority, to perform any obligation

ARTICLE IX

PREPAYMENT

Section 9.01. Prepayments. The City shall have, and is hereby granted, the option to prepay all or any portion of its obligations under Section 5.02 at any time by taking the actions required by Article III of the Resolution to (i) discharge the lien of the Resolution with respect to the Series 2021 Bonds in accordance with Section 701 the Resolution or (ii) effect a prepayment or refunding, in whole or in part, of the Series 2021 Bonds to the extent permitted by the Resolution.

Section 9.02. Exercise of Optional Prepayment.

(a) To exercise an option granted in Section 9.01 hereof, the City shall give written notice to the Authority, which, if a refunding of Series 2021 Bonds is to be effected, shall be received by the Authority prior to the date on which the Authority is required to give notice of such refunding and prepayment and shall specify thereon (i) the proposed prepayment date and (ii) the principal amount of to be prepaid.

(b) Upon receipt of a notice furnished pursuant to this Section 9.02, the Authority and the Bond Registrar, as provided in the Resolution, shall forthwith take or cause to be taken all actions necessary under the Resolution to refund and prepay the Series 2021 Bonds in accordance with the Resolution.

[END OF ARTICLE IX]

ARTICLE X

TERM OF CONTRACT; MISCELLANEOUS

Section 10.01. Term of this Contract. This Contract shall be in full force and effect from the date of delivery hereof until such time as the Series 2021 Bonds shall have been paid or provision for such payment shall have been made in accordance with the Resolution and all payments due or to become due to the Paying Agent and Bond Registrar have been made, but in no event in excess of 50 years from the date hereof.

Section 10.02. Communications. All notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be sufficiently given and served when physically delivered to the party receiving such notice.

Section 10.03. Binding Effect. This Contract shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 10.04. Severability. If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.05. Amounts Remaining in Funds and Accounts. The parties hereto agree that any amounts remaining in any fund or account created pursuant to the Resolution, after payment in full of the principal of and interest on the Series 2021 Bonds (or provision for payment shall have been made as provided for in the Resolution), the fees, charges, and expenses of the Paying Agent and Bond Registrar, and all other amounts required to be paid under the Resolution, shall be paid to the City.

Section 10.06. Delegation of Duties by Authority. It is agreed that under the terms of this Contract and also under the terms of the Resolution, the Authority has delegated certain responsibilities to the City. The fact of such delegation shall be deemed a sufficient compliance by the Authority to satisfy the responsibilities so delegated and the Authority shall not be liable in any way by reason of acts done or omitted by the City or the City Representative. The Authority shall have the right at all times to act in reliance upon the authorization, representation, or certification of the City Representative.

Section 10.07. [Reserved]

Section 10.08. Amendments, Changes, and Modifications. Subsequent to the initial issuance of Series 2021 Bonds and prior to the payment in full of the Series 2021 Bonds, this Contract may not be amended, changed, modified, or altered except as provided in Article IX of the Resolution.

Section 10.09. Execution Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.10. Captions. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

Section 10.11. Law Governing Construction of Contract. This Contract shall be governed by and construed in accordance with the laws of the State.

[END OF ARTICLE X]

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Intergovernmental Contract
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IN WITNESS WHEREOF, the Authority and the City have caused this Contract to be executed in their respective names and their respective seals to be hereunto affixed and attested by their respective duly authorized officers, all as of the date first above written.

CAMDEN COUNTY PUBLIC
SERVICE AUTHORITY

(S E A L)

CITY OF ST. MARYS, GEORGIA

By: _____
Mayor

(S E A L)

By: _____
Chairman

Attest: _____
City Clerk

Attest: _____
Secretary

Signed, sealed, and delivered in the
presence of:

Signed, sealed, and delivered in the
presence of:

Witness

Witness

Notary Public

Notary Public

(NOTARY SEAL)

(NOTARY SEAL)

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Appendix C

FORM OF THE DISCLOSURE DISSEMINATION AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of [Date of Closing], is executed and delivered by City of St. Marys, Georgia (the “Obligated Person”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Obligated Person in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Person through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer (hereinafter defined), the Obligated Person, or anyone on behalf of the Issuer or Obligated Person, regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual

Disclosure Dissemination Agent Agreement

Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be (or voluntarily) submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Finance Director of City of St. Marys, Georgia or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Camden County Public Service Authority, as issuer of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution identified as such in the document under which the Bonds, as listed in Exhibit A were issued, if any.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, if any, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the last day of the ninth month following the end of each fiscal year of the Obligated Person, commencing with the fiscal year ending June 30, 2021 (i.e., the 31st day of March). Such date and each anniversary thereof is the “Annual Filing Date.” The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer, that the Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached

as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. “Principal and interest payment delinquencies;”
 2. “Non-Payment related defaults, if material;”
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices

Disclosure Dissemination Agent Agreement

of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. “Modifications to rights of securities holders, if material;”
 8. Bond calls, if material, and tender offers;
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Bankruptcy, insolvency, receivership or similar event of the Obligated Person;”
 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
 15. “Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material;” and
 16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person
- Disclosure Dissemination Agent Agreement

pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in Obligated Person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;” and
10. “other event-based disclosures.”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

- (viii) provide the Obligated Person and Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Obligated Person, including the financial and statistical information provided in the tables in the Official Statement under the headings: “CITY OF ST. MARYS AD VALOREM TAXATION, -Millage Rates, -M&O Tax Digest, -M&O Tax Levies and Collections for the City, and -Ten Largest Taxpayers.”

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “Obligated Person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to

disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Obligated Person will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) hereof to

file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Obligated Person has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, if any, replace or appoint a successor to the Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer and the Obligated Person.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of

Disclosure Dissemination Agent Agreement

the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer Responsibility. The Obligated Person and the Disclosure Dissemination Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Person nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer and the Obligated Person. No such amendment shall become effective if the Obligated Person shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee (if any), the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Georgia (other than with respect to conflicts of laws).

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Obligated Person have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CITY OF ST. MARYS, GEORGIA
as Obligated Person

By: _____
Name: John F. Morrissey
Title: Mayor

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Camden County Public Service Authority
Obligated Person(s)	City of St. Marys, Georgia
Name of Bond Issue:	CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021
Date of Issuance:	[Date of Closing]
Date of Official Statement	October __, 2021

CUSIP Number:
CUSIP Number:
CUSIP Number:
CUSIP Number:
CUSIP Number:
CUSIP Number:
CUSIP Number:
CUSIP Number:

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Issuer: Camden County Public Service Authority; Obligated Person: City of St. Marys, Georgia

Issuer's Six-Digit CUSIP Number:

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached: _____

____ Description of Notice Event (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;" Tender Offers;
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [Date of Closing] between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Issuer: Camden County Public Service Authority; Obligated Person: City of St. Marys, Georgia

Issuer's Six-Digit CUSIP Number:

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;" and
10. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [Date of Closing] between the Issuer and DAC.

Issuer’s and Obligated Person’s Names:

Issuer: Camden County Public Service Authority; Obligated Person: City of St. Marys, Georgia

Issuer’s Six-Digit CUSIP Number:

Issuer’s Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

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Appendix D

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

The form of Legal Opinion included in this Appendix D has been prepared by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2021 Bonds.

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[Date of Closing]

Camden County Public Service Authority
St. Marys, Georgia

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

Re: \$28,140,000* CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING
REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021

To the Addressees:

We have acted as bond counsel in connection with the issuance by the CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BONDS (CITY OF ST. MARYS PROJECT), SERIES 2021, in the aggregate principal amount of \$28,140,000* (the “Series 2021 Bonds”). As bond counsel, we have examined (i) the Constitution and laws of the State of Georgia and the laws of the State of Georgia relating to the Authority, including specifically the act of the General Assembly of Georgia by which the Authority was created, Ga. Laws 1990 p. 4273, as amended by Ga. Laws 1991 p. 4189, and Ga. Laws 2019 p. 3948 (the “Act”); (ii) a bond resolution adopted by the Authority on [_____, 2021] (the “Resolution”); (iii) a contract, entered into as of the date of the Series 2021 Bonds (the “Contract”), by and between the Authority and the City of St. Marys, Georgia (the “City”), a municipal corporation of the State of Georgia; and (iv) a certified copy of the proceedings in and judgment of the Superior Court of Camden County, Georgia, by which the Series 2021 Bonds were validated.

The Series 2021 Bonds are being issued to provide funds to pay for: (i) currently refunding and redeeming the outstanding CAMDEN COUNTY PUBLIC SERVICE AUTHORITY REFUNDING REVENUE BOND (CITY OF ST. MARYS PROJECT), SERIES 2017 (the “**Series 2017 Bond**”) and (ii) paying the necessary costs of issuing the Series 2021 Bonds. Pursuant to the Contract, the City has agreed to make payments sufficient to pay the principal of and premium, if any, and interest on the Series 2021 Bonds, whether at maturity, upon redemption, or otherwise.

Payment of the Series 2021 Bonds is secured by a valid first and prior pledge of and charge or lien on the contract revenues to be paid by the City to the Authority in consideration for the undertaking, as provided by the Contract.

The Series 2021 Bonds are dated their date of issuance and delivery and are subject to transfer, exchange, and redemption prior to maturity at the times, in the manner, and on the terms specified in the Resolution. The Series 2021 Bonds are being issued initially in book-entry form, and interest is payable thereon on June 1 and December 1 of each year, beginning December 1, 2021. The Series 2021 Bonds mature on December 1 in the years and principal amounts, and bear interest at the rates, as set forth in the Resolution.

The Authority has reserved the right to issue additional revenue bonds ranking *pari passu* with and secured by the same pledge of said contract revenue as that securing the payment of the Series 2021 Bonds upon the terms and conditions prescribed in the Resolution.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the Authority, the City, the initial purchasers of the Series 2021 Bonds, or any other party with any statute, regulation, or ruling of the State of Georgia or the United States of America regarding the sale (other than the initial sale by the Authority) or distribution of the Series 2021 Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such requirements may cause interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2021 Bonds. The Authority and the City have covenanted, pursuant to the Resolution and the Contract, respectively, to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of the interest on the Series 2021 Bonds.

In connection with the opinions rendered herein, we have examined and relied upon the documents described in the first paragraph of this opinion and such other documents as we deem necessary to render this opinion, including the opinions of Patrick Brooks, Esq., counsel for the Authority and Brown, Readdick, Bumgartner, Carter, Strickland & Watkins, LLP, counsel for the City.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City (including representations as to the use of proceeds of the Series 2021 Bonds) in the Contract and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, it is our opinion that:

1. The Authority is a body corporate and politic, created pursuant to the Act, and is deemed to be a political subdivision of the State and a public corporation and instrumentality of the State. The Authority has all requisite power and authority under the Constitution and laws of the State of Georgia, including particularly the Act to (a) issue, sell, and deliver the Series 2021 Bonds; (b) use the proceeds of the Series 2021 Bonds for the purposes set forth in the Resolution; (c) enter into and perform its obligations under the Series 2021 Bonds, the Resolution, and the Contract; (d) adopt the Resolution; and (e) execute and deliver the Contract.

2. The Contract has been duly and lawfully authorized, executed, and delivered by the Authority and the City, is in full force and effect, and constitutes the legal, valid, and binding obligation of the Authority and the City enforceable in accordance with its terms.

3. The Resolution creates a valid first and prior pledge and lien on the money payable by the City pursuant to the Contract, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

4. The Series 2021 Bonds have been issued in conformity with the Act; have been properly authorized by the Resolution; have been executed, authenticated, and issued in accordance with the terms of the Resolution and in accordance with the Constitution and laws of the State of Georgia; and are the legal, valid, and binding special obligations of the Authority enforceable in accordance with their terms and secured in accordance with their tenor.

5. The Resolution has been duly adopted by the Authority and is in full force and effect in the form adopted and the Authority has obtained all required consents and approvals for the issuance of the Series 2021 Bonds.

6. The Series 2021 Bonds and the security therefor, including the Resolution and the Contract, have been validated by judgment of the Superior Court of Camden County, Georgia.

7. The City is obligated unconditionally to make the payments required by Section 5.02 of the Contract to provide the amounts required to fulfill the City's obligations thereunder. The obligation of the City to make such payments constitutes a general obligation of the City for which the full faith and credit of the City is pledged. The City annually shall include in its general revenue or appropriation measures sums sufficient to satisfy the payments required to be made in each year.

8. The Series 2021 Bonds do not constitute a debt or a loan or pledge of the faith and credit of the Authority, the State of Georgia, or of any political subdivision thereof, but the Series 2021 Bonds are payable from and are secured by a pledge of and lien upon the Revenues (as defined in the Resolution) of the Authority, as provided in the Resolution. The issuance of the Series 2021 Bonds shall not obligate the State of Georgia or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof, but the obligation of the City to levy the tax necessary to fulfill its obligations arising under the Contract is a legal, binding, and enforceable obligation. The Authority has no taxing power.

9. Interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation.

Although we have rendered an opinion that interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, a bondowner's federal tax liability may

Camden County Public Service Authority, et al.

[Date of Closing]

Page 4 of 4

otherwise be affected by the ownership or disposition of Series 2021 Bonds. The nature and extent of these other tax consequences will depend upon the bondowner's other items of income or deduction. We express no opinion regarding any other federal or state tax consequences other than expressly set forth herein.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that hereafter may come to our attention or any changes in law that may occur hereafter.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: _____
A Partner

