COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Garden City, Georgia

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

PREPARED BY

FINANCE DEPARTMENT


THE CITY OF GARDEN CITY
19
39
FAITH
FREEDOM
FAMILY
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FUTURE

City of Garden City, Georgia
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION


THE CITY OF GARDEN CITY
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GARDEN CITY

OFFICE OF
THE CITY MANAGER

Brian L. Johnson
City Manager

Rhonda Ferrell-Bowles
Assistant to the City Manager

May 21, 2012

Mayor
Members of Council
Citizens of Garden City

We are pleased to submit the Comprehensive Annual Financial Report of the City of Garden City, Georgia for the year ended December 31, 2011 to Your Honorable Body, the Mayor and Citizens of Garden City. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups to the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included. This report also fulfills the state law to publish an annual audit within six months of the close of each fiscal year.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and compliance section. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis; basic financial statements for governmental and proprietary funds; notes to the financial statements and the combining and individual funds statements; and schedules for the non-major governmental, special revenue, capital project, and proprietary funds. The statistical section presents selected and un-audited financial and demographic information.

The City's primary government financial statements have been audited by Karp, Ronning, & Tindol, P.C.'s. They have issued an unqualified ("clean") opinion of the City's financial statements for the year ended December 31, 2011. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report. The MD&A complements the letter of transmittal and should be read in conjunction with it..

PROFILE OF THE GOVERNMENT

Located in the heart of Chatham County, Garden City stands apart as one of the leading municipalities in coastal Georgia. Featuring a progressive blend of industry and small business, Garden City boasts a rich history, friendly neighborhoods, vibrant economy and quality services for residents. Home to the Port of Savannah's Garden City Terminal, which is the largest single-terminal operation in North America, Garden City has the additional distinction of being the second largest municipality in the State of Georgia with no property taxes.

On February 8, 1939, the Superior Court of Chatham County granted the residents of Industrial City Gardens, Georgia a charter of municipal incorporation. Thus began the story of a town that became what is known today as Garden City. Prior to incorporation, from the time after the Civil War, the area was home to three major plantations: the Brampton, Givens, and Telfair. Early residents of the area were simple farmers and mill workers, many of whom eventually found work in the rapidly growing cotton and shipping industries.

Since its incorporation and until recently, Garden City operated under a Mayor-Council form of government where the Mayor was the designated chief executive of the City and presiding officer of a 7-member City Council that was elected at-large for staggered four-year terms. While responsibility for day-to-day operations was delegated to an appointed City Administrator, the Mayor maintained the ultimate authority to hire and fire, prepare and administer the budget and veto acts of the elected body. The City Council maintained responsibility for adopting the budget, passage of resolutions and ordinances, auditing the performance of the government and adoption of general policy positions.

Recent legislation has changed the structure within Garden City to a Council-Manager form of government. This system of government combines the strong political leadership of elected officials with the strong managerial experience of an appointed City Manager, enabling the Mayor and City Council to share legislative functions. The Mayor continues to be recognized as the political head of the City but now becomes a voting member of the City Council. As the governing body of the City, the Council provides legislative direction whereas a City Manager is appointed by the Council to carry out the policies it establishes and is responsible for the administrative operation of the City based on the Council's recommendations. Thus, the Mayor and Council as a collegial body are responsible for setting policy, approving the budget and adopting resolutions and ordinances. The City Manager serves at the pleasure of the Council as their chief advisor and is responsible for preparing the budget, directing day-to-day operations and hiring and firing personnel.

In addition to the change in the form of government, the recent legislation also included the use of a mixed election system and a change in the composition of the City Council. During the 2011 election, the City Council was reduced by one member. Now, the City Council consists of seven members, one being the Mayor. Five members are elected from single-member districts with the Mayor and Mayor Pro-Tem being elected at-large. This mixed election system, combining at-large and single-member elections, blends the citywide perspective of the at-large council members with the local concerns and accountability of district council members and ensures that all geographic and minority populations continue to be properly represented.

The City of Garden City is also financially accountable for a legal separate tourism board and downtown development authority, both of which are reported separately within the City's financial statements. Additional information of the City's component units can be found in the notes to the financial statements (See Note I.A).

The annual budget currently serves as the foundation for the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. An annual operating budget is adopted for the general fund and special revenue funds. An annual operating budget is prepared for enterprise funds for planning, control, cost allocation and evaluation purposes. All annual appropriations lapse at the fiscal year end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

The past fiscal year showed some slight improvements. The City saw an increase in several major revenue sources that are directly linked to the economy. In FY 2011, occupational tax and franchise tax revenues increased 8.9% and 20.6% respectively. The City's Local Option Sales Tax (LOST) proceeds also increased by 4.8%. However, the City's portion of insurance premium tax decreased by 24.7% due to a reduction in the City's population during the 2010 Census.

Employment statistics reported by the Georgia Department of Labor showed that Garden City's unemployment rate is 11.5% of the civilian labor force compared to 9.2% for Chatham County. The Georgia Department of Labor indicates that the annualized average unemployment rate for Chatham County for 2010 was 9.1%.

While the City's unemployment rate remains higher than Chatham County, the City has some reason for optimism. Coastal Logistics Group, Inc. (CLG), the 16th fastest growing private logistics company in the nation, completed construction of a 320,000 square-foot facility in 2011, which also serves as their headquarters. CLG will offer bulk loading and unloading capabilities, packing, crating, distribution and manufacturing support services. The new facility was the first to locate at the CenterPoint Intermodal Center, a 233-acre development with the potential to have over 1.3 million square feet of industrial facilities. The Judge Organization began construction of a 270,000 square-foot warehouse and distribution center in 2011 at the CenterPoint Intermodal Center. The Judge Organization specializes in exporting forestry products and importing wine and spirits. The project was completed in early 2012 and is expected to generate at least 45 jobs over the next three years.

Prospects for the Economy and Major initiatives

The City of Garden City recently embarked on an ambitious project to relocate its city center and build a new mixed-use downtown anchored by a New City Hall. Upon build out, the Town Center will accommodate more than 800,000 square feet of commercial, retail and residential development, which should increase the City's population base, create new employment opportunities and serve as the new "heart and soul" of the City. However, during the economic downturn, there has not been much development at the Garden City Town Center. The City will see construction begin on two projects that have been in planning phases for the last few years. Those are the Dean Forest Road Widening project and the new Chatham County public library.

- **Dean Forest Road Widening Project:** In an effort to better facilitate traffic flow and to create a more attractive environment that appeals to motorists, pedestrians and bicyclists, Dean Forest Road will be widened and will feature a scenic landscaped boulevard, tree-lined streets, sidewalks and bike paths from Southbridge Blvd. to Sunshine Road.

- **New Public Library:** In an effort to continually enhance Garden City in all areas, we have entered into a joint venture with Chatham County in having a library built. The new library will provide a convenience to the citizens, as well as a valuable resource for all the residents of Garden City and Chatham County.

The City will continue to work with our private developer to market the Town Center as much as possible, and we will continue to look for resources to continue progress at Town Center. The City will continue to expand our economic development efforts in order to be an attractive place for businesses and residents. Funds have been appropriated to the Planning Department to develop a comprehensive economic development plan. The plan will identify the challenges and opportunities facing Garden City and will produce strategies to maximize our strengths and mitigate our weaknesses.

The City of Garden City is one of five Georgia communities to be selected by the Georgia Department of Community Affairs (DCA) to participate in the 2012 Georgia Initiative for Community Housing (GICH) program. The GICH program is a three-year program developed to assist local governments with community housing needs. During GICH's three-year program, Garden City and its community housing team will receive instruction and technical assistance from the GICH facilitators as they design and implement a housing program to improve both the quality of life of its citizens and the community's economic conditions.

Long-Term Financial Planning

In November 2011, the City revised its fund balance policy to conform to the Governmental Accounting Standards Board (GASB) Statement 54. Part of the new policy outlines the minimum requirements for the City's Rainy Day fund balance. It states that the City Council will commit a minimum fund balance of 25% of budgeted General Fund operating expenditures for use in meeting unanticipated needs and/or emergencies. The City will maintain minimum cash reserves equaled to 15% of the General Fund budgeted operating expenditures. **This reserve will be part of the Rainy Day fund balance.**

If existing reserves exceed the required level, such funds may be used to provide for non-recurring expenditures as approved by Mayor and Council.

Awards and Acknowledgement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Garden City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2010. This was the third year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the effective and dedicated services of the entire Finance Department staff.

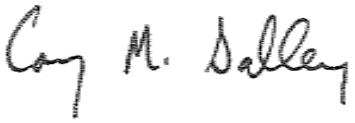
The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its FY 2011 annual budget document dated December 6, 2010. In order to qualify for the Distinguished Budget Presentation Award the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We also express appreciation to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in management of the City of Garden City's finances for the year ending December 31, 2011.

Respectfully submitted,





Brian L. Johnson,
City Manager

Cory M. Salley,
Finance Director

City of Garden City, Georgia

List of Principal Officials

December 31, 2011

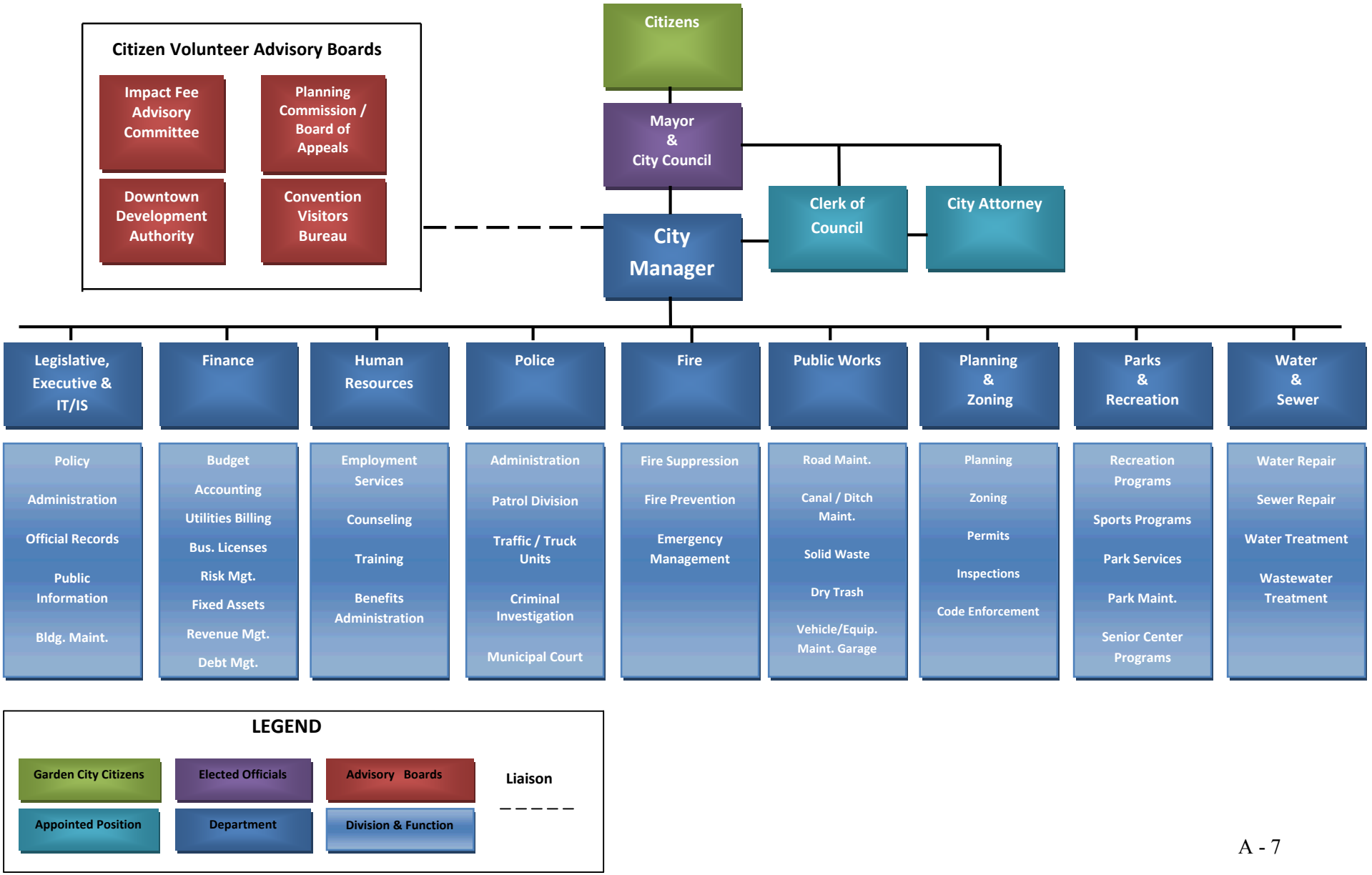
City Hall
(912) 966-7777
Fax (912) 966-7792

Mayor	Tennyson Holder
City Manager	Brian Johnson
Deputy City Manager	Ron Feldner
City Clerk	Rhonda Ferrell Bowles
Director of Finance	Cory Salley
Chief of Police	David Lyons
Chief of Fire	Jimmy Crosby
Director of Public Works	Benny Googe
Director of Human Resources	Pamela Franklin
Director of Code Enforcement	Scott Allison
Director of Recreation	Cliff Ducey
Director of Information Technology	Ben Brengman
City Attorney	Jim Gerard

City Council Members

Judy Shuman	Mayor Pro - Tem
Bessie Kicklighter	President of Council
Don Bethune	Councilman
Gwyn Hall	Councilman
Bowen Jones	Councilman
Durward Motes	Councilman
Jimmy Spilliards	Councilman

CITY OF GARDEN CITY, GEORGIA
ORGANIZATION CHART
By Department / Function



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garden City

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey L. Esser

Executive Director

FINANCIAL SECTION


THE CITY OF GARDEN CITY
19
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FAITH
FREEDOM
FAMILY
FAIRNESS
FUTURE

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
City Council
City of Garden City, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

6600 ABERCORN STREET • SUITE 200 SAVANNAH, GEORGIA 31405
P.O. BOX 16149 SAVANNAH, GEORGIA 31416
912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com

Required Supplementary Information

The Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C- 1 and E -1, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

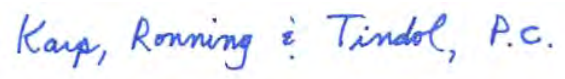
Supplementary Data – Combining Fund Financial Statements and Schedules

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary data fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Karp, Ronning & Tindol, P.C.



Savannah, Georgia
May 6, 2012

6600 ABERCORN STREET • SUITE 200 SAVANNAH, GEORGIA 31405
P.O. BOX 16149 SAVANNAH, GEORGIA 31416
912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com

As management of the City of Garden City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Garden City, Georgia for the fiscal year ended December 31, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The City's assets exceeded its liabilities by $27,939,049 (net assets) for the fiscal year reported. Of this amount, $3,799,849 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by $86,845, primarily due to decreases in business-type activities net assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $3,413,768, an increase of $71,428 in comparison with the prior year. While the general fund reported a decrease in fund balance of $2,574,074, the other governmental funds reported an increase of $2,645,502. The decrease in the general fund and the corresponding increase in the other governmental funds is a result of a $3,040,000 permanent transfer from the general fund to the Special Purpose Local Option Sales Tax (SPLOST) fund.
- Unassigned fund balance for the general fund was $1,321,567 or 19% of the total general fund operating expenditures. In addition, the City has $1,757,128 in committed fund balance for emergencies.

Overview of the Financial Statements

This annual report consists of four parts – Management's Discussion and Analysis, the basic financial statements, required supplementary information and other supplementary information that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City of Garden City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the City's overall health, the reader needs to consider additional nonfinancial factors such as the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as police, public works, court, streets, recreation, parks, and general administration. Sales taxes, franchise taxes, charges for services, and fines and forfeitures provide most of the funding.
- Business-type activities – The City charges fees to customers to help cover the costs of certain services it provides. The City's water and sewer system, solid waste collection, stormwater, and fire protection are treated as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. State law requires some funds. The City Council establishes other funds to control and manage money for particular purposes.

The City has two kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

Financial Overview

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Garden City, Georgia, assets exceeded liabilities by $27.9 million at the close of the most recent fiscal period. Governmental activities comprise $16.0 million, and business-type activities make up $11.9 million of the total net assets. In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	$ 4,471,779	$ 4,521,151	$ 861,526	$ 861,526	$ 5,333,305	$ 5,382,677
Capital assets	21,454,656	22,664,992	16,825,371	16,825,371	38,280,027	39,490,363
Total assets	25,926,435	27,186,143	17,686,897	17,686,897	43,613,332	44,873,040
Current liabilities	688,474	739,000	531,451	531,451	1,219,925	1,270,451
Long-term liabilities	9,222,289	10,435,657	5,141,038	5,141,038	14,363,327	15,576,695
Total liabilities	9,910,763	11,174,657	5,672,489	5,672,489	15,583,252	16,847,146
Net assets:						
Invested in capital assets - net of related debt	12,329,724	12,348,736	11,693,200	11,699,882	24,022,924	24,048,618
Restricted	116,276	-	-	25,657	116,276	25,657
Unrestricted	3,569,672	3,662,750	230,177	288,869	3,799,849	3,951,619
Total net assets	$ 16,015,672	$ 16,011,486	$ 11,923,377	$ 12,014,408	$ 27,939,049	$ 28,025,894

**Note: Beginning net assets for governmental activities has been restated by $328,400 for accrued interest omitted from the governmental activities balance sheet at December 31, 2010.*

The largest portion of the City's net assets (86%) represents its investment in capital assets such as land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City has unrestricted net assets totaling $3,799,849 or

13.6% of total net assets, which may be used to meet the City's ongoing obligations to citizens and creditors. The remaining balance of total net assets contains resources that are subject to external restrictions on how they may be used, such as SPLOST money and confiscated assets.

The total net assets decreased by $86,845 or .3% from the prior year. Governmental activities net assets increased by $4,186, while business-type activities' net assets decreased by $91,031 or .8%.

Changes in Net Assets

The following table shows the changes in net assets for 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue						
Program revenue:						
Charges for services	$ 1,454,841	$ 1,294,329	$ 4,401,169	$ 3,587,896	$ 5,856,010	$ 4,882,225
Operating grants and contributions	259,378	768,046	201,426	-	460,804	768,046
Capital grants and contributions	1,169,793	217,972	22,441	205,910	1,192,234	423,882
General Revenue:						
Franchise taxes	816,915	898,877	-	-	816,915	898,877
Sales and use taxes	3,503,451	3,263,375	-	-	3,503,451	3,263,375
Selective sales and use taxes	326,298	318,441	-	-	326,298	318,441
Business taxes	1,018,253	1,111,305	-	-	1,018,253	1,111,305
Other taxes	28,491	26,467	-	-	28,491	26,467
Unrestricted investment	2,152	18,644	438	1,542	2,590	20,186
Miscellaneous	208,855	200,423	-	-	208,855	200,423
Total revenue	8,788,427	8,117,879	4,625,474	3,795,348	13,413,901	11,913,227
Expenses						
General government	1,957,364	2,272,465	-	-	1,957,364	2,272,465
Judiciary	97,289	98,187	-	-	97,289	98,187
Public safety	3,990,758	6,332,933	-	-	3,990,758	6,332,933
Public works	1,010,737	1,553,248	-	-	1,010,737	1,553,248
Health and welfare	142,685	157,645	-	-	142,685	157,645
Culture and recreation	632,721	744,323	-	-	632,721	744,323
Housing and development	311,098	496,820	-	-	311,098	496,820
Interest on long-term debt	348,678	708,430	-	-	348,678	708,430
Water and sewer	-	-	3,047,325	2,924,569	3,047,325	2,924,569
Sanitation	-	-	385,114	434,560	385,114	434,560
Stormwater	-	-	829,794	766,005	829,794	766,005
Fire protection services	-	-	747,183	-	747,183	-
Total expenses	8,491,330	12,364,051	5,009,416	4,125,134	13,500,746	16,489,185
Excess (deficiency) before special item and transfers	297,097	(4,246,172)	(383,942)	(329,786)	(86,845)	(4,575,958)
Transfers	(292,911)	195,000	292,911	(195,000)	-	-
Change in net assets	4,186	(4,051,172)	(91,031)	(524,786)	(86,845)	(4,575,958)
Net assets, beginning, restated	16,011,486	20,062,658	12,014,408	12,539,194	28,025,894	32,601,852
Net assets, ending	$ 16,015,672	$ 16,011,486	$ 11,923,377	$ 12,014,408	$ 27,939,049	$ 28,025,894

Governmental Activities

Revenues for governmental activities totaled $8.8 million in 2011, which represents an increase of 8.3% over FY2010. Sales and use taxes account for $3.5 million or 40.0% of total revenue in 2011 and reported an increase of $240,076 compared to 2010. Business taxes, which include the insurance premium tax, accounted for $1.0 million or 11.6% of total revenue in 2011 and reported a decrease of $93,052 or 8.4% from 2010. A reduction in insurance premium taxes is responsible for this decrease. Charges for services generated $1.5 million or 16.6% of total revenue for 2011. Franchise taxes decreased $81,962 or 9.1% compared to 2010.

Expenses for governmental activities totaled $8.5 million in 2011, which represents a decrease of 31.3% under FY2010. This decrease is a result of reductions in general government and public safety expenses related to capital outlays. In addition, the City established a fire protection enterprise fund in 2011, and as such, expenses related to the fire department are accounted for in the business-type activities section.

Business-type Activities

The City has four business-type activities: water and sewer operations, solid waste collection services, stormwater fees, and fire protection services. Revenues for business-type activities were $4.6 million, which represents an increase of 21.9% over FY2010. This increase can be attributed to the creation of fire protection fees, as well as, a slight increase in water and sewer rates.

Expenses for business-type activities totaled $5.0 million in 2011, which represents an increase of 21.4% over FY2010. The increase is mostly due to the creation of the fire protection enterprise fund.

Financial Analysis of City Funds

General Fund

The general fund is the chief operating fund of the City. At year-end, the total fund balance in the general fund was $3,204,081. The total amount of unassigned fund balance for the general fund is $1,321,567.

One measure of the general fund's liquidity is to compare its unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance and total fund balance represents 18.8% and 45.5% percent of total general fund expenditures respectively.

The fund balance of the general fund decreased $2.6 million during 2011. The following reason explains the decrease:

- The City transferred $3.04 million from the general fund to the capital projects fund to cover amounts expended for SPLOST projects during the time the City was not receiving any monies from the County. The majority of the expenditures were related to the Garden City Town Center , the New City Hall, and the new Water/Sewer & Public Works facility.

Capital Projects Fund

The capital projects fund balance at December 31, 2011 is $105,105, which must be used for SPLOST projects. The fund balance increased $2.6 million as a result of the permanent transfer mentioned above. The following debt service payments are the only expenditures in the capital projects fund: new city hall loan, police vehicle lease-purchase, and public works equipment lease-purchase.

Proprietary Funds

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide financial statements, only in greater detail. The City uses four enterprise funds at this time in the proprietary fund financial statements, the water and sewer fund, the solid waste fund, the stormwater fund, and the fire protection fund. An enterprise fund is required to account for the operations for which a fee is charged to external users for goods or services. At year-end, total net assets of the four enterprise funds amounted to $11.9 million as compared to $12.0 million at December 31, 2010.

Capital Assets

Statement of net assets presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction in progress. At year-end, the City's net capital assets for both governmental activities and business-type activities totaled $38.2 million. Capital assets include assets purchased, constructed or donated.

Additional information on the City's capital assets can be found in Note III.C. beginning on page D-18.

Debt Administration

The long-term liabilities at December 31, 2011 totaled $14,254,862. Of this amount, $9,222,289 relates to governmental type activities and $5,032,573 relates to business-type activities. Overall, the City's long-term liabilities decreased from FY2010 by $1,321,833. The only addition to long-term liabilities in 2011 (other than compensated absences) was a slight increase totaling $119,395 to a GEFA project that was still under construction at the end of the year.

Additional information on the City's debt can be found in Note III.F. beginning on page D-21.

Current Economic Conditions, Next Year's Budget

Budget to actual schedules are provided in the required supplementary information other than MD&A for the General Fund and other major governmental funds. Individual columns are provided for both the adopted and amended budgets. A column for actual expenditures and a column for differences between final budget and actual expenditures follow these columns. These schedules can be found beginning on page E-1.

The City adopted a general fund budget of $7,744,649 for FY2012. The City is constantly reviewing opportunities to increase revenue by using its assets more efficiently and effectively.

In building the FY2012 Budget, the City considered outside factors that affect funding decisions such as state and local economic conditions, federal and state mandates, political and social environment, citizen concerns, and outside agency considerations. Based on these factors, the following assumptions were made to guide the development of the budget for FY2012.

- Due to decreased population figures as released from the 2010 Census, the Insurance Premium collections will decrease by 24%, or $131,931, less than the FY 2010 Actual.
- Occupational tax receipts are projected to remain flat for FY 2012
- Local Option Sales Tax (LOST) and Special Purpose Local Option Sales Tax (SPLOST) collections are showing some slight improvements, but the City continues to project conservatively.
- Investment earnings are projected to remain at extremely low levels.
- The City has seen some growth in commercial development with several projects beginning in FY 2011.
- Employees will bear any increase in health insurance premiums.
- There will be no Cost of Living Adjustments (COLAs) for employees.
- Mayor and Council made a commitment to end the year with a contingency and have $150,000 allocated for this purpose.
- Mayor and Council have $250,000 in undesignated Capital Improvements Program (CIP) funds they can allocate for projects on an as needed basis.

Mayor and Council approved a rate increase for water and wastewater services in order to cover all operating costs, including debt service, capital improvements and service expansion needs, and maintain an operating cash reserve for emergencies. The average customer will experience an increase of approximately $5.00 per month. Even with the rate increase, the City still offers the second lowest rate in Chatham County. FY2012 revenue projections are based on a detailed rate study conducted by City staff and a third-party engineer.

Since the inception of the stormwater fund in 2009, there have been some expenses, mainly personnel costs, which were not fully allocated to the fund. City staff examined the fund and determined that certain employees perform only stormwater related functions. As such, the decision was made to allocate 100% of their personnel costs to the Stormwater Fund. The stormwater fund is able to absorb this realignment and still maintain the services needed to keep the City's stormwater system functioning properly.

A $2.50 rate increase was approved for fire protection fees in the FY2012 Budget. This increase will help offset a reduction in the Federal portion of the SAFER Grant received by the City in 2010. The grant has allowed the City to hire five additional fire fighters to provide 24/7 fire protection throughout the City. In turn, the City's Insurance Services Office (I.S.O.) rating was reduced from a Class 5 to a Class 3, which resulted in an approximate savings of $80 - $120 per year on homeowners' insurance policies for the average homeowner/residential property.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: The City of Garden City, Finance Director, Cory Salley, 100 Central Avenue, Garden City, Georgia 31405.

BASIC FINANCIAL STATEMENTS


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City of Garden City, Georgia

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 801,150	$ 244,683	$ 1,045,833
Investments	1,132,378	279,176	1,411,554
Receivables	1,135,812	599,040	1,734,852
Internal balances	1,260,808	(1,260,808)	-
Prepaid	125,387	43,644	169,031
Restricted assets			
Cash and cash equivalents	16,244	994,038	1,010,282
Capital assets			
Land and construction in progress	6,152,226	154,935	6,307,161
Other capital assets, net of depreciation	15,302,430	16,546,243	31,848,673
Total assets	25,926,435	17,600,951	43,527,386
LIABILITIES			
Accounts payable	191,241	307,082	498,323
Accrued interest	299,739	24,293	324,032
Other liabilities	197,494	313,626	511,120
Long-term liabilities:			
Due within one year	1,147,423	224,500	1,371,923
Due in more than one year	8,074,866	4,808,073	12,882,939
Total liabilities	9,910,763	5,677,574	15,588,337
NET ASSETS			
Invested in capital assets, net of related debt	12,329,724	11,693,200	24,022,924
Restricted for			
Capital projects	105,105	-	105,105
Other purposes	11,171	-	11,171
Unrestricted	3,569,672	230,177	3,799,849
Total net assets	$ 16,015,672	$ 11,923,377	$ 27,939,049

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Statement of Activities

For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,957,364	$ 116,139	$ -	$ 548,756
Judiciary	97,289	-	-	-
Public safety	3,990,758	1,210,341	217,872	599,087
Public works	1,010,737	1,045	-	-
Health and welfare	142,685	-	-	-
Culture and recreation	632,721	106,017	-	-
Housing and development	311,098	21,299	41,506	21,950
Interest on long-term debt	348,678	-	-	-
Total governmental activities	8,491,330	1,454,841	259,378	1,169,793
Business-type activities:				
Water and Sewer	3,047,325	2,890,439	-	22,441
Sanitation	385,114	366,535	-	-
Stormwater	829,794	826,781	48,471	-
Fire protection services	747,183	317,414	152,955	-
Total business-type activities	5,009,416	4,401,169	201,426	22,441
Total	$ 13,500,746	$ 5,856,010	$ 460,804	$ 1,192,234

General revenues:
- Taxes:
  - General sales and use taxes
  - Business taxes
  - Franchise taxes
  - Selective sales and use taxes
  - Other taxes
- Unrestricted investment earnings
- Miscellaneous
- Gain on disposition of property
- Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning, restated

Net assets - ending

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (1,292,469)		$ (1,292,469)
(97,289)		(97,289)
(1,963,458)		(1,963,458)
(1,009,692)		(1,009,692)
(142,685)		(142,685)
(526,704)		(526,704)
(226,343)		(226,343)
(348,678)		(348,678)
(5,607,318)		(5,607,318)
-	(134,445)	(134,445)
-	(18,579)	(18,579)
-	45,458	45,458
-	(276,814)	(276,814)
-	(384,380)	(384,380)
(5,607,318)	(384,380)	(5,991,698)
3,503,451	-	3,503,451
1,018,253	-	1,018,253
816,915	-	816,915
326,298	-	326,298
28,491	-	28,491
2,152	438	2,590
191,832	-	191,832
17,023	-	17,023
(292,911)	292,911	-
5,611,504	293,349	5,904,853
4,186	(91,031)	(86,845)
16,011,486	12,014,408	28,025,894
$ 16,015,672	$ 11,923,377	$ 27,939,049


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City of Garden City, Georgia

Governmental Funds

Balance Sheet

December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 666,060	$ -	$ 135,090	$ 801,150
Investments	1,132,378	-	-	1,132,378
Receivables	1,035,764	90,000	10,048	1,135,812
Due from other funds	1,300,828	-	3,349	1,304,177
Prepaid items	125,387	-	-	125,387
Restricted cash and cash equivalents	-	15,105	1,139	16,244
Total assets	$ 4,260,417	$ 105,105	$ 149,626	$ 4,515,148
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 189,566	$ -	$ 1,675	$ 191,241
Other accrued payables	197,494	-	-	197,494
Due to other funds	-	-	43,369	43,369
Deferred revenue	669,276	-	-	669,276
Total liabilities	1,056,336	-	45,044	1,101,380
Fund balances				
Nonspendable	125,386	-	-	125,386
Restricted	-	105,105	11,171	116,276
Committed - rainy day	1,757,128	-	-	1,757,128
Assigned	-	-	93,411	93,411
Unassigned	1,321,567	-	-	1,321,567
Total fund balances	3,204,081	105,105	104,582	3,413,768
Total liabilities and fund balances	$ 4,260,417	$ 105,105	$ 149,626	$ 4,515,148

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Reconciliation of Total Governmental Fund Balances

To Net Assets of Governmental Activities

December 31, 2011

Total Governmental Fund Balances		$ 3,413,768
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 26,860,305	
Less: accumulated depreciation	(5,405,649)	21,454,656
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.		
Franchise taxes	669,276	669,276
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Capital leases	(127,145)	
Notes payable	(8,997,787)	
Compensated absences	(97,357)	
Accrued interest payable	(299,739)	(9,522,028)
Net Assets of Governmental Activities		$ 16,015,672

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2011

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 5,620,770	$ -	$ 171,573	$ 5,792,343
Licenses and permits	136,213	-	-	136,213
Intergovernmental	226,811	1,097,511	41,506	1,365,828
Charges for services	125,035	-	-	125,035
Fines and forfeitures	1,193,593	-	-	1,193,593
Investment earnings	2,122	-	30	2,152
Miscellaneous	171,830	15,000	44,324	231,154
Total revenues	7,476,374	1,112,511	257,433	8,846,318
Expenditures				
Current				
General government	1,522,227	-	5,104	1,527,331
Judicial	97,289	-	-	97,289
Public safety	3,546,787	-	30,783	3,577,570
Public works	811,223	-	-	811,223
Health and welfare	142,685	-	-	142,685
Culture and recreation	570,302	-	-	570,302
Housing and development	286,472	-	40,367	326,839
Debt Service				
Principal	-	1,191,325	-	1,191,325
Interest	-	377,338	-	377,338
Intergovernmental:				
Assistance	64,220	-	28,601	92,821
Total expenditures	7,041,205	1,568,663	104,855	8,714,723
Excess (deficiency) of revenues over (under) expenditures	435,169	(456,152)	152,578	131,595
Other financing sources (uses)				
Transfers in	285,924	3,040,000	57,185	3,383,109
Transfers out	(3,295,167)	-	(148,109)	(3,443,276)
Total other financing sources (uses)	(3,009,243)	3,040,000	(90,924)	(60,167)
Net changes in fund balances	(2,574,074)	2,583,848	61,654	71,428
Fund balances at beginning of year	5,778,155	(2,478,743)	42,928	3,342,340
Fund balances at end of year	$ 3,204,081	$ 105,105	$ 104,582	$ 3,413,768

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2011

Net change in Fund Balances - Total Governmental Funds		$ 71,428
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	$ 69,343	
Depreciation expense	(1,024,636)	(955,293)
The net effect of various miscellaneous transactions involving capital assets is to increase net assets.		
Net Book value of assets disposed during the year		(255,043)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Franchise fees and intergovernmental revenues:		
Deferred at 12/31/11	669,276	
Deferred at 12/31/10	(768,211)	(98,935)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Capital leases		239,111
Note payable		952,213
Change in accrued interest payable		28,661
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 at 12/31/11	(97,357)	
Compensated absences at 12/31/10	119,401	22,044
Change in Net Assets of Governmental Activities		$ 4,186

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Proprietary Funds

Statement of Net Assets

December 31, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 244,683	$ -	$ -	$ -	$ 244,683
Investments	279,176	-	-		279,176
Receivables (net of allowance)	162,067	108,125	255,941	72,907	599,040
Due from other funds	4,402	33,938	109,224	-	147,564
Prepaid items	14,322	89	-	29,233	43,644
Restricted cash and cash equivalents	472,560	23,077	-		495,637
Total current assets	1,177,210	165,229	365,165	102,140	1,809,744
Noncurrent assets:					
Restricted cash and cash equivalents	498,401	-	-	-	498,401
Capital assets:					
Land and construction in progress	74,295	-	-	80,640	154,935
Depreciable capital assets, net of depreciation	13,910,151	-	2,466,923	169,169	16,546,243
Total capital assets, net of depreciation	13,984,446	-	2,466,923	249,809	17,199,579
Total noncurrent assets	14,482,847	-	2,466,923	249,809	16,701,178
Total assets	15,660,057	165,229	2,832,088	351,949	19,009,323
LIABILITIES					
Current liabilities:					
Accounts payable	214,619	30,662	25,777	36,024	307,082
Other accrued payables	16,381	-	-	10,957	27,338
Due to other funds	745,477	335,870	242,101	84,924	1,408,372
Accrued interest	24,293	-	-	-	24,293
Compensated absences	15,648			8,947	24,595
Notes payable	199,905	-	-	-	199,905
Current liabilities payable from restricted assets:					
Customer deposits payable	263,843	22,445	-	-	286,288
Total current liabilities	1,480,166	388,977	267,878	140,852	2,277,873
Noncurrent liabilities:					
Notes payable	4,808,073	-	-	-	4,808,073
Total noncurrent liabilities	4,808,073	-	-	-	4,808,073
Total liabilities	6,288,239	388,977	267,878	140,852	7,085,946
NET ASSETS					
Invested in capital assets, net of related debt	8,976,468	-	2,466,923	249,809	11,693,200
Unrestricted	395,350	(223,748)	97,287	(38,712)	230,177
Total net assets	$ 9,371,818	$ (223,748)	$ 2,564,210	$ 211,097	$ 11,923,377

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
Operating revenues					
Charges for services	$ 2,663,311	$ 366,535	$ 826,781	317,414	$ 4,174,041
Other income	227,128	-	-	-	227,128
Total operating revenues	2,890,439	366,535	826,781	317,414	4,401,169
Operating expenses					
Personnel services	898,732	-	163,369	524,184	1,586,285
Purchased and contractual services	795,850	385,094	581,114	150,754	1,912,812
Materials and supplies	336,053	20	-	52,298	388,371
Depreciation	861,353	-	85,311	19,947	966,611
Total operating expenses	2,891,988	385,114	829,794	747,183	4,854,079
Operating income (loss)	(1,549)	(18,579)	(3,013)	(429,769)	(452,910)
Nonoperating revenues (expenses)					
Intergovernmental	-	-	48,471	152,955	201,426
Investment earnings	425	13	-	-	438
Interest expense	(155,337)	-	-	-	(155,337)
Total nonoperating revenues (expenses)	(154,912)	13	48,471	152,955	46,527
Income before capital contributions and transfers	(156,461)	(18,566)	45,458	(276,814)	(406,383)
Capital contributions	22,441	-	-	232,744	255,185
Transfers in	-	44,002	-	255,167	299,169
Transfers out	(150,000)	-	(89,002)	-	(239,002)
Change in net assets	(284,020)	25,436	(43,544)	211,097	(91,031)
Net assets, beginning of year	9,655,838	(249,184)	2,607,754	-	12,014,408
Net assets, end of year	$ 9,371,818	$ (223,748)	$ 2,564,210	$ 211,097	$ 11,923,377

The notes to the basic financial statements are an integral part of this statement.

City of Garden City, Georgia

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
Cash flows from operating activities:					
Cash received from customers	$ 3,001,422	$ 352,171	$ 847,994	$ 244,507	$ 4,446,094
Cash payments to suppliers for goods and services	(1,054,811)	(395,622)	(644,094)	(111,337)	(2,205,864)
Cash payments to employees for services	(915,584)	-	(163,369)	(504,280)	(1,583,233)
Net cash provided (used) by operating activities	1,031,027	(43,451)	40,531	(371,110)	656,997
Cash flows from noncapital financing activities:					
Interfund transfers in (out)	(150,000)	44,002	(89,002)	255,167	60,167
Interfund borrowings (repayments)	(343,188)	-	-	-	(343,188)
Net cash provided (used) by noncapital financing activities	(493,188)	44,002	(89,002)	255,167	(283,021)
Cash flows from capital and related financing activities:					
Proceeds from debt	119,395	-	-	-	119,395
Tap fees	22,441	-	-	-	22,441
Intergovernmental revenue	-	-	48,471	152,955	201,426
Acquisitions and construction of capital assets	(519,147)	-	-	(37,012)	(556,159)
Principal payments on debt	(236,906)	-	-	-	(236,906)
Interest payments on debt	(156,267)	-	-	-	(156,267)
Net cash (used) by capital and related financing activities	(770,484)	-	48,471	115,943	(606,070)
Cash flows from investing activities:					
Interest earned on cash and investments	425	13	-	-	438
Purchase of investments	249,650	-	-	-	249,650
Net cash provided (used) by investing activities	425	13	-	-	438
Net increase (decrease) in cash and cash equivalents	17,430	564	-	-	17,994
Cash and cash equivalents, beginning of year	1,198,214	22,513	-	-	1,220,727
Cash and cash equivalents, end of year	$ 1,215,644	$ 23,077	$ -	$ -	$ 1,238,721
Operating income (loss)	$ (1,549)	$ (18,579)	$ (3,013)	$ (429,769)	$ (452,910)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	861,353	-	85,311	19,947	966,611
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	166,009	(28,747)	(40,852)	(72,907)	23,503
Decrease (increase) in prepaid items	303	(89)	-	(29,233)	(29,019)
(Decrease) Increase in accounts payable	76,789	1,943	6,749	36,024	121,505
(Decrease) Increase in accrued liabilities	(16,852)	-	-	19,904	3,052
(Decrease) increase in customer deposits	(55,026)	480	-	-	(54,546)
(Decrease) increase in interfund balances	-	1,541	(7,664)	84,924	78,801
Total adjustments	1,032,576	(24,872)	43,544	58,659	1,109,907
Net cash provided (used) by operating activities	$ 1,031,027	$ (43,451)	$ 40,531	$ (371,110)	$ 656,997
Noncash capital and related financing activities:					
Contributions of capital assets from government	-	-	-	232,744	232,744

The notes to the basic financial statements are an integral part of this statement.


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NOTES TO THE FINANCIAL STATEMENTS


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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Garden City, Georgia was organized in 1930. The City operates under a council-manager form of government and provides the following services as authorized by its charter: general administrative services, public safety (police and fire), highways and streets, sanitation, culture and recreation, public improvements, and planning and zoning.

GASB Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose financial burdens on the City.

Blended Component Unit

Blended components units are separate legal entities that meet the component criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides service entirely to the City or exclusively for the benefit of the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation. Currently, the City has one blended component unit, the Garden City Tourism Board.

The Garden City Tourism Board has been included as a component unit of the City. The governing body of the Board is appointed by the City Council. Although it is legally separate from the city, the authority is reported as if it were part of the primary government because its sole purpose is to promote tourism within Garden City. The Garden City Tourism Board does not issue separate financial statements.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Downtown Development Authority for the City of Garden City is the City's only discretely presented component unit. The Authority has a calendar year end. At the time the Authority has no significant activity or assets and is in a dormant status.

Membership in a Regional Commission

Under Georgia law, the City is a member of the Coastal Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2011, the City paid $12,069 in such dues. Membership in an CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an CRC. Management believes the CRC is currently accumulating sufficient financial resources to meet its obligations. Separate financial statements may be obtained from Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement 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. 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 in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the current period. 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 30 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, occupational taxes and interest associated with the current period are all considered to be susceptible to accrual and have so been recognized as revenues of the current period. All other revenues 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 City, except for those required to be accounted for in another fund.

The Special Purpose Local Option Sales Tax (SPLOST) capital projects fund accounts for the receipt and use of local government shared revenues (SPLOST proceeds) to be used for the acquisition, construction, or improvement of capital facilities approved in the City's intergovernmental agreement with Chatham County, Georgia.

The City reports the following major proprietary funds:

The Water and Sewer enterprise fund accounts for financial resources from the operation of the sewage treatment plant, sewage pumping stations and collection systems, and the distribution of water.

The Solidwaste enterprise fund accounts for financial resources from the operation of the City's sanitation services.

The Stormwater enterprise fund accounts for financial resources from the operation of the City's stormwater drainage systems.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Fire Protection enterprise fund accounts for financial resources from the operation of the City's fire protection services.

Additionally, the City reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes.

Capital project funds account for the receipt and use of resources to be used for the acquisition, construction, or improvements of capital facilities (other than those financed by proprietary funds).

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the United States Government and agencies of corporations of the United States Government; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and Georgia Fund I. Georgia Fund I is managed by the State of Georgia's Office of State Treasurer under Georgia Law (OCGA 36-83-8). The pool operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). As a public fund, Georgia Fund 1 is exempt from any disclosure of custodial credit risk.

All investments are stated at fair value.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2. Receivables and Payables

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales taxes, franchise fees, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for doubtful accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain assets of the SPLOST fund, the Water and Sewer fund and the Solidwaste fund are classified as restricted assets because their use is limited by third party restrictions. When both restricted and non-restricted assets are available for use, it is the City's policy to use restricted resources first, then non-restricted resources, as they are needed.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets acquired prior to January 1, 2004 are not reported in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund financial statements. All capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market 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 assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in the proprietary fund as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings	30
Utility plant in service	30
Machinery and equipment	5 - 10
Infrastructure	30

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligation

In the government-wide financial statements and proprietary 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 assets.

Bond issuance costs are amortized over the life of the bonds using the straight-line method.

8. Equity Classifications

Equity is classified as net assets and displayed in three components in the government-wide financial statements.

Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The *nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance reflects the amounts constrained by the city's "intent" to be used for specific purposes, but are neither restricted or committed. The city council and city manager have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General fund, that are not classified as nonspendable and are neither restricted nor committed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Unassigned fund balance is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the city's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

9. Interfund Transactions

Interfund transactions are reflected as loans, are for services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Actual results may differ from these estimates.

11. Implementation of New Accounting Standards

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the use of the resources reported in the governmental funds as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

12. New Proprietary Fund – Fire Protection Fund

The Fire Protection fund was established to account for resources, revenues and expenses of providing fire protection services. This activity had been previously reported in the City's General fund.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations

For the year ended December 31, 2011, expenditures exceeded appropriations in the following general fund departments (the legal level of budgetary control):

Council	$	3,932
City manager		43,226
Emergency management		619
Maintenance and shop		2,471
Recreation		1,093

These over expenditures were funded by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits:

At year end the carrying amount of the City's cash-on-hand and deposits with financial institutions was $2,054,715 and the bank balance was $1,874,552. The bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The City has no custodial credit risk policy that would require additional collateral requirements.

Investments:

In its investment of public funds, the City follows state statutes and adopted investment policies. As of December 31, 2011 the investments of the City were:

Investment	Average Credit Rating	Fair Value	Maturities in Years
Georgia Fund 1	Aaa	$ 1,411,554	less than 1 year

Deposit and investment transactions are subject to a variety of risks. The City seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The City does not have a policy that addresses this risk.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The City does not have a policy that addresses this risk.

A reconciliation of cash and investments as shown on the government-wide Statement of Net Assets follows:

Basic Financial Statements:	
Cash and cash equivalents	$ 1,045,833
Investments	1,411,554
Cash and cash equivalents - restricted	1,010,282
Total cash and investments	$ 3,467,669
Notes to Financial Statements:	
Deposits with financial institutions	$ 2,054,715
Investments	1,411,554
Cash on hand	1,400
Total cash and investments	$ 3,467,669

III. DETAILED NOTES ON ALL FUNDS *(continued)*

B. Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts are as follows:

Receivable	General	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Fire Protection Fund	Total
Taxes	$ 1,021,351	$ -	$ 10,048	$ -	$ -	$ -	$ -	$ 1,031,399
Accounts	13,589	-	-	188,084	112,128	263,946	74,908	652,655
Intergovernmental	-	90,000	-	-	-	-	-	90,000
Other	824	-	-	-	-	-	-	824
Gross receivables	1,035,764	90,000	10,048	188,084	112,128	263,946	74,908	1,774,878
Less: allowance for doubtful accounts	-	-	-	(26,017)	(4,003)	(8,005)	(2,001)	(40,026)
Net total receivables	$ 1,035,764	$ 90,000	$ 10,048	$ 162,067	$ 108,125	$ 255,941	$ 72,907	$ 1,734,852

Substantially all receivables are expected to be collected within one year.

C. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government Activities					
Capital assets, not being depreciated					
Land	$ 5,825,577	$ -	$ -	$ (30,700)	$ 5,794,877
Construction in progress	400,212	-	-	(42,863)	357,349
Total capital assets not being depreciated	6,225,789	-	-	(73,563)	6,152,226
Capital assets, being depreciated					
Buildings	14,488,059	-	9,125	(189,740)	14,289,194
Machinery and equipment	6,275,797	69,343	108,600	(1,494,994)	4,741,546
Infrastructure	1,677,339	-	-	-	1,677,339
Total capital assets, being depreciated	22,441,195	69,343	117,725	(1,684,734)	20,708,079
Less accumulated depreciation for:					
Buildings	(2,251,110)	(274,123)	(5,475)	176,435	(2,343,323)
Machinery and equipment	(3,419,606)	(668,415)	(89,951)	1,349,118	(2,648,952)
Infrastructure	(331,276)	(82,098)	-	-	(413,374)
Total accumulated depreciation	(6,001,992)	(1,024,636)	(95,426)	1,525,553	(5,405,649)
Total capital assets, being depreciated, net	16,439,203	(955,293)	22,299	(159,181)	15,302,430
Total governmental activities	$ 22,664,992	$ (955,293)	$ 22,299	$ (232,744)	21,454,656
Less related long-term debt outstanding					(9,124,932)
Invested in capital assets, net of related debt					$ 12,329,724

III. DETAILED NOTES ON ALL FUNDS *(continued)*

Depreciation expense for governmental activities is charged to functions as follows:

General government	$ 430,033
Public Safety	367,037
Public Works	165,147
Recreation	62,419
Total depreciation for governmental activities	$ 1,024,636

Capital asset activity for business-type activities for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated					
Land	$ 7,750	$ 16,891	$ -	$ 30,700	$ 55,341
Construction in progress	-	56,731	-	42,863	99,594
Total capital assets not being depreciated	7,750	73,622	-	73,563	154,935
Capital assets, being depreciated					
Utility plant in service	17,391,496	-	-		17,391,496
Buildings and systems	6,258,280	506,119	-	189,740	6,954,139
Other equipment	1,522,974	29,933	-	1,494,994	3,047,901
Infrastructure	2,559,343	-	-	-	2,559,343
Total capital assets, being depreciated	27,732,093	536,052	-	1,684,734	29,952,879
Less accumulated depreciation for:					
Utility plant in service	(9,683,865)	(518,038)	-		(10,201,903)
Buildings and systems	(203,261)	(215,707)	-	(176,435)	(595,403)
Other equipment	(1,020,237)	(147,555)	-	(1,349,118)	(2,516,910)
Infrastructure	(7,109)	(85,311)	-	-	(92,420)
Total accumulated depreciation	(10,914,472)	(966,611)	-	(1,525,553)	(13,406,636)
Total capital assets, being depreciated, net	16,817,621	(430,559)	-	159,181	16,546,243
Total business-type activities	$ 16,825,371	$ (356,937)	$ -	$ 232,744	$ 16,701,178
Less related long-term debt outstanding					(5,007,978)
Invested in capital assets, net of related debt					$ 11,693,200

III. DETAILED NOTES ON ALL FUNDS *(continued)*

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 602,315
	Solid Waste Fund	335,870
	Stormwater Fund	242,101
	Fire Protection Fund	80,522
	Nonmajor governmental funds	40,020
		1,300,828
Nonmajor governmental fund	Nonmajor governmental fund	3,349
Water and Sewer Fund	Fire Protection Fund	4,402
Solid Waste Fund	Water and Sewer Fund	33,938
Stormwater Fund	Water and Sewer Fund	109,224
Totals		$ 1,451,741

Due To/From Other Funds

These balances resulted from the time lag between the dates that 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.

Interfund Transfers

	Transfers Out				
	Governmental Fund Type		Proprietary Fund Type		
	General Fund	Nonmajor Funds	Water and Sewer Fund	Stormwater Fund	Total
Transfers In:					
Governmental Fund Type					
General Fund	$ -	$ 90,924	$ 150,000	$ 45,000	$ 285,924
SPLOST Fund	3,040,000	-	-	-	3,040,000
Nonmajor Funds	-	57,185	-	-	57,185
Proprietary Fund Type					
Solidwaste Fund	-	-	-	44,002	44,002
Fire Protection Fund	255,167	-	-	-	255,167
Total transfers	$ 3,295,167	$ 148,109	$ 150,000	$ 89,002	$ 3,682,278

Throughout the course of the year, the City made occasional interfund transfers. These transfers are usually approved so that the fund receiving the money can continue to operate.

III. DETAILED NOTES ON ALL FUNDS *(continued)*

Interfund transfers are used to 1) move revenue from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

The City has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Acitivities
Asset	
Machinery and equipment	$ 253,557
Less: accumulated depreciation	(96,900)
Total	$ 156,657

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011, were as follows:

	Governmental Activities	
Year Ending December 31,	Principal	Interest
2012	$ 62,717	$ 3,229
2013	64,428	1,518
	$ 127,145	$ 4,747

F. Long-term Obligations

Governmental Activities

On February 2, 2009 the City entered into a loan agreement with Branch Banking and Trust Company (BB&T), in the amount of $9,950,000 with an interest rate of 3.69%. The loan proceeds were used for constructing the new City Hall municipal building. Payment of principal and interest payments on the note are secured by special purpose local option sales taxes and other revenues collected by the City.

Annual debt service requirements to maturity for the note payable is as follows:

Year Ending December 31,	Principal	Interest
2012	$ 987,349	$ 332,019
2013	1,023,783	295,585
2014	1,061,560	257,808
2015	1,100,732	218,636
2016	1,141,349	178,019
2017 - 2019	3,683,014	275,090
Totals	$ 8,997,787	$ 1,557,157

III. DETAILED NOTES ON ALL FUNDS *(continued)*

Business-type Activities

GEFA Loans. The City has entered into loan agreements with the Georgia Environmental Facilities City (GEFA), a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems.

SRF Loan. The City has entered into a loan agreement with the State of Georgia under the State Revolving Loan Fund Program (SRF). The SRF makes low interest loans to public sewer systems for capital improvements.

The following shows the details of the business-type activities long-term liabilities through December 31, 2011:

Liability Description / Purpose	Original Amount	Interest Rate	Amount
GEFA 2000-L76WS - Water and Sewer Improvements	$ 978,522	5.15%	$ 657,451
GEFA 2001-L11WJ - Water and Sewer Improvements	2,395,602	4.45%	1,714,082
GEFA 2003-L43WS - Water and Sewer Improvements	255,446	3.82%	195,283
GEFA 2006-L51WS - Water and Sewer Improvements	496,650	4.12%	451,545
GEFA 2008-L08WQ - Water and Sewer Improvements	393,667	4.10%	361,370
GEFA 2008-L25WQ - Water and Sewer Improvements	1,628,247	(Construction)	1,628,247
Total GEFA/ SRF loans payable			5,007,978
Less: GEFA loans in construction status			(1,628,247)
Long-term portion in repayment status			3,379,731
Less current portion			(199,905)
Long-term portion of GEFA/ SRF loans			$ 3,179,826

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	GEFA Loans Principal	GEFA Loans Interest
2012	$ 199,905	$ 147,589
2013	209,197	138,298
2014	218,780	128,715
2015	228,852	118,643
2016	239,348	108,146
2017 - 2021	1,372,954	364,519
2022 - 2026	758,976	85,276
2027 - 2029	151,719	8,025
Totals	$ 3,379,731	$ 1,099,211

III. DETAILED NOTES ON ALL FUNDS *(continued)*

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Capital leases	$ 366,256	$ -	$ 239,111	$ 127,145	$ 62,717
Notes payable	9,950,000	-	952,213	8,997,787	987,349
Compensated absences	119,401	294,403	316,447	97,357	97,357
Total governmental activities long-term liabilities	$ 10,446,181	$ 294,403	$ 1,507,771	$ 9,222,289	$ 1,147,423
Business-type Activities					
GEFA loans	$ 5,079,901	$ 119,395	$ 191,318	$ 5,007,978	$ 199,905
SRF loan	45,588	-	45,588	-	-
Total loans payable	5,135,343	119,395	236,906	5,007,978	199,905
Compensated absences	15,549	57,742	48,696	24,595	24,595
Total business-type activities long-term liabilities	$ 5,147,530	$ 177,137	$ 285,602	$ 5,032,573	$ 224,500

For governmental activities, long-term liabilities are generally liquidated by the general fund. For business-type activities, long-term liabilities are liquidated by the water and sewer enterprise fund.

G. Reserved Fund Balances / Retained Earnings and Restricted Asset Accounts

Amounts for specific purpose by classification and fund for the year ended December 31, 2011 are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund	Prepaid items	$ 125,386
Restricted		
Special Purpose Sales Tax fund	Capital projects	105,105
Confiscated Asset fund	Public safety	10,032
Multiple Grant fund	Grant purposes	1,139
Committed		
General fund	Rainy day	1,757,128
Assigned		
Tourism Board	Promote tourism	93,411
Unassigned		
General fund		1,321,567
Total fund balance		$ 3,413,768

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers compensation for which the City carries the following insurance coverage:

Risk Pools. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims – incurred but not reported (IBNR) – is established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims, which the City is liable (up to the applicable deductible), which were outstanding and unpaid at December 31, 2011. No provisions have been made in the financial statements for any estimate of potential claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims.

However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency, as management believes the likelihood for assessment is remote.

Self-Insurance. The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

B. Commitments and Contingencies

The City receives a number of grants that are subject to program compliance audits by the grantors. Noncompliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

Various claims are pending against the City. The City attorney estimates that the potential effect of these claims net of insurance coverage would not be material in relation to the overall financial statements.

C. Employee Retirement Systems and Plans

Plan Description. Management, as authorized by City Council, has established a noncontributory defined benefit plan (The Garden City Retirement Plan) covering all full-time employees. The plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Benefits are fully vested after 10 years of service. Participants become eligible to retire at age 65, with 5 years of participation in the plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.75% of final average earnings up to a participant's amount of covered compensation multiplied by the participant's years of total credited service. These benefit provisions and all other requirements are established by local ordinance.

IV. OTHER INFORMATION *(continued)*

As of July 1, 2011, the plan membership included the following categories of participants:

Retireed participants and beneficiaries	21
Terminated vested particpants	40
Active participants	102
Total participants	163

Funding Policy. The City's policy is to contribute the actuarially determined amount as recommended by the actuary. Employees do not contribute to the plan. The Board of Trustees of the GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1988 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

For 2011, the actuarially determined rate was 10.24% of covered payroll. The City's contributions to the Plan for the years ended December 31, 2011, 2010, and 2009 were $396,529, $333,866 and $298,763 respectively and were equal to the required contributions for each year.

Annual Pension Cost. The City's annual pension cost of $396,529 equaled the City's actuarial required and actual contribution. The required contribution was determined as a part of the July 1, 2011 actuarial valuation, using the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets as described in the tables of Significant Actuarial Assumptions and Actuarial Assumptions and Methods. The period, and related method, for amortizing the initial unfunded actuarial accrued liability over 30 years from 1988 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for the plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar. These amortization periods, if applicable, are open for this plan year.

Trend Information. Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Schedule of Employer Contributions

Fiscal Year Funding	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/2009	$ 298,763	100%	$ -
12/31/2010	333,866	100%	-
12/31/2011	396,529	100%	-

Fund Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the plan was 81.80% funded. The actuarial accrued liability for benefits was $4,461,957 and the actuarial value of assets was $3,649,760. The covered payroll (annual payroll of active employees covered by the plan) was $3,982,278. The unfunded accrued actuarial liability (UAAL) was $812,197 and the ratio of the UAAL to the covered payroll was 20.40%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

IV. OTHER INFORMATION *(continued)*

Significant Actuarial Assumptions

Valuation Date	7/1/2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Method	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
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 amount 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 50% of the market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.50% pluse age and service based merit increases
Social Security Wage Base Increase	3.50%
Inflation	3.50%
Cost of Living Adjustments	0.00%

Optional Defined Contribution Retirement Plan

Plan Description and Funding Requirements. The City of Garden City participates in a defined contribution plan administered by ICMA –RC to provide retirement benefits for employees. The plan is identified as a 457 retirement plan. The authority under which the plan provisions are established and may be amended rest with City Council. At December 31, 2011 there were 59 employees participating in the plan. All full-time employees are eligible to participate in the plan and all plan members are allowed to make voluntary contributions. The City contributes, on behalf of each participant, 50% of the contribution made by the participant for the plan year (not including participant contributions exceeding 6% of earnings). Total contributions for the year ended December 31, 2011, were $126,080 by the employees and $73,240 by the government.

D. Restatement of Net Assets – Governmental Activities

Beginning net assets for governmental activities has been restated by $328,400 for accrued interest omitted from the governmental activities balance sheet at December 31, 2010.

	Governmental Activities
Beginning balance.....	$ 16,339,886
Prior period adjustment:	
Correction to accrued interest payable.....	(328,400)
Restated beginning balance	$ 16,011,486

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


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City of Garden City, Georgia
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 6,083,000	$ 5,594,901	$ 5,620,770	$ 25,869
Licenses and permits	181,000	139,700	136,213	(3,487)
Intergovernmental revenues	243,000	250,000	226,811	(23,189)
Charges for services	100,525	120,456	125,035	4,579
Fines and forfeitures	1,196,000	1,230,000	1,193,593	(36,407)
Investment income	70,000	10,000	2,122	(7,878)
Other revenues	225,200	170,978	171,830	852
Total revenues	8,098,725	7,516,035	7,476,374	(39,661)
Expenditures:				
Current:				
General governmental:				
Council	617,963	46,659	50,591	(3,932)
City manager	863,872	703,678	746,904	(43,226)
General administration	762,551	726,351	724,732	1,619
Judicial:				
Municipal court	97,500	99,000	97,289	1,711
Public safety:				
Police	3,536,371	3,490,778	3,481,906	8,872
Emergency management	58,198	64,262	64,881	(619)
Public works:				
Public works administration	918,011	729,107	708,234	20,873
Maintenance and shop	125,217	100,518	102,989	(2,471)
Health and welfare:				
Senior citizens center	145,181	145,497	142,685	2,812
Culture and recreation:				
Recreation	622,720	566,276	567,369	(1,093)
Parks	11,500	4,500	2,933	1,567
Housing and development:				
Planning and zoning	384,363	286,877	286,472	405
Total current	8,143,447	6,963,503	6,976,985	(13,482)
Intergovernmental:				
Assistance	75,000	65,000	64,220	780
Total intergovernmental	75,000	65,000	64,220	780
Total expenditures	8,218,447	7,028,503	7,041,205	(12,702)
Excess (deficiency) of revenues over (under) expenditures	(119,722)	487,532	435,169	(52,363)
Other financing sources (uses):				
Transfers in	275,000	288,134	285,924	(2,210)
Transfers out	(155,278)	(3,346,801)	(3,295,167)	51,634
Total other financing sources (uses)	119,722	(3,058,667)	(3,009,243)	49,424
Net change in fund balance	-	(2,571,135)	(2,574,074)	(2,939)
Fund balance, beginning of year	5,778,155	5,778,155	5,778,155	-
Fund balance, end of year	$ 5,778,155	$ 3,207,020	$ 3,204,081	$ (2,939)

I. Budgetary Information

A. Budgets and Budgetary Accounting

State law requires the City to adopt by ordinances or resolutions an annual balanced budget for the general fund and each special revenue fund. A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the City at the department level for its general and special revenue funds. Appropriations lapse at year-end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. During the month of August, department heads prepare budget requests to submit to the City Manager.
2. The City Manager reviews the budget requests during September.
3. Committee meetings are held during October.
4. City Council holds budget hearings and approves the budget in November with a final budget adopted prior to December 31.
5. Amendments to the budget must be approved by the City Council.
6. Formal budgetary integration is employed for the General Fund and Special Revenue Funds on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for the capital projects funds.

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended December 31, 2011, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 8,373,725	$ 3,199,403	$ 1,197,824	$ 10,375,304
Special Revenue	223,050	87,082	-	310,132

B. Excess of Expenditures Over Appropriation in Individual Funds

General Fund:

Council	$ 3,932
City manager	43,226
Emergency management	619
Maintenance and shop	2,471
Recreation	1,093

City of Garden City, Georgia
Required Supplementary Information – Schedule of Funding Progress
December 31, 2011

The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a state-wide, agent multiple-employer defined benefit plan. The amounts reflected herein represent the City's portion as reported by GMEBS.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability [AAL] (b)	Unfunded AAL [UAAL] (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Funding Excess) As a Percentage of Covered Payroll ((b-a)/c)
1/1/2009	$ 2,290,042	$ 3,353,501	$1,063,459	68.3%	$ 3,321,119	32.0%
7/1/2010	3,224,112	4,129,205	905,093	78.1%	3,804,781	23.8%
7/1/2011	3,649,760	4,461,957	812,197	81.8%	3,982,278	20.4%


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SUPPLEMENTARY DATA
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


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Nonmajor Governmental Funds

Special Revenue Funds:

The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Confiscated Assets Fund – accounts for the receipt and disbursement of condemned monies awarded to the City by court order and expenditure of these funds.

Hotel – Motel Fund – accounts for revenues and expenditures of hotel – motel tax restricted by local ordinance for the promotion of tourism.

Garden City Tourism Board – accounts for operations of the Garden City Tourism Board. Transfers from the hotel/ motel tax fund provide the primary financing source for this fund. Expenditures of these funds are for the promotion of tourism.

Multiple Grant Fund – accounts for the receipt and disbursement of various grant resources awarded to the City.


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City of Garden City, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Special Revenue Funds				
	Confiscated Assets	Hotel - Motel	Tourism Board	Multiple Grant	Total
Assets					
Cash and cash equivalents	$ 11,068	$ 24,229	$ 99,793	$ -	$ 135,090
Taxes receivable	-	10,048	-	-	10,048
Due from other funds	-	-	3,349	-	3,349
Restricted cash and cash equivalents	-	-	-	1,139	1,139
Total assets	$ 11,068	$ 34,277	$ 103,142	$ 1,139	$ 149,626
Liabilities and fund balances					
Liabilities:					
Accounts payable	$ -	$ 1,675	$ -	$ -	$ 1,675
Due to other funds	1,036	32,602	9,731	-	43,369
Total liabilities	1,036	34,277	9,731	-	45,044
Fund balances					
Restricted	10,032	-	-	1,139	11,171
Assigned	-	-	93,411	-	93,411
Total fund balance	10,032	-	93,411	1,139	104,582
Total liabilities and fund balance	$ 11,068	$ 34,277	$ 103,142	$ 1,139	$ 149,626

City of Garden City, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Special Revenue Funds				
	Confiscated Assets	Hotel - Motel	Tourism Board	Multiple Grant	Total
Revenues:					
Taxes	$ -	$ 171,573	$ -	$ -	$ 171,573
Intergovernmental	-	-	-	41,506	41,506
Investment earnings	-	3	27	-	30
Miscellaneous	44,324	-	-	-	44,324
Total revenues	44,324	171,576	27	41,506	257,433
Expenditures:					
Current:					
General government	-	-	5,104	-	5,104
Public safety	30,783	-	-	-	30,783
Housing and development	-	-	-	40,367	40,367
Intergovernmental:					
Assistance	-	28,601	-	-	28,601
Total expenditures	30,783	28,601	5,104	40,367	104,855
Excess (deficiency) of revenues over (under) expenditures	13,541	142,975	(5,077)	1,139	152,578
Other financing sources (uses):					
Transfers in	-	-	57,185	-	57,185
Transfers out	(5,134)	(142,975)	-	-	(148,109)
Total other financing sources (uses)	(5,134)	(142,975)	57,185	-	(90,924)
Net change in fund balance	8,407	-	52,108	1,139	61,654
Fund balance, beginning of year	1,625	-	41,303	-	42,928
Fund balance, end of year	$ 10,032	$ -	$ 93,411	$ 1,139	$ 104,582

City of Garden City, Georgia
Confiscated Assets Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 10,000	$ -	$ -	$ -
Other revenues	-	44,000	44,324	324
Total revenues	10,000	44,000	44,324	324
Expenditures:				
Current:				
Public safety	10,000	44,000	30,783	13,217
Total expenditures	10,000	44,000	30,783	13,217
Excess (deficiency) of revenues over (under) expenditures	-	-	13,541	13,541
Other financing sources (uses):				
Transfers out	-	-	(5,134)	(5,134)
Total other financing sources (uses)	-	-	(5,134)	(5,134)
Net change in fund balance	-	-	8,407	8,407
Fund balance, beginning of year	1,625	1,625	1,625	-
Fund balance, end of year	$ 1,625	$ 1,625	$ 10,032	$ 8,407

City of Garden City, Georgia
Hotel – Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 160,000	$ 171,576	$ 171,576	$ -
Total revenues	160,000	171,576	171,576	-
Expenditures:				
Intergovernmental:				
Assistance	27,200	28,601	28,601	-
Total expenditures	27,200	28,601	28,601	-
Excess (deficiency) of revenues over (under) expenditures	132,800	142,975	142,975	-
Other financing sources (uses):				
Transfers out	(132,800)	(142,975)	(142,975)	-
Total other financing sources (uses)	(132,800)	(142,975)	(142,975)	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

City of Garden City, Georgia
Tourism Board Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$ 250	$ 250	$ 27	$ (223)
Total revenues	250	250	27	(223)
Expenditures:				
Current:				
General government	53,050	53,050	5,104	47,946
Total expenditures	53,050	53,050	5,104	47,946
Excess (deficiency) of revenues over (under) expenditures	(52,800)	(52,800)	(5,077)	47,723
Other financing sources (uses):				
Transfers in	52,800	52,800	57,185	4,385
Total other financing sources (uses)	52,800	52,800	57,185	4,385
Net change in fund balance	-	-	52,108	52,108
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 52,108	$ 52,108

City of Garden City, Georgia
Multiple Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ -	$ 41,506	$ 41,506	$ -
Total revenues	-	41,506	41,506	-
Expenditures:				
Current:				
Housing and development	-	41,506	40,367	1,139
Total expenditures	-	41,506	40,367	1,139
Excess (deficiency) of revenues over (under) expenditures	-	-	1,139	1,139
Net change in fund balance	-	-	1,139	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 1,139	$ -

City of Garden City, Georgia
Schedule of Cash Receipts and Disbursements
Volunteer Fire Department
For the Year Ended December 31, 2011

	2011
Cash receipts:	
Donations	$ 32,944
Transfer from Garden City	6,612
Total receipts	39,556
Cash disbursements:	
Fire station - equipment and supplies	6,034
Training, education and conferences	2,855
Office equipment and supplies	3,005
Clothing and safety equipment	4,214
Food and beverage	6,857
Flowers, gifts and awards	16,585
Dues and subscriptions	540
Total disbursements	40,090
Excess (deficiency) of receipts over disbursements	(534)
Cash balance, beginning of year	9,706
Cash balance, end of year	$ 9,172

City of Garden City, Georgia
Schedule of Projects Constructed With
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2011

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
2008 - 2013 SPLOST Referendum					
Other capital outlay:					
Regional Police Academy	$ 1,419,164	$ 1,419,164	$ -	$ -	$ -
Debt Service:					
Police Department - Vehicles	511,136	511,136	-	154,641	154,641
Fire Truck	47,395	47,395	47,395	94,654	142,049
Public Works	189,306	189,306	-	-	-
City Hall	3,932,999	3,932,999	73,306	1,319,368	1,392,674
Grand total SPLOST expenditures.....	$ 6,100,000	$ 6,100,000	$ 120,701	$ 1,568,663	$ 1,689,364

Proceeds from the 2003-2008 SPLOST referendum were exhausted at December 31, 2010 and have been removed from this schedule.

City of Garden City, Georgia
Schedule of Required Expenditures
Generated by the Hotel – Motel Tax
For the Year Ended December 31, 2011

Revenue:		
Hotel / Motel taxes	$	171,573
Expenditures:		
Tourism expenditures	$	85,786
Percentage of expenditures to revenues		50%


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STATISTICAL SECTION

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

Contents	Page
Financial Trends — These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	**G -2**
Revenue Capacity — These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue sources, the property tax and the sales tax.	**G -12**
Debt Capacity — 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.	**G -19**
Economic and Demographic Information — These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	**G -23**
Operating Information — 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.	**G -26**

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year. The City implemented GASBS 34 in 2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.


THE CITY OF GARDEN CITY
19
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FAITH
FREEDOM
FAMILY
FAIRNESS
FUTURE


THE CITY OF GARDEN CITY
19
39
FAITH
FREEDOM
FAMILY
FAIRNESS
FUTURE

City of Garden City, Georgia

Net Assets by Component
Last Eight Calendar Years

	2004	2005	2006
Governmental activities			
Invested in capital assets, net of related debt	$ 3,927,136	$ 4,005,261	$ 4,147,765
Restricted	2,215,719	2,407,751	2,239,292
Unrestricted	7,035,381	8,096,822	10,132,572
Total governmental activities net assets	$ 13,178,236	$ 14,509,834	$ 16,519,629
Business-type activities			
Invested in capital assets, net of related debt	$ 7,148,230	$ 6,500,230	$ 6,876,834
Restricted	-	-	-
Unrestricted	1,096,835	2,386,991	3,005,025
Total business-type activities net assets	$ 8,245,065	$ 8,887,221	$ 9,881,859
Primary Government			
Invested in capital assets, net of related debt	$ 11,075,366	$ 10,505,491	$ 11,024,599
Restricted	2,215,719	2,407,751	2,239,292
Unrestricted	8,132,216	10,483,813	13,137,597
Total primary government net assets	$ 21,423,301	$ 23,397,055	$ 26,401,488

The City of Garden City implemented GASB 34 for the calendar year ended December 31, 2004.
Information prior to the implementation of GASB 34 is not available.

2007	2008	2009	2010	2011
$ 4,691,714	$ 13,763,772	$ 12,909,489	$ 12,348,736	$ 12,329,724
1,772,604	-	-	-	116,276
15,468,336	7,846,785	7,153,169	3,991,150	3,569,672
$ 21,932,654	$ 21,610,557	$ 20,062,658	$ 16,339,886	$ 16,015,672
$ 7,688,460	$ 8,293,976	$ 11,266,753	$ 11,699,882	$ 11,693,200
-	-	-	-	-
3,247,446	3,002,780	1,404,345	314,526	230,177
$ 10,935,906	$ 11,296,756	$ 12,671,098	$ 12,014,408	$ 11,923,377
$ 12,380,174	$ 22,057,748	$ 24,176,242	$ 24,116,888	$ 24,022,924
1,772,604	-	-	25,647	116,276
18,715,782	10,849,565	8,557,514	4,211,759	3,799,849
$ 32,868,560	$ 32,907,313	$ 32,733,756	$ 28,354,294	$ 27,939,049

City of Garden City, Georgia

Changes in Net Assets
Last Eight Calendar Years

	2004	2005	2006
Expenses			
Governmental activities:			
General government	$ 570,118	$ 685,370	$ 585,223
Judiciary	37,127	52,312	54,283
Public safety	2,825,929	3,078,641	3,133,517
Public works	950,435	732,921	1,119,824
Health and welfare	101,966	111,975	132,714
Culture and recreation	582,559	694,767	597,490
Housing and development	152,745	219,277	266,430
Interest on long-term debt	12,206	10,876	9,133
Total governmental activities expenses	5,233,085	5,586,139	5,898,614
Business-type activities:			
Water and sewer	1,578,828	1,685,828	1,828,024
Sanitation	317,130	349,368	305,683
Stornwater	-	-	-
Fire protection services	-	-	-
Total business-type activities expense	1,895,958	2,035,196	2,133,707
Total primary government expenses	$ 7,129,043	$ 7,621,335	$ 8,032,321
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 44,026	$ 45,512	$ 47,217
Public safety	358,491	553,876	588,548
Public works	1,735	3,280	621
Culture and recreation	52,380	69,225	61,581
Housing and recreation	67,706	78,032	247,837
Operating grants and contributions	113,517	94,020	185,678
Capital grants and contributions	320,523	55,503	64,087
Total governmental activities program revenues	958,378	899,448	1,195,569
Business-type activities:			
Charges for services	2,216,687	2,173,562	2,298,727
Operating grants and contributions	-	-	-
Capital grants and contributions	11,650	78,374	21,150
Total business type activities program revenues	2,228,337	2,251,936	2,319,877
Total primary government program revenues	$ 3,186,715	$ 3,151,384	$ 3,515,446
Net (Expense)/Revenue			
Governmental activities	$ (4,274,707)	$ (4,686,691)	$ (4,703,045)
Business-type activities	332,379	216,740	186,170
Total primary government net expense	$ (3,942,328)	$ (4,469,951)	$ (4,516,875)

2007	2008	2009	2010	2011
$ 1,035,750	$ 1,229,916	$ 1,749,681	$ 2,272,465	$ 1,957,364
71,619	72,997	71,619	98,187	97,289
3,341,151	3,984,387	4,410,216	6,332,933	3,990,758
1,349,616	1,523,871	1,459,347	1,553,248	1,010,737
137,767	265,131	146,905	157,645	142,685
743,384	733,409	859,249	744,323	632,721
310,464	524,466	414,517	496,820	311,098
7,321	9,181	12,593	380,030	348,678
6,997,072	8,343,358	9,124,127	12,035,651	8,491,330
1,866,494	2,406,423	2,879,332	2,924,569	3,047,325
383,870	384,738	461,521	434,560	385,114
-	-	765,146	766,005	829,794
-	-	-	-	747,183
2,250,364	2,791,161	4,105,999	4,125,134	5,009,416
$ 9,247,436	$ 11,134,519	$ 13,230,126	$ 16,160,785	$ 13,500,746
$ 69,245	$ 286,287	$ 115,827	$ 119,688	$ 116,139
628,232	765,113	1,057,234	1,014,791	1,210,341
-	600	450	720	1,045
80,133	89,426	67,558	106,654	106,017
230,177	85,648	42,478	52,476	21,299
66,925	138,576	141,953	768,046	259,378
63,251	15,983	2,170,273	15,059	1,169,793
1,137,963	1,381,633	3,595,773	2,077,434	2,884,012
2,215,695	2,967,045	3,589,799	3,587,896	4,401,169
-	-	-	-	201,426
441,774	81,741	50,200	205,910	22,441
2,657,469	3,048,786	3,639,999	3,793,806	4,625,036
$ 3,795,432	$ 4,430,419	$ 7,235,772	$ 5,871,240	$ 7,509,048
$ (5,859,109)	$ (6,961,725)	$ (5,528,354)	$ (9,958,217)	$ (5,607,318)
407,105	257,625	(466,000)	(331,328)	(384,380)
$ (5,452,004)	$ (6,704,100)	$ (5,994,354)	$ (10,289,545)	$ (5,991,698)

continued

City of Garden City, Georgia

Changes in Net Assets
Last Eight Calendar Years

General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes	$ 5,143,963	$ 5,104,172	$ 5,771,657
Grants and contributions not restricted to specific programs	606,310	899,037	1,036,458
Unrestricted investment earnings	136,328	323,205	528,454
Miscellaneous	67,108	71,155	80,276
Special Item - Gain on sale of municipal complex	17,775	-	-
Transfers	(85,792)	(379,280)	(704,006)
Total governmental activities	5,885,692	6,018,289	6,712,839
Business-type activities - water and sewer:			
Unrestricted investment earnings	8,366	46,136	104,462
Transfers	85,792	379,280	704,006
Total business-type activities	94,158	425,416	808,468
Total primary government	$ 5,979,850	$ 6,443,705	$ 7,521,307
Change in Net Assets			
Governmental activities	$ 1,610,985	$ 1,331,598	$ 2,009,794
Business-type activities	426,537	642,156	994,638
Total primary government	$ 2,037,522	$ 1,973,754	$ 3,004,432

The City of Garden City implemented GASB 34 for the calendar year ended December 31, 2004.
Information prior to the implementation of GASB 34 is not available.

$ 5,846,673	$ 5,842,702	$ 5,500,889	$ 5,618,465	$ 5,693,408
1,038,544	258,538	-	202,913	-
737,279	360,975	67,762	18,644	2,152
125,786	201,026	241,991	200,423	191,832
3,184,212	-	-	-	17,023
(486,703)	(23,613)	(1,830,187)	195,000	(292,911)
10,445,791	6,639,628	3,980,455	6,235,445	5,611,504
160,239	79,611	10,155	1,542	438
486,703	23,613	1,830,187	(195,000)	292,911
646,942	103,224	1,840,342	(193,458)	293,349
$ 11,092,733	$ 6,742,852	$ 5,820,797	$ 6,041,987	$ 5,904,853
$ 4,586,682	$ (322,097)	$ (1,547,899)	$ (3,722,772)	$ 4,186
1,054,047	360,849	1,374,342	(524,786)	(91,031)
$ 5,640,729	$ 38,752	$ (173,557)	$ (4,247,558)	$ (86,845)

(concluded)

City of Garden City, Georgia

Fund Balances, Governmental Funds
Last Eight Calendar Years

	2004	2005	2006
General Fund			
Reserved	$ 257,454	$ 182,844	$ 134,708
Unreserved	6,257,691	7,447,373	9,480,603
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total general fund	$ 6,515,145	$ 7,630,217	$ 9,615,311
All Other Governmental Funds			
Reserved	$ 13,453	$ -	$ -
Unreserved, reported in:			
Special reveneue funds	-	(2,694)	(46)
Capital projects fund	2,201,801	2,407,751	2,239,292
Restricted			
Special reveneue funds	-	-	-
Capital projects fund	-	-	-
Assigned			
Special reveneue funds	-	-	-
Total all other governmental funds	$ 2,215,254	$ 2,405,057	$ 2,239,246

The City of Garden City implemented GASB 54 for the calendar year ended December 31, 2011. Information prior to December 31, 2004 was not readily available.

2007	2008	2009	2010	2011
$ 189,626	$ 107,194	$ 3,851,793	$ 1,689,362	$ -
14,190,311	10,675,968	6,001,695	4,088,793	-
-	-	-	-	125,386
-	-	-	-	1,757,128
-	-	-	-	1,321,567
$ 14,379,937	$ 10,783,162	$ 9,853,488	$ 5,778,155	$ 3,204,081
$ -	$ -	$ -	$ -	$ -
276,499	215,896	21,384	42,928	-
1,772,604	(4,135,489)	(3,411,015)	(2,478,743)	-
-	-	-	-	11,171
-	-	-	-	105,105
-	-	-	-	93,411
$ 2,049,103	$ (3,919,593)	$ (3,389,631)	$ (2,435,815)	$ 209,687

City of Garden City, Georgia

Changes in Fund Balances, Governmental Funds
Last Eight Calendar Years

	2004	2005	2006
Revenues			
Taxes	$ 4,652,726	$ 5,068,396	$ 5,720,070
Licenses and permits	111,732	123,444	295,054
Intergovernmental	1,038,753	1,047,311	1,286,398
Charges for services	74,361	89,633	82,295
Fines and fees	338,245	536,847	568,651
Interest revenues	136,328	323,205	528,454
Other revenues	68,705	72,407	79,905
Total revenue	6,420,850	7,261,243	8,560,827
Expenditures			
Current:			
General government	605,242	560,226	550,094
Judiciary	37,127	52,312	54,283
Public safety	2,709,450	2,577,763	2,859,653
Public works	899,259	1,025,822	991,831
Health and welfare	101,966	111,975	132,714
Culture and recreation	503,029	500,379	468,847
Housing and development	152,745	136,957	164,571
Capital outlay	413,349	424,722	612,620
Debt service:			
Principal	43,367	46,801	47,810
Interest and other charges	12,206	10,876	9,133
Intergovernmental:			
Assistance	-	129,256	145,983
Total expenditures	5,477,740	5,577,089	6,037,539
Excess (Deficiency) of revenues over (under) expenditures	943,110	1,684,154	2,523,288
Other Financing sources (uses)			
Capital leases and notes payable	31,528	-	-
Sale of surplus property	163,000	-	-
Transfers in	174,488	100,735	131,637
Transfers out	(260,280)	(480,014)	(835,643)
Total other financing sources (uses)	108,736	(379,279)	(704,006)
Special Item			
Proceeds from sale of municipal complex	-	-	-
Net change in fund balances	$ 1,051,846	$ 1,304,875	$ 1,819,282
Debt service as a percentage of noncapital expenditures	1.15%	1.13%	1.04%

Note: Noncapital expenditures are total expenditures less capital outlay.

[(a)] In calendar year 2011 management began reporting fire safety costs in the Fire Protection enterprise fund.

Information prior to December 31, 2004 was not readily available.

2007	2008	2009	2010	2011	
$ 6,067,002	$ 5,681,166	$ 5,862,825	$ 5,558,257	$ 5,792,343	
299,322	371,935	158,305	172,197	136,213	
1,168,720	413,097	156,106	1,067,075	1,365,828	
107,577	111,948	86,398	119,519	125,035	
600,888	743,191	1,038,844	1,002,613	1,193,593	
737,279	360,975	67,762	18,703	2,152	
125,786	238,684	241,991	223,002	231,154	
9,106,574	7,920,996	7,612,231	8,161,366	8,846,318	
993,290	1,258,805	1,778,215	1,835,903	1,527,331	
71,619	72,997	71,619	98,187	97,289	
3,016,062	3,636,442	4,106,397	4,519,181	3,577,570	(a)
1,111,409	1,314,486	1,307,368	1,082,379	811,223	
137,767	148,852	146,905	157,645	142,685	
626,069	733,409	745,024	744,323	570,302	
417,853	495,843	386,341	639,431	326,839	
1,219,135	9,910,821	8,712,346	1,875,554	-	
51,213	142,763	219,904	283,814	1,191,325	
7,321	9,181	12,593	380,030	377,338	
91,150	100,573	88,646	115,134	92,821	
7,742,888	17,824,172	17,575,358	11,731,581	8,714,723	
1,363,686	(9,903,176)	(9,963,127)	(3,570,215)	131,595	
-	361,318	10,207,438	253,698	-	
-	-	-	-	-	
205,415	3,646,975	140,885	3,327,250	3,383,109	
(692,118)	(3,670,588)	(784,908)	(3,132,250)	(3,443,276)	
(486,703)	337,705	9,563,415	448,698	(60,167)	
3,389,558	-	-	-	-	
$ 4,266,541	$ (9,565,471)	$ (399,712)	$ (3,121,517)	$ 71,428	
0.89%	1.92%	2.73%	5.98%	18.14%	

City of Garden City, Georgia

Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

Tax Digest Year	Real Property		Mobile Homes	Motor Vehicles	Industrial	Utility
	Residential	Commercial				
2002[1]	$ 61,075,859	$ 92,628,582	$ 5,564,000	$ 23,642,060	$ 56,495,758	$ 4,704,447
2003[1]	65,904,992	95,725,418	5,656,200	25,925,020	59,960,735	4,603,446
2004[1]	68,875,016	104,117,748	5,456,200	25,104,120	64,172,410	5,202,046
2005[2]	73,296,670	108,812,133	5,557,200	24,129,680	74,199,818	5,278,878
2006[2]	84,959,176	121,928,390	5,979,000	24,656,400	78,110,613	5,700,133
2007[2]	96,315,222	139,038,044	4,837,800	25,821,260	88,079,178	5,144,188
2008[2]	102,002,998	148,130,329	4,879,800	27,855,530	93,924,012	8,489,551
2009[2]	102,612,345	153,186,452	4,716,200	28,087,370	90,569,095	7,803,677
2010[2]	87,583,851	152,466,687	4,606,800	26,211,060	102,262,351	8,491,300
2011[2]	79,077,088	144,592,269	4,519,484	25,055,760	124,301,390	10,779,351

Note: The City of Garden City does not levy a property tax.

[1] *Source: Georgia Department of Revenue Property Tax Division Consolidation Summary*
[2] *Source: Chatham County Tax Assessor City Only Consolidation and Evaluation Digest*

Other Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 1,249,663	$ (238,353)	$ 245,122,016	-	$ 612,805,040	40%
1,138,307	(7,365,039)	251,549,079	-	628,872,698	40%
865,208	(1,281,761)	272,510,987	-	681,277,468	40%
838,182	(10,901,255)	281,211,306	-	703,028,265	40%
2,031,356	(17,102,673)	306,262,395	-	765,655,988	40%
3,795,220	(22,627,682)	340,403,230	-	851,008,075	40%
3,869,741	(23,262,625)	365,889,336	-	914,723,340	40%
5,138,351	(20,065,855)	372,047,635	-	930,119,088	40%
3,344,329	(13,739,715)	371,226,663	-	928,066,658	40%
2,332,308	(64,515,413)	326,142,237	-	815,355,593	40%

City of Garden City, Georgia

Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(rate per $1,000 of assessed value)

	Direct	Overlapping Rates			
Tax Year	City	School District	County	State	Total
2002	-	17.550	10.367	0.250	28.167
2003	-	17.768	10.367	0.250	28.385
2004	-	17.600	10.367	0.250	28.217
2005	-	17.277	11.037	0.250	28.564
2006	-	15.817	10.837	0.250	26.904
2007	-	13.795	10.537	0.250	24.582
2008	-	13.404	10.537	0.250	24.191
2009	-	13.404	10.537	0.250	24.191
2010	-	14.131	10.537	0.250	24.918
2011	-	14.631	11.109	0.250	25.990

Source: Chatham County Commission - Board Minutes

City of Garden City, Georgia

Local Option Sales Tax History
Last Eight Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011
January	$ 198,128	$ 235,358	$ 246,946	$ 280,728	$ 293,311	$ 344,503	$ 273,020	250,824
February	230,384	282,882	307,070	324,874	327,143	254,327	270,843	280,818
March	249,036	261,209	299,409	274,918	228,148	221,021	294,915	279,450
April	227,733	213,716	296,109	282,938	301,310	394,481	275,134	295,415
May	248,480	267,321	296,695	302,503	317,991	249,038	285,449	293,494
June	280,535	264,636	340,138	323,734	301,614	269,339	281,520	304,670
July	260,412	270,665	302,035	320,618	328,109	284,952	280,362	318,112
August	244,729	269,740	332,151	288,609	304,379	314,377	279,326	306,235
September	248,004	264,241	361,600	335,186	306,294	263,508	265,355	301,040
October	229,447	290,402	306,450	314,916	278,989	269,220	274,202	273,984
November	232,499	280,142	389,374	329,570	334,426	245,272	261,524	268,169
December	234,688	245,283	210,042	599,365	272,842	270,655	300,901	331,240
Pro Rata Adjustment	-	5,679	14,582	7,315	-	-	-	-
Total	$ 2,884,075	$ 3,151,274	$ 3,702,601	$ 3,985,274	$ 3,594,556	$ 3,380,693	$ 3,342,551	$ 3,503,451

Sales tax information is presented using the accrual basis of accounting.

Information prior to December 31, 2004 was not readily available.

City of Garden City, Georgia

Schedule of Significant Tax Revenues and Franchise Fees
Last Eight Calendar Years

Tax Revenue	2004	2005	2006	2007	2008	2009	2010	2011
Local Option Sales Taxes	$ 2,884,065	$ 3,151,274	$ 3,702,601	$ 3,985,274	$ 3,443,904	$ 3,380,693	$ 3,342,551	$ 3,503,451
Franchise Taxes - Electric	380,759	408,724	474,867	471,962	527,708	691,275	589,091	722,827
Franchise Taxes - Gas	41,374	36,936	27,697	43,142	33,479	31,319	31,171	30,163
Franchise Taxes - Television Cable	66,367	68,090	68,507	73,286	81,123	81,315	79,960	110,206
Franchise Taxes - Telephone	81,424	81,586	81,393	79,419	97,988	51,511	59,272	52,654
Alcoholic Beverage Excise	199,541	192,778	191,367	185,202	172,002	172,217	157,393	151,710
Local Option Mixed Drink Excise Tax	-	-	987	4,312	5,436	5,421	2,340	3,015
Business and Occupation Taxes	362,873	402,987	400,033	425,807	440,543	642,642	524,025	570,643
Insurance Premium Taxes	472,965	508,848	532,383	558,647	568,637	563,302	546,931	411,725
Financial Institution Taxes	30,589	30,400	30,310	24,561	21,952	23,251	40,349	35,885

Information prior to December 31, 2004 was not readily available.

City of Garden City, Georgia

Water Rates
Last Ten Calendar Years

Years ended December 31,	Water - Inside the City		Water - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2002-2003	Cubic Feet- Residential		Cubic Feet	
	Up to 300	$6.75	Up to 500	$22.28
	Over 300, per 1,000	$9.45	Over 500, per 1,000	$16.80
	Cubic Feet- Commercial			
	Up to 500	$14.85		
	Over 500, per 1,000	$11.20		
2004-2005	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$7.42	Up to 500	$24.50
	Over 500, per 1,000	$10.39	Over 500, per 1,000	$18.48
	Cubic Feet- Commercial			
	Up to 500	$16.33		
	Over 500, per 1,000	$12.32		
2006	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$8.17	Up to 500	$26.96
	Over 500, per 1,000	$11.43	Over 500, per 1,000	$20.34
	Cubic Feet- Commercial			
	Up to 500	$17.97		
	Over 500, per 1,000	$13.56		
2007	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$8.58	Up to 500	$28.31
	Over 500, per 1,000	$12.00	Over 500, per 1,000	$21.36
	Cubic Feet- Commercial			
	Up to 500	$18.87		
	Over 500, per 1,000	$14.24		
2008 - 2010	Base	$8.96 per REU*	Base	$10.54 per REU*
	Administration Fee	$1.85	Administration Fee	$1.85
	Gallons		Gallons	
	up to 5,000	$1.00	up to 5,000	$1.50
	5,001 - 10,000	$1.50	5,001 - 10,000	$2.25
	10,001 - 15,000	$2.00	10,001 - 15,000	$3.00
	15,001 - 20,000	$2.50	15,001 - 20,000	$3.75
	Over 20,000	$3.00	Over 20,000	$4.50
2011	Base	$10.68 per REU*	Base	$12.26 per REU*
	Administration Fee	$2.35	Administration Fee	$2.35
	Gallons		Gallons	
	up to 2,500	$1.00	up to 2,500	$1.50
	2,501 - 5,000	$1.25	2,501 - 5,000	$2.00
	5,001 - 10,000	$1.50	5,001 - 10,000	$2.25
	10,001 - 15,000	$2.00	10,001 - 15,000	$3.00
	15,001 - 20,000	$2.50	15,001 - 20,000	$3.75
	Over 20,000	$3.00	Over 20,000	$4.50

** REU - Residential Equivalent Unit*

City of Garden City, Georgia

Sewer Rates
Last Ten Calendar Years

Years ended December 31,	Sewer - Inside the City		Sewer - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2002-2003	Cubic Feet- Residential		Cubic Feet	
	Up to 300	$10.12	Up to 500	$28.35
	Over 300, per 1,000	$9.45	Over 500, per 1,000	$16.80
	Cubic Feet- Commercial			
	Up to 500	$18.90		
	Over 500, per 1,000	$11.20		
2004-2005	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$11.13	Up to 500	$31.19
	Over 500, per 1,000	$10.39	Over 500, per 1,000	$18.48
	Cubic Feet- Commercial			
	Up to 500	$20.79		
	Over 500, per 1,000	$12.32		
2006	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$12.25	Up to 500	$34.31
	Over 500, per 1,000	$11.43	Over 500, per 1,000	$20.34
	Cubic Feet- Commercial			
	Up to 500	$22.87		
	Over 500, per 1,000	$13.56		
2007	Cubic Feet- Residential		Cubic Feet	
	Up to 500	$12.86	Up to 500	$36.02
	Over 500, per 1,000	$12.00	Over 500, per 1,000	$21.36
	Cubic Feet- Commercial			
	Up to 500	$24.01		
	Over 500, per 1,000	$14.24		
2008 - 2010	Base	$10.00 per REU*	Base	$12.04 per REU*
	Administration Fee	$1.85	Administration Fee	$1.85
	Gallons		Gallons	
	up to 5,000	$1.30	up to 5,000	$1.95
	5,001 - 10,000	$1.95	5,001 - 10,000	$2.93
	10,001 - 15,000	$2.60	10,001 - 15,000	$3.90
	15,001 - 20,000	$3.25	15,001 - 20,000	$4.88
	Over 20,000	$3.90	Over 20,000	$5.85
2011	Base	$11.35 per REU*	Base	$13.39 per REU*
	Administration Fee	$2.35	Administration Fee	$2.35
	Gallons		Gallons	
	up to 2,500	$1.30	up to 2,500	$1.95
	2,501 - 5,000	$1.66	2,501 - 5,000	$2.55
	5,001 - 10,000	$1.95	5,001 - 10,000	$2.93
	10,001 - 15,000	$2.60	10,001 - 15,000	$3.90
	15,001 - 20,000	$3.25	15,001 - 20,000	$4.88
	Over 20,000	$3.90	Over 20,000	$5.85

** REU - Residential Equivalent Unit*

City of Garden City

Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Calendar Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income [(a)]	Per Capita [(a)]
	Water Credits	Capital Leases	Note Payable	SRF Loan	GEFA Loans			
2002	20,313	-	-	697,023	978,522	1,695,858	0.97%	145
2003	12,856	285,090	-	638,290	2,722,323	3,658,559	2.00%	306
2004	9,936	276,171	-	558,601	2,650,403	3,495,111	1.83%	287
2005	6,665	232,641	-	477,306	3,425,365	4,141,977	2.07%	334
2006	4,128	187,368	-	394,373	3,298,113	3,883,982	1.88%	308
2007	-	140,283	-	309,768	3,164,919	3,614,970	1.69%	282
2008	-	358,838	-	223,458	3,913,483	4,495,779	2.03%	345
2009	-	396,372	9,950,000	135,411	4,999,932	15,481,715	6.66%	1,130
2010	-	366,256	9,950,000	45,588	5,079,901	15,441,745	9.49%	1,628
2011	-	127,145	8,997,787	-	5,007,978	14,132,910	11.39%	1,610

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

[(a)] These ratios are calculated using personal income and population for the prior calendar year.

City of Garden City, Georgia

Direct and Overlapping Governmental Activities Debt
As of December 31, 2011

	Debt Outstanding	Estimated Percentage Applicable [(a)]	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005	$ 12,135,000	3.10%	$ 376,185
Chatham County Public Health Facilities Projects	495,000	3.10%	15,345
DSA Chatham County Projects Series 2005A	5,455,000	3.10%	169,105
DSA Union Mission Series 2009	2,310,000	3.10%	71,610
Mosquito Control	3,996,247	3.10%	123,884
Chatham-Savannah School Board:			
General Obligation Bonded Debt	65,855,000	3.10%	2,041,505
DSA (Improvement Project)	1,650,000	3.10%	51,150
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	367,797	3.82%	14,067
Savannah-Chatham County School Board	11,038,939	8.37%	923,959
Subtotal, overlapping debt			3,786,810
City of Garden City direct debt			9,124,932
Total direct and overlapping debt			$ 12,911,742

Sources: Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Taxation. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Garden City. This process recognizes that, when considering the city's ability to issue and repay long-term-debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

[(a)] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the city's boundaries and dividing it by each unit's total taxable value. For overlapping other debt (County), the percentage of overlapping applicable is estimated using the city's population and dividing it by the county's population. For overlapping other debt (School), the percentage of overlapping applicable is estimated using the city's school enrollment and dividing it by the school district's total enrollment.

City of Garden City, Georgia

Legal Debt Margin Information
Last Ten Calendar Years

	2002	2003	2004	2005	2006
Total assessed value of taxable property	$ 245,122,016	$ 251,549,079	$ 272,510,987	$ 281,211,306	$ 306,262,395
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 245,122,016	$ 251,549,079	$ 272,510,987	$ 281,211,306	$ 306,262,395
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 24,512,202	$ 25,154,908	$ 27,251,099	$ 28,121,131	$ 30,626,240
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 24,512,202	$ 25,154,908	$ 27,251,099	$ 28,121,131	$ 30,626,240
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2007	2008	2009	2010	2011
Total assessed value of taxable property	$ 340,403,230	$ 365,889,336	$ 372,047,635	$ 371,226,663	$ 326,142,237
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 340,403,230	$ 365,889,336	$ 372,047,635	$ 371,226,663	$ 326,142,237
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 34,040,323	$ 36,588,934	$ 37,204,764	$ 37,122,666	$ 32,614,224
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 34,040,323	$ 36,588,934	$ 37,204,764	$ 37,122,666	$ 32,614,224
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

The present constitutional limit on direct general obligation bonds for the City of Garden City is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service (bond) purposes.

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may authorized to be issued if so approved by a majority of those voting in an election held for that purpose. The City of Garden City has no general obligation bonds authorized but unissued.

City of Garden City, Georgia

Pledged Revenue Coverage
Last Ten Calendar Years

	Water and Sewer Long-Term Obligations					
Fiscal Year	Utility Service Charges	Less: Operating Expenses [a]	Net Available Revenue	Debt Service [b] Principal	Debt Service [b] Interest	Coverage
2002	$ 1,351,311	$ 844,229	$ 507,082	$ 246,640	$ 97,644	1.47
2003	1,765,317	981,516	783,801	87,551	68,352	5.03
2004	1,912,863	936,757	976,106	166,864	185,704	2.77
2005	1,871,854	940,158	931,696	169,508	169,386	2.75
2006	1,963,331	1,039,575	923,756	210,185	173,908	2.41
2007	1,907,805	1,070,148	837,657	217,799	160,339	2.22
2008	2,633,654	1,618,935	1,014,719	225,729	132,173	2.84
2009	2,503,945	1,970,551	533,394	250,064	170,105	1.27
2010	2,351,036	1,971,069	379,967	272,574	165,923	0.87
2011	2,890,439	2,030,635	859,804	236,906	155,337	2.19

[a] Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration and finance.

[b] Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Garden City, Georgia

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population*	Personal Income [1]	Per Capita Personal Income [1]	Median Age	Unemployment Rate [2]
2002	9,924	$ 148,205,016	$ 14,934	32	3.3%
2003	9,775	149,860,525	15,331	32	3.4%
2004	9,739	153,184,731	15,729	32	3.4%
2005	9,572	154,358,072	16,126	32	5.7%
2006	9,469	155,395,759	16,411	32	4.9%
2007	9,426	157,367,070	16,695	32	5.0%
2008	9,413	159,832,740	16,980	32	7.6%
2009	9,502	162,757,152	17,129	32	7.5%
2010	8,778	143,783,640	16,380	35	10.9%
2011	8,778	143,783,640	16,380	35	11.5%

Sources:

** US Census Bureau - Population estimates have been restated to reflect 2010 Census*

(1) *Personal income has been estimated based upon the municipal population and per capita personal income presented.*

(2) *State Department of Labor*

City of Garden City, Georgia

Principal Employers
Current Year and Nine Years Ago

	2011			2002		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace Corporation	6,500	1	5.42%	4,253	3	3.85%
Ft. Stewart/ Hunter Army Airfield	4,719	2	3.93%	3,373	6	3.06%
Memorial Health	4,643	3	3.87%	4,600	2	4.17%
Savannah-Chatham Board of Education	4,600	4	3.84%	4,784	1	4.34%
St. Joseph's/ Candler	3,170	5	2.64%	3,900	5	3.53%
Wal-Mart	2,935	6	2.45%			
City of Savannah	2,500	7	2.08%	1,537	8	1.39%
Savannah College of Art and Design	1,750	8	1.46%			
Chatham County	1,500	9	1.25%	2,122	7	1.92%
Georgia Pacific Savannah River Mill	1,200	10	1.00%			
Savannah International Airport				4,077	4	3.70%
State of Georgia				1,400	9	1.27%
International Paper				1,250	10	1.13%
Total	33,517		27.94%	31,296		28.36%

Source: Savannah Economic Development Authority and Georgia Department of Labor

Note: This data includes employer and employee information for the Savannah Metropolitan Service Area.

City of Garden City, Georgia

Full Time City Employees by Function/Program
Last Ten Calendar Years

Function/Program	2002	2003	2004	2005	2006
General government	12	15	14	13	8
Public safety	39	43	43	41	44
Public works	15	17	13	22	19
Culture and recreation	11	11	12	12	9
Utility services	12	12	12	11	11
Total	89	98	94	99	91

Function/Program	2007	2008	2009	2010	2011
General government	11	11	11	14	13
Public safety	49	49	51	57	56
Public works	21	13	13	14	11
Culture and recreation	13	15	14	12	12
Water and sewer services	13	15	17	17	15
Total	107	103	106	114	107

Source: City Personnel Records

City of Garden City, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	2002	2003	2004	2005	2006
Police:					
Arrests	2525	1796	1211	1859	1897
Fire:					
Number of emergency calls	308	210	262	261	334
Inspections	unav	unav	unav	unav	unav
Public works:					
Ditch maintenance (miles)	unav	unav	unav	unav	unav
Canal maintenance (miles)	unav	unav	unav	unav	unav
Dry trash (tons)	unav	unav	unav	unav	900
Water:					
New connections	unav	unav	unav	unav	unav
Average daily consumption (millions of gallons)	unav	unav	1.3	1.2	1.2
Sewer:					
New connections	unav	unav	unav	unav	unav
Average daily sewage treatment (millions of gallons)	unav	unav	1.04	1.09	0.97

	2007	2008	2009	2010	2011
Police:					
Arrests	2375	2149	1256	1385	1259
Fire:					
Number of emergency calls	366	390	348	379	394
Inspections	unav	unav	unav	50	53
Public works:					
Ditch maintenance (miles)	unav	unav	10.7	8.1	5.6
Canal maintenance (miles)	unav	unav	120	84	109
Dry trash (tons)	1100	1000	826	848	848
Water:					
New connections	unav	unav	10	8	7
Average daily consumption (millions of gallons)	1.2	1.1	1.03	1.03	0.99
Sewer:					
New connections	unav	unav	6	8	7
Average daily sewage treatment (millions of gallons)	0.98	0.96	1.05	1.05	0.83

Sources: City records

unav - This information is not available.

City of Garden City, Georgia

Capital Asset Statistics by Function
Last Ten Calendar Years

	2002	2003	2004	2005	2006
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	unav	unav	unav	unav	unav
Parks and recreation:					
Parks	4	4	4	4	4
Community centers	3	3	3	3	3
Water:					
Water mains (miles)	unav	unav	unav	unav	unav
Maximum daily capacity (millions of gallons)	1.5	1.5	1.5	1.5	1.5
Wastewater:					
Sanitary sewers (miles)	unav	unav	unav	unav	unav
Maximum daily treatment capacity (millions of gallons)	2.0	2.0	2.0	2.0	2.0

	2007	2008	2009	2010	2011
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	unav	45	45	45	45
Parks and recreation:					
Parks	4	4	4	4	4
Community centers	3	3	3	3	3
Water:					
Water mains (miles)	unav	39.9	39.9	39.9	41.9
Maximum daily capacity (millions of gallons)	1.5	1.5	1.5	1.5	1.3
Wastewater:					
Sanitary sewers (miles)	unav	45	45	45	48
Maximum daily treatment capacity (millions of gallons)	2.0	2.0	2.0	2.0	2.0

Sources: City records and Technical Data Assessment Garden City Comprehensive Plan

unav - This information is not available.


THE CITY OF GARDEN CITY
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FAITH
FREEDOM
FAMILY
FAIRNESS
FUTURE

COMPLIANCE SECTION


THE CITY OF GARDEN CITY
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FUTURE

KARP, RONNING & TINDOL
CERTIFIED PUBLIC ACCOUNTANTS

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*

Honorable Mayor and Members of the
City Council
City of Garden City, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia, as of and for the year ended December 31, 2011, which collectively comprise the City of Garden City's basic financial statements, and have issued our report thereon dated May 6, 2012. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Garden City, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Garden City, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Garden City, Georgia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

6600 ABERCORN STREET • SUITE 200 SAVANNAH, GEORGIA 31405
P.O. BOX 16149 SAVANNAH, GEORGIA 31416
912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com

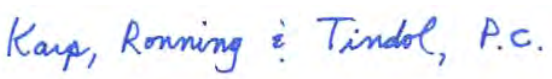
Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 6, 2012.

This report is intended solely for the information and use of City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

Karp, Ronning & Tindol, P.C.



Savannah, Georgia
May 6, 2012

6600 ABERCORN STREET • SUITE 200 SAVANNAH, GEORGIA 31405
P.O. BOX 16149 SAVANNAH, GEORGIA 31416
912-232-0475 TEL 912-232-0478 FAX www.krtcpa.com