COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Garden City, Georgia

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

PREPARED BY

FINANCE DEPARTMENT


THE CITY OF GARDEN CITY
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39
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City of Garden City, Georgia
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2013

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	A - 1
Principal Officials	A - 6
Organization Chart	A - 7
Certificate of Achievement for Excellence in Financial Reporting	A - 8
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	B - 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	C - 1
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	D - 1
Statement of Activities	D - 2
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	D - 4
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	D - 5
Statement of Revenues, Expenditures, and Changes in Fund Balances	D - 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D - 7
Proprietary Funds:	
Statement of Net Position	D - 8
Statement of Revenues, Expenses, and Changes in Fund Net Position	D - 9
Statement of Cash Flows	D - 10
NOTES TO THE BASIC FINANCIAL STATEMENTS	D - 11
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:	
Budgetary Comparison Schedule - General Fund	E - 1
Notes to Required Supplementary Information	E - 3
Required Supplementary Information - Schedule of Funding Progress	E - 4
SUPPLEMENTARY DATA - Combining Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	F - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	F - 2
Budgetary Comparison Schedules - Nonmajor Governmental Funds:	
Confiscated Assets Fund	F - 3
Hotel / Motel Tax Fund	F - 4
Tourism Board Fund	F - 5
Multiple Grant Fund	F - 6
Schedule of Receipts and Disbursements - Voluntary Fire Department	F - 7
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	F - 8
Schedule of Required Expenditures Generated by the Hotel/Motel Tax	F - 9

City of Garden City, Georgia
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2013

	PAGE
STATISTICAL SECTION	
Comments Relative to Statistical Section	G - 1
FINANCIAL TRENDS:	
Net Position by Component - Last Ten Calendar Years	G - 2
Changes in Net Position - Last Ten Calendar Years	G - 4
Fund Balances, Governmental Funds - Last Ten Calendar Years	G - 8
Changes in Fund Balances, Governmental Funds - Last Ten Calendar Years	G - 10
REVENUE CAPACITY:	
Assessed and Actual Value of Taxable Property - Last Ten Calendar Years	G - 12
Direct and Overlapping Property Tax Rates - Last Ten Calendar Years	G - 14
Local Option Sales Tax History - Last Ten Calendar Years	G - 15
Schedule of Significant Tax Revenues and Franchise Fees - Last Ten Calendar Years	G - 16
Water Rates - Last Ten Calendar Years	G - 17
Sewer Rates - Last Ten Calendar Years	G - 18
DEBT CAPACITY:	
Ratios of Outstanding Debt by Type - Last Ten Calendar Years	G - 19
Direct and Overlapping Governmental Activities Debt	G - 20
Legal Debt Margin Information - Last Ten Calendar Years	G - 21
Pledged Revenue Coverage - Last Ten Calendar Years	G - 22
DEMOGRAPHIC AND ECONOMIC INFORMATION:	
Demographic and Economic Statistics - Last Ten Calendar Years	G - 23
Principal Employers - Current Year and Nine Years Ago	G - 24
OPERATING INFORMATION:	
Full Time City Employees by Function/Program - Last Ten Calendar Years	G - 25
Operating Indicators by Function - Last Ten Calendar Years	G - 26
Capital Asset Statistics by Function - Last Ten Calendar Years	G - 27
COMPLIANCE SECTION:	
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	H - 1

INTRODUCTORY SECTION


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19
39
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GARDEN CITY

Office of the City Manager

Ronald A. Feldner, P.E.
Interim City Manager

Rhonda Ferrell-Bowles
Clerk of Council

May 16, 2013

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, 2013 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 (CAFR) 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 (MD&A); 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 KRT, CPAs P.C. They have issued an unqualified ("clean") opinion of the City's financial statements for the year ended December 31, 2013. The independent audit involved examination, 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 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. Garden City is home to the Port of Savannah's Garden City Terminal, which is the fourth-largest container port in the United States and the largest single-terminal operation in North America.

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, 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 to ensure 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 which is 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 FY2013, revenue derived from occupational taxes and permits increased 7%. The City's Insurance Premium Tax increased by 4%. However, the City's Local Option Sales Tax (LOST) proceeds decreased by 21%. This decrease is attributed to a reduction in the City's population during the 2010 Census, which caused the City's portion of LOST proceeds to reduce during the recent LOST renegotiations.

The Employment statistics reported by the Georgia Department of Labor for 2013 remains essentially flat when compared to 2012. Garden City's unemployment rate is 8.9% of the civilian labor force compared to 8.8% for Chatham County. The Georgia Department of Labor indicates that the annualized average unemployment rate for Chatham County for 2012 was 9.4%.

While the City's unemployment rate remains higher than Chatham County, the City has some reason for optimism. Over the past two years, the City has seen the completion of two major distribution centers. 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. The Judge Organization completed construction of a 270,000 square-foot warehouse and distribution center in 2012. The project is expected to generate at least 45 jobs over the next three years.

In addition, the City had 94 new applications for occupational tax certificates in 2013. This represents a slight increase from 2012. The majority of these businesses (34%) were in the retail trade and services. Logistics and trucking related businesses represented 11% of the new applications.

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. Construction began 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 curb appeal for motorists, pedestrians and bicyclists, Dean Forest Road has been widened and now features a scenic landscaped boulevard, tree-lined streets, sidewalks and bike paths extending south from Interstate 16. The final phase of the project involving construction of intersection improvements at Ogeechee Road will commence in late 2014 and be completed in 2015.
- **New Chatham County Public Library:** In an effort to continually enhance Garden City in all areas, we have entered into a cooperative venture with Chatham County to build a public library at the Town Center. 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 building construction is well underway and should be completed in FY2014.

The City must maintain and improve our current public facilities and infrastructure to ensure proper operation of the City government. The City understands the importance of maintaining and reinvesting in our public facilities and infrastructure, as evidenced by the City securing a $3.4 million, low interest loan in 2013 from the Georgia Environmental Finance Authority (GEFA) to undertake much needed water and sewer projects throughout the City.

Finally, Mayor and Council recognize the importance of measuring performance. As such, the City enrolled in ICMA's Center for Performance Measurements Program 101 and are in the development stages of our performance management system. The FY2014 Budget will be the second year the City will have a dedicated section in the budget for performance measures. The City will work towards using these performance measures to develop future budgets.

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 CAFR for the fiscal year ended December 31, 2012. This was the fifth 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 CAFR could not have been accomplished without the effective and dedicated services of the entire Garden City 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 FY2013 annual budget document dated December 3, 2012. 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, 2013.

Respectfully submitted,



Ronald Feldner,
City Manager (Interim)

City of Garden City, Georgia

List of Principal Officials

December 31, 2013

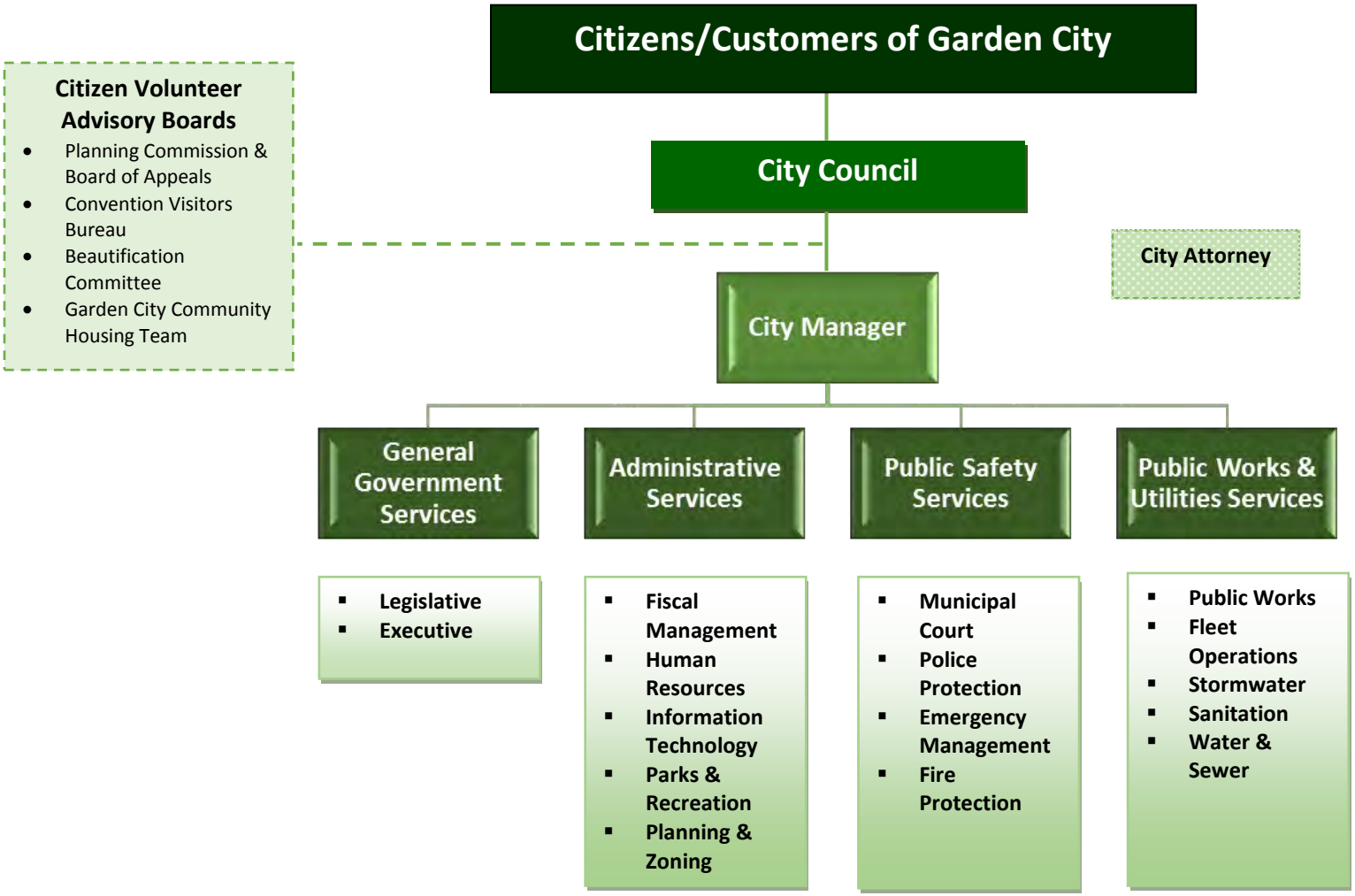
City Hall
(912) 966-7777
Fax (912) 966-7792

Mayor	Tennyson Holder
City Manager	Ron Feldner (Interim)
City Clerk	Rhonda Ferrell Bowles
Director of Finance	Rhonda Ferrell Bowles (Interim)
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	Ron Feldner (Interim)
Director of Recreation	Cliff Ducey
Director of Information Technology	Ben Brengman
City Attorney	Jim Gerard

City Councilmembers

Scott George	Mayor Pro - Tem
Don Bethune	President of Council
Judy Shuman	Councilmember
Bruce Campbell	Councilmember
Rosetta Cody	Councilmember
Bessie Kicklighter	Councilmember

City of Garden City
Organization Chart by Department / Function



LEGEND

Citizens/Customers | Elected Officials | Advisory Boards | Appointed Position | City Manager | Department/Services | Division & Function

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

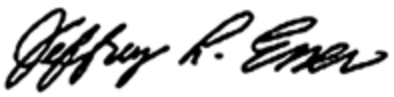
Presented to

City of Garden City

Georgia

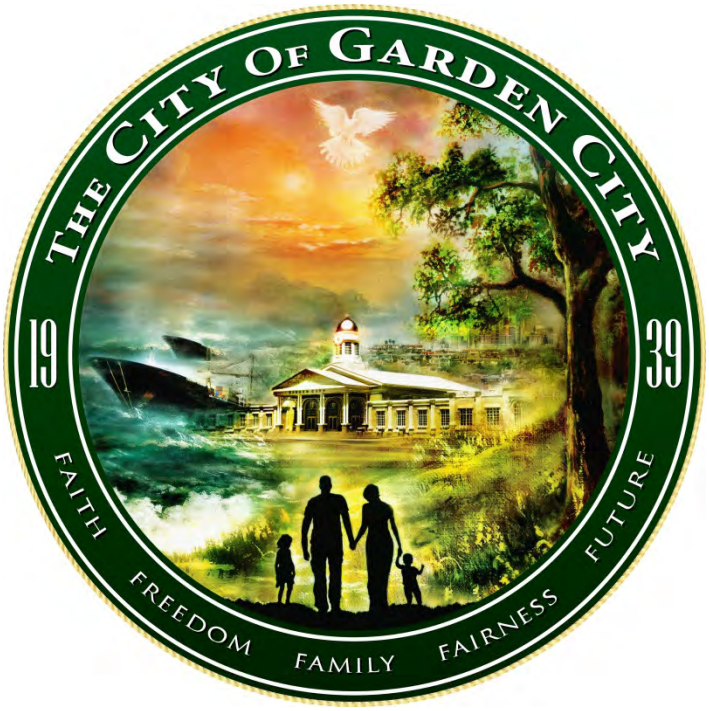
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO

BASIC FINANCIAL STATEMENTS


THE CITY OF GARDEN CITY
19
39
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Independent Auditor's Report

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

Report on the Financial Statements

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, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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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 of Garden City, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden City, Georgia's basic financial statements. The supplementary data, combining 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.

The supplementary data, combining fund financial statements and schedules, listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data, combining fund financial statements and schedules, listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2014 on our consideration of the City of Garden City, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Garden City, Georgia's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.
Savannah, Georgia
May 13, 2014

Tel 912-232-0475 *Fax* 912-232-0478

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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, 2013. 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 $28,779,462 (net position) for the fiscal year reported. Of this amount, $5,735,301 (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by $376,626 which is attributed to the City's reduction in Local Option Sales Tax (LOST) revenue commencing April 1, 2013, resulting from the renegotiation of the distribution of LOST proceeds amongst the Chatham County municipalities.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $3,684,274, a decrease of $453,607 in comparison with the prior year. The general fund reported a decrease in fund balance of $393,371, and the other governmental funds reported a decrease of $60,236. The decrease in the General Fund balance is mainly the result of the City's reduction in local option sales tax revenue as well as fines & forfeitures coming in at a lower level in 2013.
- Unassigned fund balance for the general fund was $1,615,343 or 23.2% of the total general fund operating expenditures. In addition, the City has $1,606,223 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 position 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 position and how they have changed. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. 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 Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Garden City, Georgia, assets exceeded liabilities by $28.8 million at the close of the most recent fiscal period. Governmental activities comprise $16.2 million, and business-type activities make up $12.6 million of the total net position. In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	$ 4,839,544	$ 5,284,141	$ 2,087,278	$ 1,383,502	$ 6,926,822	$ 6,667,643
Capital assets	20,258,917	20,803,432	15,980,901	16,568,200	36,239,818	37,371,632
Total assets	25,098,461	26,087,573	18,068,179	17,951,702	43,166,640	44,039,275
Current liabilities	506,487	516,392	439,957	516,093	946,444	1,032,485
Long-term liabilities	8,381,362	8,932,301	5,059,372	4,918,401	13,440,734	13,850,702
Total liabilities	8,887,849	9,448,693	5,499,329	5,434,494	14,387,178	14,883,187
Net position:						
Net investment in capital assets	11,973,251	11,928,004	10,950,870	11,678,706	22,924,121	23,606,710
Restricted	120,040	252,534	-	-	120,040	252,534
Unrestricted	4,117,321	4,458,341	1,617,980	838,502	5,735,301	5,296,843
Total net position	$ 16,210,612	$ 16,638,879	$ 12,568,850	$ 12,517,208	$ 28,779,462	$ 29,156,087

The largest portion of the City's net position (79.7%) 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 position totaling $5,735,301 or 19.9% of total net position, which may be used to meet the City's ongoing obligations to citizens and creditors.

The remaining balance of total net position contains resources that are subject to external restrictions on how they may be used, such as SPLOST resources and confiscated assets.

The total net position decreased by $376,626 or 1.3% from the prior year. Governmental activities net position decreased by $428,268 or 2.6%, while business-type activities' net position increased by $51,642 or 0.4%

Changes in Net Position

The following table shows the changes in net position for 2013:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue						
Program revenue:						
Charges for services	$ 1,095,021	$ 1,450,844	$ 5,050,737	$ 4,974,884	$ 6,145,758	$ 6,425,728
Operating grants and contributions	146,502	254,356	193,377	200,189	339,879	454,545
Capital grants and contributions	1,664,723	1,203,611	15,215	401,069	1,679,938	1,604,680
General Revenue:						
Sales and use taxes	2,926,236	3,659,228	-	-	2,926,236	3,659,228
Business taxes	1,196,936	1,192,452	-	-	1,196,936	1,192,452
Franchise taxes	851,537	841,544	-	-	851,537	841,544
Selective sales and use taxes	356,020	349,135	-	-	356,020	349,135
Unrestricted investment	3,091	2,500	1,239	816	4,330	3,316
Miscellaneous	28,110	142,866	16,564	13,509	44,674	156,375
Total revenue	8,268,176	9,096,536	5,277,132	5,590,467	13,545,308	14,687,003
Expenses						
General government	1,934,767	2,018,107	-	-	1,934,767	2,018,107
Judiciary	97,160	97,000	-	-	97,160	97,000
Public safety	3,606,478	3,691,402	-	-	3,606,478	3,691,402
Public works	1,644,768	706,294	-	-	1,644,768	706,294
Health and welfare	149,818	185,716	-	-	149,818	185,716
Culture and recreation	770,782	836,979	-	-	770,782	836,979
Housing and development	300,931	323,100	-	-	300,931	323,100
Interest on long-term debt	200,938	637,930	-	-	200,938	637,930
Water and sewer	-	-	3,101,449	2,952,549	3,101,449	2,952,549
Sanitation	-	-	413,749	399,333	413,749	399,333
Stormwater	-	-	738,503	722,104	738,503	722,104
Fire protection services	-	-	962,591	899,450	962,591	899,450
Total expenses	8,705,642	8,496,528	5,216,292	4,973,436	13,921,934	13,469,964
Excess (deficiency) before special item and transfers	(437,466)	600,008	60,840	617,031	(376,626)	1,217,039
Transfers	9,198	23,200	(9,198)	(23,200)	-	-
Change in net position	(428,268)	623,208	51,642	593,831	(376,626)	1,217,039
Net position, beginning	16,638,880	16,015,672	12,517,208	11,923,377	29,156,088	27,939,049
Net position, ending	$ 16,210,612	$ 16,638,880	$ 12,568,850	$ 12,517,208	$ 28,779,462	$ 29,156,088

Governmental Activities

Revenues for governmental activities totaled $8.3 million in 2013, which represents a decrease of 9.1% over 2012. Sales and use taxes account for $2.9 million or 35.4% of total revenue in 2013 and reported a decrease of $732,992 compared to 2012. Business taxes, which include the insurance premium tax, accounted for $1.2 million or 14.1% of total revenue in 2013 and reported an increase of $4,484 or 0.4% from 2012. An increase in occupational taxes is responsible for this increase. Charges for services generated $1.5 million or 15.9% of total revenue for 2013. Franchise taxes decreased slightly totaling $851,537 in 2013.

Expenses for governmental activities totaled $8.7 million in 2013, which represents an increase of $209,114 or 2.5% compared to 2012.

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 $5.3 million, which represents a decrease of 5.6% over 2012. This decrease is attributed to funding from several federal grants ending in the fire protection fund in 2013.

Expenses for business-type activities totaled $5.2 million in 2013, which represents an increase of 4.9% change compared to 2012.

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 $3,339,525. The total amount of unassigned fund balance for the general fund is $1,615,343.

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 16.8% and 38.4% percent of total general fund expenditures respectively.

The fund balance of the general fund decreased $393,371 during 2013. The decrease in fund balance is the result of the decline in the City's LOST revenue of about $733,000 as well as a decline in revenue from fines and forfeitures of approximately $460,000. The 2010 census count identified a decline in the City's population. The City's share of LOST revenue is based on the City's population. The decrease in the City's fine and forfeiture revenue is attributable to the following:

- Authority to issue and collect commercial vehicle inspection citations and fines transferred to the state,
- Increase in the number of court cases bound over to State Court.

Capital Projects Fund

The capital projects fund balance at December 31, 2013 was $118,367. The fund balance decreased $121,043 over the prior year's balance. The economy had a negative impact on the City's Special Local Option Sales Tax (SPLOST) revenue in 2013. In keeping with the purpose of having a capital projects fund, the City used monies for approved SPLOST projects such as debt service payments for police vehicles, city hall loan, and contributed $450,000 toward a Georgia Department of Transportation grant match for road improvement projects.

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 fees are charged to external users for goods or services.

Capital Assets

Statement of net position 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 $36.2 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-19.

Debt Administration

The long-term liabilities at December 31, 2013 totaled $13,440,734. Of this amount, $8,381,362 relates to governmental type activities and $5,059,372 relates to business-type activities. Overall, the City's long-term liabilities decreased from 2012 by $409,968.

Additional information on the City's debt can be found in Note III.F. beginning on page D-22.

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 $6,673,650 for 2013. The City is constantly reviewing opportunities to increase revenue by using its assets more efficiently and effectively.

In preparing the 2014 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 2014.

- In 2013, the City experienced a reduction in one of its most important general fund revenue sources – Local Option Sales Tax (LOST). As result of this reduction, the City developed the 2014 budget based on an annual decrease in general fund revenue of approximately ($900,000) in 2014.
- Revenue derived from fines and forfeitures as well as investment earnings were projected to remain at low levels.
- The City reduced its staffing level in the General Fund by eliminating four full-time positions as well as holding open several key "vacant" positions in 2014.
- There will be no cost of living adjustments (COLAs) for employees for the third consecutive year.
- The City deferred general fund capital purchases and capital improvement projects in 2014.
- The City maintains a sufficient fund balance level in the event that the City Council needs to utilize these funds in 2014.

Mayor and Council approved a rate increase for water and wastewater services in order to adequately fund all operating costs, including debt service, capital improvements and service expansion needs. In addition, the rate increase allowed the City to maintain an operating cash reserve for emergencies and to further build its savings account related to upgrade of the water pollution control plant within the next five years. As a result of the rate increase, the average residential customer will experience an increase in their bill of approximately $4.50 per month. Even with the rate increase, the City offers a competitive rate for water and sewer services as compared to other Chatham County governments. The Mayor and City Council also approved the initiation of work on approximately $3.0 million of water and sewer infrastructure projects in 2014 using proceeds from the 2013 GEFA Loan secured by the City.

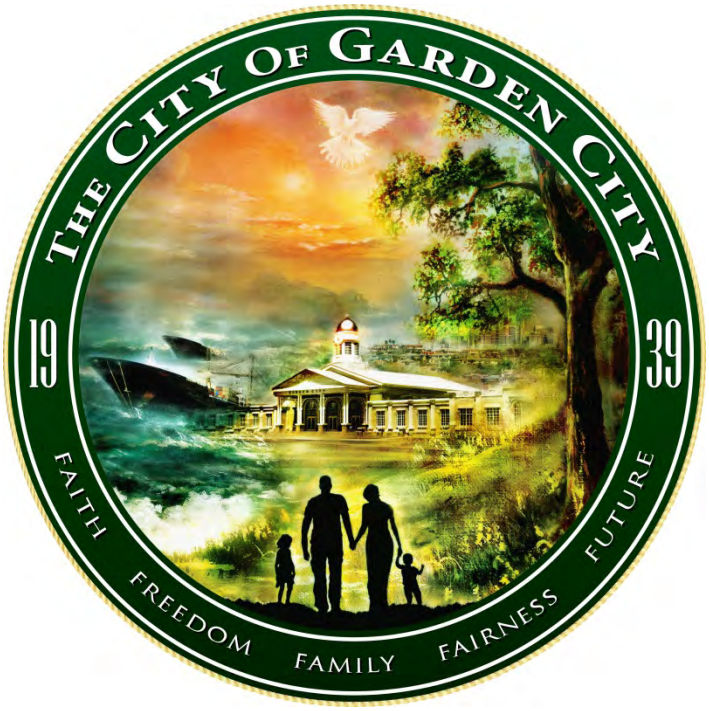
The stormwater fund was created in 2009, and the City reviews the cost allocations on an annual basis to ensure the accuracy of these allocations. The goal of the City is to accurately allocate storm water related costs incurred by the City to the stormwater fund which was created to serve as the primary funding source for stormwater and drainage related services undertaken by the City each year. In the 2014 budgeting process, some minor to moderate revisions and/or adjustments were made to accurately allocate stormwater related costs to the stormwater fund with the resulting budget balanced for 2014.

In the 2014 budgeting process, some revisions and/or adjustments were made to accurately allocate fire protection related costs to offset the reduction in monies received from the 2010 SAFER Grant, which ends in early 2014. The City balanced the 2014 budget without a rate increase in fire protection fees for FY2014.

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, 100 Central Avenue, Garden City, Georgia 31405.

GOVERNMENT-WIDE FINANCIAL STATEMENTS


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

City of Garden City, Georgia

Statement of Net Position

December 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 528,353	$ 655,636	$ 1,183,989
Investments	1,518,195	1,001,720	2,519,915
Receivables	1,112,763	662,754	1,775,517
Internal balances	1,321,094	(1,321,094)	-
Inventories	-	6,896	6,896
Prepaid	117,959	24,256	142,215
Restricted assets			
Cash and cash equivalents	241,180	1,057,110	1,298,290
Capital assets			
Land and construction in progress	6,152,226	297,513	6,449,739
Other capital assets, net of depreciation	14,106,691	15,683,388	29,790,079
Total assets	25,098,461	18,068,179	43,166,640
LIABILITIES			
Accounts payable and other accrued liablities	397,354	52,957	450,311
Accrued interest	26,460	19,705	46,165
Deposits payable	82,673	367,295	449,968
Long-term liabilities			
Due within one year	616,118	365,072	981,190
Due in more than one year	7,765,244	4,694,300	12,459,544
Total liabilities	8,887,849	5,499,329	14,387,178
NET POSITION			
Net investment in capital assets	11,973,251	10,950,870	22,924,121
Restricted for			
Capital projects	118,367	-	118,367
Other purposes	1,673	-	1,673
Unrestricted	4,117,321	1,617,980	5,735,301
Total net position	$ 16,210,612	$ 12,568,850	$ 28,779,462

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, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,934,767	$ 197,364	$ -	$ 330,660
Judicial	97,160	-	-	-
Public safety	3,606,478	764,254	146,502	430,900
Public works	1,644,768	170	-	903,163
Health and welfare	149,818	22,574	-	-
Culture and recreation	770,782	93,780	-	-
Housing and development	300,931	16,879	-	-
Interest on long-term debt	200,938	-	-	-
Total governmental activities	8,705,642	1,095,021	146,502	1,664,723
Business-type activities:				
Water and Sewer	3,101,449	3,231,871	-	15,215
Sanitation	413,749	381,958	-	-
Stormwater	738,503	864,030	-	-
Fire protection services	962,591	572,878	193,377	-
Total business-type activities	5,216,292	5,050,737	193,377	15,215
Total	$ 13,921,934	$ 6,145,758	$ 339,879	$ 1,679,938

General revenues:

Taxes:

Sales and use taxes

Business taxes

Franchise taxes

Selective sales and use taxes

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (1,406,743)	$ -	$ (1,406,743)
(97,160)	-	(97,160)
(2,264,822)	-	(2,264,822)
(741,435)	-	(741,435)
(127,244)	-	(127,244)
(677,002)	-	(677,002)
(284,052)	-	(284,052)
(200,938)	-	(200,938)
(5,799,396)	-	(5,799,396)
-	145,637	145,637
-	(31,791)	(31,791)
-	125,527	125,527
-	(196,336)	(196,336)
-	43,037	43,037
(5,799,396)	43,037	(5,756,359)
2,926,236	-	2,926,236
1,196,936	-	1,196,936
851,537	-	851,537
356,020	-	356,020
3,091	1,239	4,330
28,110	16,564	44,674
9,198	(9,198)	-
5,371,128	8,605	5,379,733
(428,268)	51,642	(376,626)
16,638,880	12,517,208	29,156,088
$ 16,210,612	$ 12,568,850	$ 28,779,462


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

FUND FINANCIAL STATEMENTS


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

City of Garden City, Georgia

Governmental Funds

Balance Sheet

December 31, 2013

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 296,415	$ -	$ 257,191	$ 553,606
Investments	1,492,942	-	-	1,492,942
Receivables	1,011,155	86,414	15,194	1,112,763
Due from other funds	1,502,633	-	5,064	1,507,697
Prepaid items	117,959	-	-	117,959
Restricted cash and cash equivalents	-	240,035	1,145	241,180
Total assets	$ 4,421,104	$ 326,449	$ 278,594	$ 5,026,147
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 195,745	$ 71,157	$ 2,534	$ 269,436
Other accrued payables	127,918	-	-	127,918
Due to other funds	-	136,925	49,678	186,603
Due to others	82,673	-		82,673
Total liabilities	406,336	208,082	52,212	666,630
Deferred inflows of resources	675,243	-	-	675,243
Combined liabilities and deferred inflows of resources	1,081,579	208,082	52,212	1,341,873
Fund balances				
Nonspendable	117,959	-	-	117,959
Restricted	-	118,367	1,673	120,040
Committed - rainy day	1,606,223	-	-	1,606,223
Assigned	-	-	224,709	224,709
Unassigned	1,615,343	-	-	1,615,343
Total fund balances	3,339,525	118,367	226,382	3,684,274
Total liabilities, deferred inflows of resources and fund balance	$ 4,421,104	$ 326,449	$ 278,594	$ 5,026,147

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 Position of Governmental Activities

December 31, 2013

Total Governmental Fund Balances		$ 3,684,274
Amounts reported for governmental activities in the statement of net position 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 position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 27,201,532	
Less: accumulated depreciation	(6,942,615)	20,258,917
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	675,243	675,243
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	(58,207)	
Certificates of participation, net of unamortized discount	(8,227,459)	
Compensated absences	(95,696)	
Accrued interest payable	(26,460)	(8,407,822)
Net Position of Governmental Activities		$ 16,210,612

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, 2013

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	5,124,255	$ -	$ 217,571	$ 5,341,826
Licenses and permits	80,782	-	-	80,782
Intergovernmental	212,687	1,598,538	72,516	1,883,741
Charges for services	150,326	-	-	150,326
Fines and forfeitures	729,191	-	1,693	730,884
Investment earnings	3,075	-	16	3,091
Miscellaneous	148,532	-	-	148,532
Total revenues	6,448,848	1,598,538	291,796	8,339,182
EXPENDITURES				
Current				
General government	1,565,889	-	-	1,565,889
Judicial	97,160	-	-	97,160
Public safety	3,461,839	-	13,145	3,474,984
Public works	583,182	-	-	583,182
Health and welfare	149,818	-	-	149,818
Culture and recreation	817,256	-	-	817,256
Housing and development	264,391	-	270	264,661
Capital outlay	-	948,156	-	948,156
Debt Service				
Principal	12,792	534,428	-	547,220
Interest	3,707	236,997	-	240,704
Intergovernmental:				
Assistance	16,778	-	108,786	125,564
Total expenditures	6,972,812	1,719,581	122,201	8,814,594
Excess (deficiency) of revenues over (under) expenditures	(523,964)	(121,043)	169,595	(475,412)
OTHER FINANCING SOURCES (USES)				
Transfers in	312,115	-	-	312,115
Transfers out	(194,129)	-	(108,788)	(302,917)
Insurance recoveries	12,607	-	-	12,607
Total other financing sources (uses)	130,593	-	(108,788)	21,805
Net changes in fund balances	(393,371)	(121,043)	60,807	(453,607)
Fund balances at beginning of year	3,732,896	239,410	165,575	4,137,881
Fund balances at end of year	$ 3,339,525	$ 118,367	$ 226,382	$ 3,684,274

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, 2013

Net change in Fund Balances - Total Governmental Funds		$ (453,607)
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	$ 298,793	
Depreciation expense	(843,308)	(544,515)
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 December 31, 2013	675,243	
Deferred at December 31, 2012	686,340	(11,097)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Capital leases		77,221
Note payable		470,000
Amortization of discount		(3,039)
Change in accrued interest payable		30,012
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 December 31, 2013	95,696	
Compensated absences at December 31, 2012	102,453	6,757
Change in Net Position of Governmental Activities		$ (428,268)

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

City of Garden City, Georgia

Proprietary Funds

Statement of Net Position

December 31, 2013

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 655,636	$ -	$ -	$ -	$ 655,636
Investments	1,001,720	-	-	-	1,001,720
Receivables (net of allowance)	48,476	152,216	304,283	157,779	662,754
Inventories	5,896	-	-	1,000	6,896
Prepaid items	-	89	4,573	19,594	24,256
Restricted cash and cash equivalents	343,910	24,340	-	-	368,250
Total current assets	2,055,638	176,645	308,856	178,373	2,719,512
Noncurrent assets:					
Restricted cash and cash equivalents	688,860	-	-	-	688,860
Capital assets:					
Land and construction in progress	214,712	-	-	82,801	297,513
Depreciable capital assets, net of depreciation	12,705,513	-	2,488,012	489,863	15,683,388
Total capital assets, net of depreciation	12,920,225	-	2,488,012	572,664	15,980,901
Total noncurrent assets	13,609,085	-	2,488,012	572,664	16,669,761
Deferred inflows of resources	15,664,723	176,645	2,796,868	751,037	19,389,273
LIABILITIES					
Current liabilities:					
Accounts payable	7,947	-	-	1,908	9,855
Other accrued payables	21,563	-	3,139	18,400	43,102
Due to other funds	592,720	358,658	121,746	247,970	1,321,094
Accrued interest	19,705	-	-	-	19,705
Compensated absences	18,695	-	-	10,646	29,341
Notes payable	445,811	-	-	-	445,811
Current liabilities payable from restricted assets:					
Customer deposits payable	343,910	23,385	-	-	367,295
Total current liabilities	1,450,351	382,043	124,885	278,924	2,236,203
Noncurrent liabilities:					
Notes payable	4,584,220	-	-	-	4,584,220
Total noncurrent liabilities	4,584,220	-	-	-	4,584,220
Total liabilities	6,034,571	382,043	124,885	278,924	6,820,423
NET POSITION					
Net investment in capital assets	7,890,194	-	2,488,012	572,664	10,950,870
Unrestricted	1,739,958	(205,398)	183,971	(100,551)	1,617,980
Total net position	$ 9,630,152	$ (205,398)	$ 2,671,983	$ 472,113	$ 12,568,850

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 Position

For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
OPERATING REVENUES					
Charges for services	$ 3,231,871	$ 381,958	$ 864,030	$ 572,878	$ 5,050,737
Other income	14,632	-	-	1,932	16,564
Total operating revenues	3,246,503	381,958	864,030	574,810	5,067,301
OPERATING EXPENSES					
Personnel services	944,533	-	344,604	579,028	1,868,165
Purchased and contractual services	673,265	413,737	256,183	265,907	1,609,092
Materials and supplies	306,198	12	45,752	49,550	401,512
Depreciation	885,575	-	91,964	68,106	1,045,645
Total operating expenses	2,809,571	413,749	738,503	962,591	4,924,414
Operating income (loss)	436,932	(31,791)	125,527	(387,781)	142,887
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental - noncapital	-	-	-	193,377	193,377
Investment earnings	1,230	9	-	-	1,239
Interest expense	(291,878)	-	-	-	(291,878)
Total nonoperating revenues (expenses)	(290,648)	9	-	193,377	(97,262)
Income before capital contributions and transfers	146,284	(31,782)	125,527	(194,404)	45,625
Capital contributions	15,215	-	-	-	15,215
Transfers in	-	45,000	-	194,129	239,129
Transfers out	(158,327)	-	(90,000)	-	(248,327)
Change in net position	3,172	13,218	35,527	(275)	51,642
Net position, beginning of year	9,626,980	(218,616)	2,636,456	472,388	12,517,208
Net position, end of year	$ 9,630,152	$ (205,398)	$ 2,671,983	$ 472,113	$ 12,568,850

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

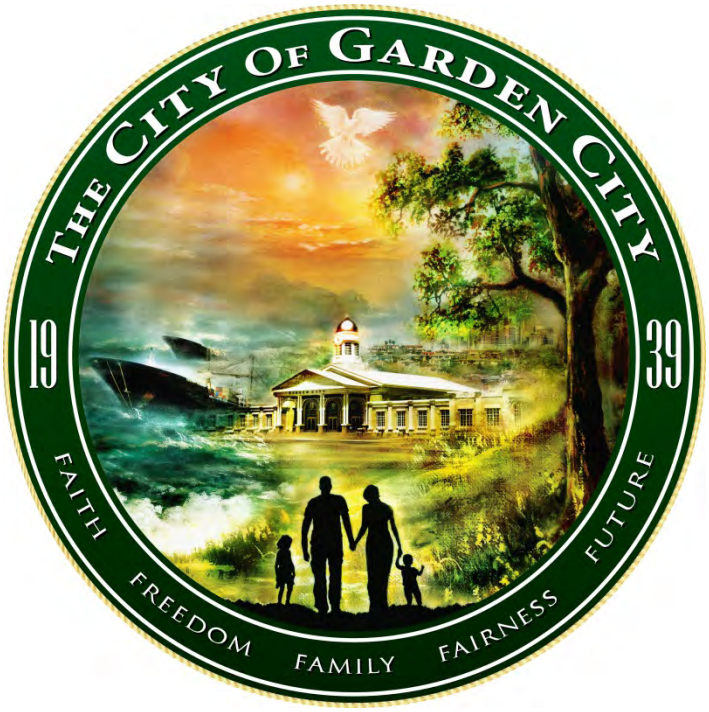
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 3,376,068	$ 360,896	$ 844,691	$ 515,688	$ 5,097,343
Cash payments to suppliers for goods and services	(862,743)	(405,588)	(408,660)	(329,179)	(2,006,170)
Cash payments to employees for services	(939,636)	-	(346,031)	(574,015)	(1,859,682)
Net cash provided (used) by operating activities	1,573,689	(44,692)	90,000	(387,506)	1,231,491
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers in (out)	(158,327)	45,000	(90,000)	194,129	(9,198)
Operating grants	-	-	-	193,377	193,377
Net cash provided (used) by noncapital financing activities	(158,327)	45,000	(90,000)	387,506	184,179
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from debt	5,365,842	-	-	-	5,365,842
Capital contributions - tap fees	15,215	-	-	-	15,215
Acquisitions and construction of capital assets	(458,346)	-	-	-	(458,346)
Principal payments on debt	(5,225,304)	-	-	-	(5,225,304)
Interest payments on debt	(295,644)	-	-	-	(295,644)
Net cash (used) by capital and related financing activities	(598,237)	-	-	-	(598,237)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earned on cash and investments	1,230	9	-	-	1,239
Purchase of investments	(401,065)	-	-	-	(401,065)
Net cash provided (used) by investing activities	(399,835)	9	-	-	(399,826)
Net increase (decrease) in cash and cash equivalents	417,290	317	-	-	417,607
Cash and cash equivalents, beginning of year	1,271,116	24,023	-	-	1,295,139
Cash and cash equivalents, end of year	$ 1,688,406	$ 24,340	$ -	$ -	$ 1,712,746
Operating income (loss)	$ 436,932	$ (31,791)	$ 125,527	$ (387,781)	$ 142,887
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	885,575	-	91,964	68,106	1,045,645
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	58,607	(21,382)	(19,339)	(59,122)	(41,236)
Decrease (increase) in inventories	345	-	-	-	345
Decrease (increase) in prepaid items	13,852	-	(630)	(8,554)	4,668
(Decrease) Increase in accounts payable	(105,368)	(33,078)	(8,443)	(4,808)	(151,697)
(Decrease) Increase in accrued liabilities	4,897	-	(1,427)	5,013	8,483
(Decrease) increase in customer deposits	70,958	320	-	-	71,278
(Decrease) increase in interfund balances	207,891	41,239	(97,652)	(360)	151,118
Total adjustments	1,136,757	(12,901)	(35,527)	275	1,088,604
Net cash provided (used) by operating activities	$ 1,573,689	$ (44,692)	$ 90,000	$ (387,506)	$ 1,231,491

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


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

NOTES TO THE FINANCIAL STATEMENTS


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

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's governing body is substantively the same as the governing body of the primary government. 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, 2013, the City paid $13,167 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 position and the statement of activities) 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 capital 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 position.

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

8. Equity Classifications

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

Net investment in capital assets 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 position consist of net position 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 position consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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 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's fund balance policy authorizes the city manager or authorized designee the authority to assign amounts 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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations

For the year ended December 31, 2013, parks and recreation and transfers out exceeded appropriations in the general fund by $5,831 and $1,000 respectively. These over expenditures were funded with accumulated fund balance.

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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 $2,480,879 and the bank balance was $2,524,599. 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, 2013 the investments of the City were:

Investment	Average Credit Rating	Fair Value	Maturities in Years
Georgia Fund 1	Aaa	2,166,682	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 Position follows:

Basic Financial Statements:	
Cash and cash equivalents	$ 1,183,989
Investments	2,519,915
Cash and cash equivalents - restricted	1,298,290
Total cash and investments	$ 5,002,194
Notes to Financial Statements:	
Deposits with financial institutions	$ 2,480,879
Investments	2,519,915
Cash on hand	1,400
Total cash and investments	$ 5,002,194

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	$ 975,510	$ -	$ 15,194	$ -	$ -	$ -	$ -	$ 990,704
Accounts	5,802	-	-	136,138	165,580	324,629	150,989	783,138
Intergovernmental	23,494	86,414	-	-	-	-	20,152	130,060
Other	6,349	-	-	-	-	-	-	6,349
Gross receivables	1,011,155	86,414	15,194	136,138	165,580	324,629	171,141	1,910,251
Less: allowance for doubtful accounts	-	-	-	(87,662)	(13,364)	(20,346)	(13,362)	(134,734)
Net total receivables	$ 1,011,155	$ 86,414	$ 15,194	$ 48,476	$ 152,216	$ 304,283	$ 157,779	$ 1,775,517

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, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government Activities					
Capital assets, not being depreciated					
Land	$ 5,794,877	$ -	$ -	$ -	$ 5,794,877
Construction in progress	357,349	-	-	-	357,349
Total capital assets not being depreciated	6,152,226	-	-	-	6,152,226
Capital assets, being depreciated					
Buildings	14,289,194	89,094	-	-	14,378,288
Machinery and equipment	4,783,980	209,699	-	-	4,993,679
Infrastructure	1,677,339	-	-	-	1,677,339
Total capital assets, being depreciated	20,750,513	298,793	-	-	21,049,306
Less accumulated depreciation for:					
Buildings	(2,621,731)	(277,889)	-	-	(2,899,620)
Machinery and equipment	(2,982,104)	(483,320)	-	-	(3,465,424)
Infrastructure	(495,472)	(82,099)	-	-	(577,571)
Total accumulated depreciation	(6,099,307)	(843,308)	-	-	(6,942,615)
Total capital assets, being depreciated, net	14,651,206	(544,515)	-	-	14,106,691
Total governmental activities	$ 20,803,432	$ (544,515)	$ -	$ -	20,258,917
Less related long-term debt outstanding					(8,328,207)
Net investment in capital assets					$ 11,930,710

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

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

General government	$ 420,494
Public Safety	244,508
Public Works	113,430
Recreation	64,876
Total depreciation for governmental activities	$ 843,308

Capital asset activity for business-type activities for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated					
Land	$ 55,341	$ -	$ -	$ -	$ 55,341
Construction in progress	237,420	137,469	-	(132,717)	242,172
Total capital assets not being depreciated	292,761	137,469	-	(132,717)	297,513
Capital assets, being depreciated					
Utility plant in service	17,391,496	-	-	41,817	17,433,313
Buildings and systems	7,124,718	-	-	-	7,124,718
Other equipment	3,489,540	320,877	-	-	3,810,417
Infrastructure	2,668,017	-	-	90,900	2,758,917
Total capital assets, being depreciated	30,673,771	320,877	-	132,717	31,127,365
Less accumulated depreciation for:					
Utility plant in service	(10,719,428)	(493,764)	-	-	(11,213,192)
Buildings and systems	(825,639)	(233,080)	-	-	(1,058,719)
Other equipment	(2,674,326)	(226,837)	-	-	(2,901,163)
Infrastructure	(178,939)	(91,964)	-	-	(270,903)
Total accumulated depreciation	(14,398,332)	(1,045,645)	-	-	(15,443,977)
Total capital assets, being depreciated, net	16,275,439	(724,768)	-	132,717	15,683,388
Total business-type activities	$ 16,568,200	$ (587,299)	$ -	$ -	$ 15,980,901
Less related long-term debt outstanding					(5,030,031)
Net investment in capital assets					$ 10,950,870

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

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 136,925
	Water and Sewer Fund	592,720
	Solid Waste Fund	358,658
	Stormwater Fund	121,746
	Fire Protection Fund	247,970
	Nonmajor governmental funds	44,614
		1,502,633
Nonmajor governmental fund	Nonmajor governmental fund	5,064
Totals		$ 1,507,697

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	$ -	$ 108,788	$ 158,327	$ 45,000	$ 312,115
Proprietary Fund Type					
Solidwaste Fund	-	-	-	45,000	45,000
Fire Protection Fund	194,129	-	-	-	194,129
Total transfers	$ 194,129	$ 108,788	$ 158,327	$ 90,000	$ 551,244

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.

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.

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

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	$ 100,273
Less: accumulated depreciation	(17,548)
Total	$ 82,725

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013, were as follows:

	Governmental Activities	
Year Ending December 31,	Principal	Interest
2014	$ 13,460	$ 3,039
2015	14,163	2,336
2016	14,903	1,597
2017	15,681	818
	$ 58,207	$ 7,790

F. Long-term Obligations

Governmental Activities

Certficates of Participation

On October 1, 2012 the City issued Georgia Municipal Association, Inc. Certificates of Participation (Garden City Refunding Project), Series 2012, in the amount of $8,740,000 with a variable interest rate of 2.00% – 3.15%. The loan proceeds were used to (i) refund and pay in full all amounts due under the 2009 sale agreement, (ii) fund a debt service reserve and (iii) pay the costs incurred in connection with the issuance and delivery of the certificates. 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
2014	$ 510,000	$ 208,230
2015	520,000	198,030
2016	530,000	187,630
2017	540,000	177,030
2018	555,000	166,230
2019 - 2023	2,955,000	646,188
2024 - 2027	2,660,000	208,695
Totals	$ 8,270,000	$ 1,792,033

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

Business-type Activities

Revenue Bonds

On May 9, 2013, the Mayor and Council authorized the issuance of $5,040,000 of Water and Sewer Revenue Bonds (Series 2013) to pay in full all Georgia Environmental Facilities City (GEFA) loan agreements; provide a debt service reserve sufficient to satisfy the debt service reserve requirement of the Bonds; and pay the fees and expenses incurred in connection with the issuance of the Bonds. The bonds were issued at a premium of $27,541 with interest rates ranging from 1.50% to 2.75%.

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest
2014	$ 345,000	$ 94,638
2015	355,000	87,738
2016	360,000	80,638
2017	370,000	73,438
2018	375,000	66,038
2019 - 2023	1,910,000	235,398
2024 - 2028	725,000	102,925
2029 - 2032	365,000	22,103
Totals	$ 4,805,000	$ 762,916

Contractual Obligations

On September 12, 2012, the Mayor and Council entered into a professional services agreement for system-wide sanitary sewer categorization, GIS updates and development of a wastewater asset management information system with RedZone Robotics, Inc. The total cost of the services to be provided was $298,301 which is payable in two annual payments of $99,434 and a final payment of $99,433. The first annual payment of $99,434 was paid in 2013 when the work commenced. The balance of the contract obligation at December 31, 2013 was $198,867. Subsequent payments of $99,434 and $99,433 are scheduled for 2014 and 2015 respectively.

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

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Capital leases	$ 135,428	$ -	$ 77,221	$ 58,207	$ 13,461
Certificates of participation, series 2012	8,740,000	-	470,000	8,270,000	510,000
Unamortized discount	(45,580)	-	(3,039)	(42,541)	(3,039)
Compensated absences	102,453	285,258	292,015	95,696	95,696
Total governmental activities long-term liabilities	$ 8,932,301	$ 285,258	$ 836,197	$ 8,381,362	$ 616,118
Business-type Activities					
GEFA loans	$ 4,889,494	$ -	$ 4,889,494	$ -	$ -
Revenue bonds, series 2013	-	5,040,000	235,000	4,805,000	345,000
Unamortized premium	-	27,541	1,377	26,164	1,377
Contractual obligations	-	298,301	99,434	198,867	99,434
Compensated absences	28,907	64,733	64,299	29,341	29,341
Total business-type activities long-term liabilities	$ 4,918,401	$ 5,430,575	$ 5,289,604	$ 5,059,372	$ 475,152

For governmental activities, long-term liabilities are generally liquidated by the SPLOST fund. For business-type activities, long-term liabilities are liquidated by the water and sewer enterprise fund. The governmental fund liability for compensated absences is liquidated by the General 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, 2013 are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund	Prepaid items	$ 117,959
Restricted		
Special Purpose Sales Tax fund	Capital projects	118,367
Confiscated Asset fund	Public safety	528
Multiple Grant fund	Grant purposes	1,145
Committed		
General fund	Rainy day	1,606,223
Assigned		
Tourism Board	Promote tourism	224,709
Unassigned		
General fund		1,615,343
Total fund balance		$ 3,684,274

In accordance with adopted fund balance policy, the City Council has committed fund balance to cover three months (25%) of budgeted operating expenditures in the general fund. The amount of committed fund balance is modified each year based upon the adopted budget for this fund. The amount can only be used after all efforts have been exhausted to fund unanticipated needs and/or emergencies.

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, 2013. 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, 2013, the plan membership included the following categories of participants:

Retireed participants and beneficiaries	25
Terminated vested particpants	47
Active participants	103
Total participants	175

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 2013, the actuarially determined rate was 9.46% of covered payroll. The City's contributions to the Plan for the years ended December 31, 2013, 2012, and 2011 were $398,494, $400,893 and $396,529 respectively and were equal to the required contributions for each year.

Annual Pension Cost. The City's annual pension cost of $398,494 equaled the City's actuarial required and actual contribution. The required contribution was determined as a part of the July 1, 2013 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
12/31/2011	$ 396,529	100%	$ -
12/31/2012	400,893	100%	-
12/31/2013	398,494	100%	-

Fund Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the plan was 85.79% funded. The actuarial accrued liability for benefits was $5,359,783 and the actuarial value of assets was $4,598,409. The covered payroll (annual payroll of active employees covered by the plan) was $4,002,149. The unfunded accrued actuarial liability (UAAL) was $761,374 and the ratio of the UAAL to the covered payroll was 19.02%.

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	7/1/2013
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, 2013 there were 48 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, 2013, were $130,944 by the employees and $74,078 by the government.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION & ANALYSIS


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

City of Garden City, Georgia
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 5,680,200	$ 5,027,290	$ 5,124,255	$ 96,965
Licenses and permits	112,000	107,000	80,782	(26,218)
Intergovernmental revenues	194,849	194,849	212,687	17,838
Charges for services	127,100	183,600	150,326	(33,274)
Fines and forfeitures	1,200,000	800,000	729,191	(70,809)
Investment income	2,000	3,000	3,075	75
Other revenues	135,000	136,000	148,532	12,532
Total revenues	7,451,149	6,451,739	6,448,848	(2,891)
Expenditures:				
Current:				
General governmental:				
Council	720,921	44,800	43,152	1,648
City manager	687,848	784,602	700,458	84,144
General administration	824,081	840,483	822,279	18,204
Total general government	2,232,850	1,669,885	1,565,889	103,996
Judicial:				
Municipal court	98,000	98,000	97,160	840
Public safety:				
Police	3,399,596	3,454,043	3,400,589	53,454
Emergency management	61,389	63,928	61,250	2,678
Total public safety	3,460,985	3,517,971	3,461,839	56,132
Public works:				
Public works administration	603,855	667,215	492,393	174,822
Maintenance and shop	106,261	93,748	90,789	2,959
Total public works	710,116	760,963	583,182	177,781
Health and welfare:				
Senior citizens center	144,939	160,535	149,818	10,717
Culture and recreation:				
Recreation	593,397	818,244	800,425	17,819
Parks	7,500	11,000	16,831	(5,831)
Total culture and recreation	600,897	829,244	817,256	11,988
Housing and development:				
Planning and zoning	307,971	299,943	264,391	35,552
Total current	7,555,758	7,336,541	6,939,535	397,006
Debt service:				
Principal	12,793	12,793	12,792	1
Interest	3,707	3,707	3,707	-
Total debt service	16,500	16,500	16,499	1
Intergovernmental:				
Assistance	60,000	20,000	16,778	3,222
Total expenditures	7,632,258	7,373,041	6,972,812	400,229
Excess (deficiency) of revenues over (under) expenditures	(181,109)	(921,302)	(523,964)	397,338

(continued)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Other financing sources (uses):				
Transfers in	285,000	290,000	312,115	22,115
Transfers out	(103,891)	(193,129)	(194,129)	(1,000)
Insurance recoveries	-	10,000	12,607	2,607
Total other financing sources (uses)	181,109	106,871	130,593	23,722
Net change in fund balance	-	(814,431)	(393,371)	421,060
Fund balance, beginning of year	3,732,896	3,732,896	3,732,896	-
Fund balance, end of year	$ 3,732,896	$ 2,918,465	$ 3,339,525	$ 421,060

(concluded)

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, 2013, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 7,736,149	$ 586,006	$ 755,985	$ 7,566,170
Special Revenue	190,500	41,250	-	231,750

B. Excess of Expenditures over Appropriation in Individual Funds

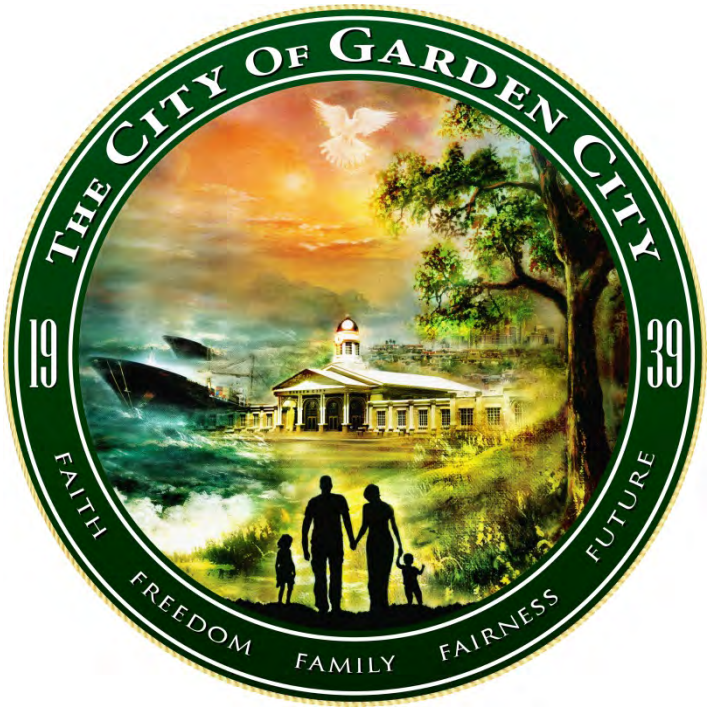
For the year ended December 31, 2013, parks and recreation and transfers out exceeded appropriations in the general fund by $5,831 and $1,000 respectively. These over expenditures were funded with accumulated fund balance.

City of Garden City, Georgia
Required Supplementary Information – Schedule of Funding Progress
December 31, 2013

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)
7/1/2011	$ 3,649,760	$ 4,461,957	$ 812,197	81.80%	$ 3,982,278	20.40%
7/1/2012	4,101,286	4,903,818	802,532	83.63%	4,140,529	19.38%
7/1/2013	4,598,409	5,359,783	761,374	85.79%	4,002,149	19.02%

SUPPLEMENTARY DATA
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES


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

Nonmajor Governmental Funds

Special Revenue Funds:

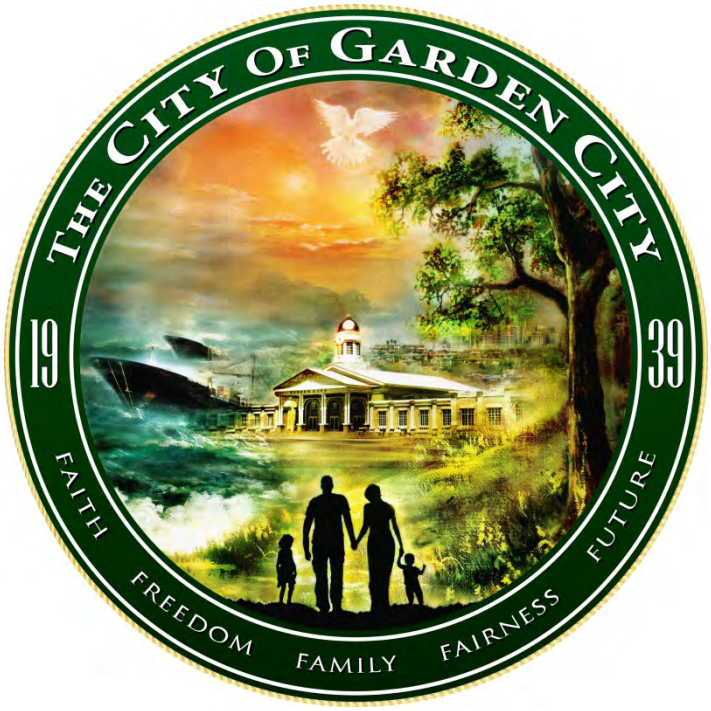
The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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.


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

City of Garden City, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds				
	Confiscated Assets	Special Purpose Hotel - Motel	Tourism Board	Multiple Grant	Total
ASSETS					
Cash and cash equivalents	$ 1,564	$ 24,200	231,427	$ -	$ 257,191
Taxes receivable	-	15,194	-	-	15,194
Due from other funds	-	-	5,064	-	5,064
Restricted cash and cash equivalents	-	-	-	1,145	1,145
Total assets	$ 1,564	$ 39,394	$ 236,491	$ 1,145	$ 278,594
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ 2,534	$ -	$ -	$ 2,534
Due to other funds	1,036	36,860	11,782	-	49,678
Total liabilities	1,036	39,394	11,782	-	52,212
Fund balances					
Restricted	528	-	-	1,145	1,673
Assigned	-	-	224,709	-	224,709
Total fund balance	528	-	224,709	1,145	226,382
Total liablilities and fund balances	$ 1,564	$ 39,394	$ 236,491	$ 1,145	$ 278,594

City of Garden City, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds				
	Confiscated Assets	Hotel - Motel	Tourism Board	Multiple Grant	Total
REVENUES					
Taxes	$ -	$ 217,571	$ -	$ -	$ 217,571
Intergovernmental	-	-	72,516	-	72,516
Fines and forfeitures	1,693	-	-	-	1,693
Investment earnings	-	3	13	-	16
Total revenues	1,693	217,574	72,529	-	291,796
EXPENDITURES					
Current:					
Public safety	13,145	-	-	-	13,145
Housing and development	-	-	270	-	270
Intergovernmental:					
Assistance	-	108,786	-	-	108,786
Total expenditures	13,145	108,786	270	-	122,201
Excess (deficiency) of revenues over (under) expenditures	(11,452)	108,788	72,259	-	169,595
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(108,788)	-	-	(108,788)
Total other financing sources (uses)	-	(108,788)	-	-	(108,788)
Net change in fund balance	(11,452)	-	72,259	-	60,807
Fund balance, beginning of year	11,980	-	152,450	1,145	165,575
Fund balance, end of year	$ 528	$ -	$ 224,709	$ 1,145	$ 226,382

City of Garden City, Georgia
Confiscated Assets Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 10,000	$ 2,000	$ 1,693	$ (307)
Total revenues	10,000	2,000	1,693	(307)
Expenditures:				
Current:				
Public safety	10,000	13,250	13,145	105
Total expenditures	10,000	13,250	13,145	105
Excess (deficiency) of revenues over (under) expenditures	-	(11,250)	(11,452)	(202)
Net change in fund balance	-	(11,250)	(11,452)	(202)
Fund balance, beginning of year	11,980	11,980	11,980	-
Fund balance, end of year	$ 11,980	$ 730	$ 528	$ (202)

City of Garden City, Georgia
Hotel – Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 180,000	$ 218,000	$ 217,571	$ (429)
Investment income	-	-	3	3
Total revenues	180,000	218,000	217,574	(426)
Expenditures:				
Intergovernmental:				
Assistance	90,000	109,000	108,786	214
Total expenditures	90,000	109,000	108,786	214
Excess (deficiency) of revenues over (under) expenditures	90,000	109,000	108,788	(212)
Other financing sources (uses):				
Transfers out	(90,000)	(109,000)	(108,788)	212
Total other financing sources (uses)	(90,000)	(109,000)	(108,788)	212
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, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 60,000	$ 72,666	$ 72,516	$ (150)
Investment income	-	-	13	13
Total revenues	60,000	72,666	72,529	(137)
Expenditures:				
Current:				
General government	500	500	270	230
Total expenditures	500	500	270	230
Excess (deficiency) of revenues over (under) expenditures	59,500	72,166	72,259	93
Net change in fund balance	59,500	72,166	72,259	93
Fund balance, beginning of year	152,450	152,450	152,450	-
Fund balance, end of year	$ 211,950	$ 224,616	$ 224,709	$ 93

City of Garden City, Georgia
Multiple Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Housing and development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	1,145	1,145	1,145	-
Fund balance, end of year	$ 1,145	$ 1,145	$ 1,145	$ -

City of Garden City, Georgia
Schedule of Cash Receipts and Disbursements
Volunteer Fire Department
For the Year Ended December 31, 2013

Cash receipts:		
Donations	$	19,443
Transfer from Garden City		8,556
Total receipts		27,999
Cash disbursements:		
Fire station - equipment and supplies		7,816
Training, education and conferences		6,834
Office equipment and supplies		2,073
Clothing and safety equipment		2,017
Food and beverage		3,526
Flowers, gifts and awards		13,154
Dues and subscriptions		496
Total disbursements		35,916
Excess (deficiency) of receipts over disbursements		(7,917)
Cash balance, beginning of year		15,342
Cash balance, end of year	$	7,425

City of Garden City, Georgia
Schedule of Projects Constructed With
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2013

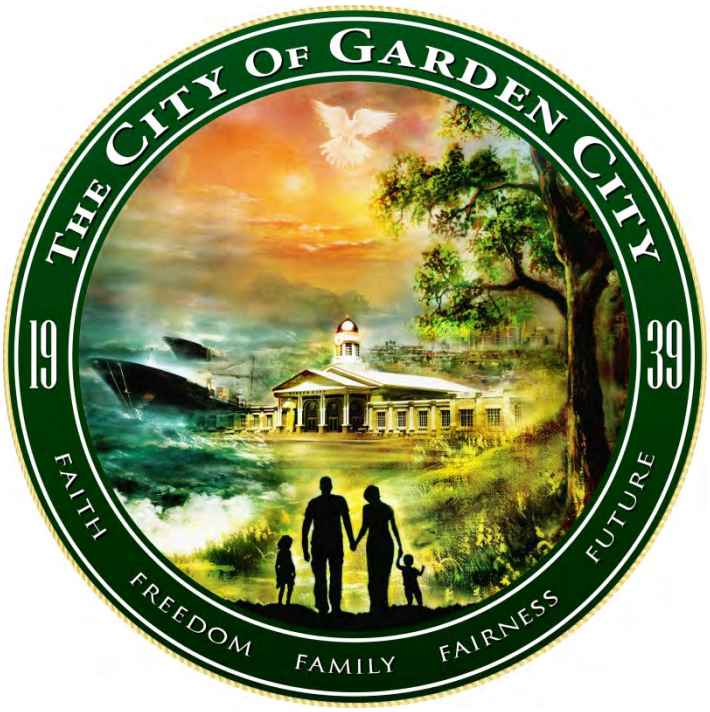
Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
2008 - 2013 SPLOST Referendum					
Other capital outlay:					
Regional Police Academy	$ 1,419,164	$ 969,164	$ -	$ -	$ -
Road paving projects	-	450,000		448,156	448,156
Debt Service:					
Police Department - Vehicles	511,136	511,136	154,641	65,946	220,587
Fire Truck	47,395	47,395	142,049	-	142,049
Public Works	189,306	189,306	-	-	-
City Hall	3,932,999	3,932,999	2,402,455	705,479	3,107,934
Total SPLOST expenditures.....	$ 6,100,000	$ 6,100,000	$ 2,699,145	$ 1,219,581	$ 3,918,726

Reconciliation of Schedule of Projects Constructed with Special Sales Tax Proceeds to Expenditures Reported in the Special Purpose Local Option Sales Tax Fund:

Total SPOST Fund expenditures.....	$ 1,719,581
Local Maintenance & Improvement Grant (LMIG).....	(500,000)
Total SPLOST expenditures.....	$ 1,219,581

City of Garden City, Georgia
Schedule of Required Expenditures
Generated by the Hotel – Motel Tax
For the Year Ended December 31, 2013

Revenue:		
Hotel / Motel taxes	$	217,571
Expenditures:		
Tourism expenditures	$	108,786
Percentage of expenditures to revenues		50%


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

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..... G -2

These schedules contain trend information to help the reader understand how the city's financial position has changed over time.

Revenue Capacity..... G -12

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.

Debt Capacity..... G -19

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.

Economic and Demographic Information..... G -23

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.

Operating Information..... G -26

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

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


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


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

City of Garden City, Georgia

Net Position by Component
Last Ten Calendar Years

	2004	2005	2006
Governmental activities			
Net investment in capital assets	$ 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 position	$ 13,178,236	$ 14,509,834	$ 16,519,629
Business-type activities			
Net investment in capital assets	$ 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 position	$ 8,245,065	$ 8,887,221	$ 9,881,859
Primary Government			
Net investment in capital assets	$ 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 position	$ 21,423,301	$ 23,397,055	$ 26,401,488

2007	2008	2009	2010	2011	2012	2013
$ 4,691,714	$ 13,763,772	$ 12,909,489	$ 12,348,736	$ 12,329,724	$ 11,928,004	$ 11,973,251
1,772,604	-	-	-	116,276	252,533	120,040
15,468,336	7,846,785	7,153,169	3,991,150	3,569,672	4,458,343	4,117,321
$ 21,932,654	$ 21,610,557	$ 20,062,658	$ 16,339,886	$ 16,015,672	$ 16,638,880	$ 16,210,612
$ 7,688,460	$ 8,293,976	$ 11,266,753	$ 11,699,882	$ 11,693,200	$ 11,678,706	$ 10,950,870
-	-	-	-	-	-	-
3,247,446	3,002,780	1,404,345	314,526	230,177	838,502	1,617,980
$ 10,935,906	$ 11,296,756	$ 12,671,098	$ 12,014,408	$ 11,923,377	$ 12,517,208	$ 12,568,850
$ 12,380,174	$ 22,057,748	$ 24,176,242	$ 24,116,888	$ 24,022,924	$ 23,606,710	$ 22,924,121
1,772,604	-	-	25,647	116,276	252,533	120,040
18,715,782	10,849,565	8,557,514	4,211,759	3,799,849	5,296,845	5,735,301
$ 32,868,560	$ 32,907,313	$ 32,733,756	$ 28,354,294	$ 27,939,049	$ 29,156,088	$ 28,779,462

City of Garden City, Georgia

Changes in Net Position
Last Ten 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
Health and welfare	-	-	-
Culture and recreation	52,380	69,225	61,581
Housing and development	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	2012	2013
$ 1,035,750	$ 1,229,916	$ 1,749,681	$ 2,272,465	$ 1,957,364	$ 2,018,107	$ 1,934,767
71,619	72,997	71,619	98,187	97,289	97,000	97,160
3,341,151	3,984,387	4,410,216	6,332,933	3,990,758	3,691,402	3,606,478
1,349,616	1,523,871	1,459,347	1,553,248	1,010,737	706,294	1,644,768
137,767	265,131	146,905	157,645	142,685	185,716	149,818
743,384	733,409	859,249	744,323	632,721	836,979	770,782
310,464	524,466	414,517	496,820	311,098	323,100	300,931
7,321	9,181	12,593	380,030	348,678	637,930	200,938
6,997,072	8,343,358	9,124,127	12,035,651	8,491,330	8,496,528	8,705,642
1,866,494	2,406,423	2,879,332	2,924,569	3,047,325	2,952,549	3,101,449
383,870	384,738	461,521	434,560	385,114	399,333	413,749
-	-	765,146	766,005	829,794	722,104	738,503
-	-	-	-	747,183	899,450	962,591
2,250,364	2,791,161	4,105,999	4,125,134	5,009,416	4,973,436	5,216,292
$ 9,247,436	$ 11,134,519	$ 13,230,126	$ 16,160,785	$ 13,500,746	$ 13,469,964	$ 13,921,934
$ 69,245	$ 286,287	$ 115,827	$ 119,688	$ 116,139	$ 72,804	$ 197,364
628,232	765,113	1,057,234	1,014,791	1,210,341	1,218,187	764,254
-	600	450	720	1,045	2,198	170
-	-	-	-	-	-	22,574
80,133	89,426	67,558	106,654	106,017	128,288	93,780
230,177	85,648	42,478	52,476	21,299	29,367	16,879
66,925	138,576	141,953	768,046	259,378	254,356	146,502
63,251	15,983	2,170,273	15,059	1,169,793	1,203,611	1,664,723
1,137,963	1,381,633	3,595,773	2,077,434	2,884,012	2,908,811	2,906,246
2,215,695	2,967,045	3,589,799	3,587,896	4,401,169	4,974,884	5,050,737
-	-	-	-	201,426	200,189	193,377
441,774	81,741	50,200	205,910	22,441	401,069	15,215
2,657,469	3,048,786	3,639,999	3,793,806	4,625,036	5,576,142	5,259,329
$ 3,795,432	$ 4,430,419	$ 7,235,772	$ 5,871,240	$ 7,509,048	$ 8,484,953	$ 8,165,575
$ (5,859,109)	$ (6,961,725)	$ (5,528,354)	$ (9,958,217)	$ (5,607,318)	$ (5,587,717)	$ (5,799,396)
407,105	257,625	(466,000)	(331,328)	(384,380)	602,706	43,037
$ (5,452,004)	$ (6,704,100)	$ (5,994,354)	$(10,289,545)	$ (5,991,698)	$ (4,985,011)	$ (5,756,359)

continued

City of Garden City, Georgia

Changes in Net Position
Last Ten Calendar Years

	2004	2005	2006
General Revenues and Other Changes in Net Position			
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
Miscellaeous	-	-	-
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 Position			
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

2007	2008	2009	2010	2011	2012	2013
$ 5,846,673	$ 5,842,702	$ 5,500,889	$ 5,618,465	$ 5,693,408	$ 6,042,359	$ 5,330,729
1,038,544	258,538	-	202,913	-	-	-
737,279	360,975	67,762	18,644	2,152	2,500	3,091
125,786	201,026	241,991	200,423	191,832	142,866	28,110
3,184,212	-	-	-	17,023	-	-
(486,703)	(23,613)	(1,830,187)	195,000	(292,911)	23,200	9,198
10,445,791	6,639,628	3,980,455	6,235,445	5,611,504	6,210,925	5,371,128
160,239	79,611	10,155	1,542	438	816	1,239
-	-	-	-	-	13,509	16,564
486,703	23,613	1,830,187	(195,000)	292,911	(23,200)	(9,198)
646,942	103,224	1,840,342	(193,458)	293,349	(8,875)	8,605
$ 11,092,733	$ 6,742,852	$ 5,820,797	$ 6,041,987	$ 5,904,853	$ 6,202,050	$ 5,379,733
$ 4,586,682	$ (322,097)	$ (1,547,899)	$ (3,722,772)	$ 4,186	$ 623,208	$ (428,268)
1,054,047	360,849	1,374,342	(524,786)	(91,031)	593,831	51,642
$ 5,640,729	$ 38,752	$ (173,557)	$ (4,247,558)	$ (86,845)	$ 1,217,039	$ (376,626)

(concluded)

City of Garden City, Georgia

Fund Balances, Governmental Funds
Last Ten 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	-	-	-
Assigned	-	-	-
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.

2007	2008	2009	2010	2011	2012	2013
$ 189,626	$ 107,194	$ 3,851,793	$ 1,689,362	$ -	$ -	$ -
14,190,311	10,675,968	6,001,695	4,088,793	-	-	-
-	-	-	-	125,386	126,443	117,959
-	-	-	-	1,757,128	1,923,724	1,757,126
-	-	-	-	-	533,000	-
-	-	-	-	1,321,567	1,149,729	1,464,440
$ 14,379,937	$ 10,783,162	$ 9,853,488	$ 5,778,155	$ 3,204,081	$ 3,732,896	$ 3,339,525
$ -	$ -	$ -	$ -	$ -	$ -	$ -
276,499	215,896	21,384	42,928	-	-	-
1,772,604	(4,135,489)	(3,411,015)	(2,478,743)	-	-	-
-	-	-	-	11,171	13,125	1,673
-	-	-	-	105,105	239,409	118,367
-	-	-	-	93,411	152,450	224,709
$ 2,049,103	$ (3,919,593)	$ (3,389,631)	$ (2,435,815)	$ 209,687	$ 404,984	$ 344,749

City of Garden City, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten 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	-	-
Certificates of participation issued	-	-	-
Discount on certificates of participation issued	-	-	-
Sale of surplus property	163,000	-	-
Insurance recoveries	-	-	-
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.

2007	2008	2009	2010	2011	2012	2013
$ 6,067,002	$ 5,681,166	$ 5,862,825	$ 5,558,257	$ 5,792,343	$ 6,025,297	$ 5,341,826
299,322	371,935	158,305	172,197	136,213	102,171	80,782
1,168,720	413,097	156,106	1,067,075	1,365,828	1,457,934	1,883,741
107,577	111,948	86,398	119,519	125,035	139,499	150,326
600,888	743,191	1,038,844	1,002,613	1,193,593	1,209,174	730,884
737,279	360,975	67,762	18,703	2,152	2,530	3,091
125,786	238,684	241,991	223,002	231,154	122,320	148,532
9,106,574	7,920,996	7,612,231	8,161,366	8,846,318	9,058,925	8,339,182
993,290	1,258,805	1,778,215	1,835,903	1,527,331	1,616,657	1,565,889
71,619	72,997	71,619	98,187	97,289	97,000	97,160
3,016,062	3,636,442	4,106,397	4,519,181	3,577,570 [(a)]	3,514,410	3,474,984
1,111,409	1,314,486	1,307,368	1,082,379	811,223	675,617	583,182
137,767	148,852	146,905	157,645	142,685	185,716	149,818
626,069	733,409	745,024	744,323	570,302	775,429	817,256
417,853	495,843	386,341	639,431	326,839	302,740	264,661
1,219,135	9,910,821	8,712,346	1,875,554	-	-	948,156
51,213	142,763	219,904	283,814	1,191,325	9,060,504	547,220
7,321	9,181	12,593	380,030	377,338	881,197	240,704
91,150	100,573	88,646	115,134	92,821	73,816	125,564
7,742,888	17,824,172	17,575,358	11,731,581	8,714,723	17,183,086	8,814,594
1,363,686	(9,903,176)	(9,963,127)	(3,570,215)	131,595	(8,124,161)	(475,412)
-	361,318	10,207,438	253,698	-	71,000	-
-	-	-	-	-	8,740,000	-
-	-	-	-	-	(45,580)	-
-	-	-	-	-	39,107	-
-	-	-	-	-	20,546	12,607
205,415	3,646,975	140,885	3,327,250	3,383,109	582,482	312,115
(692,118)	(3,670,588)	(784,908)	(3,132,250)	(3,443,276)	(559,282)	(302,917)
(486,703)	337,705	9,563,415	448,698	(60,167)	8,848,273	21,805
3,389,558	-	-	-	-	-	-
$ 4,266,541	$ (9,565,471)	$ (399,712)	$ (3,121,517)	$ 71,428	$ 724,112	$ (453,607)
0.89%	1.92%	2.73%	5.98%	18.14%	58.78%	9.25%

City of Garden City, Georgia

Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

Tax	Real Property					
Digest Year	Residential	Commercial	Mobile Homes	Motor Vehicles	Industrial	Utility
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
2012[2]	78,084,103	147,194,157	5,492,582	26,301,130	111,412,897	10,150,904
2013[2]	81,535,065	156,766,825	5,965,240	27,999,510	109,871,199	10,367,321

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
$ 865,208	$ (9,134,959)	$ 264,657,789	-	$ 661,644,473	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	(9,383,559)	381,274,091	-	953,185,228	40%
1,153,718	(8,978,184)	370,811,307	-	927,028,268	40%
833,057	(10,592,025)	382,746,192	-	956,865,480	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
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
2012	-	14.631	11.109	0.200	25.940
2013	-	15.880	12.950	0.150	28.980

Source: Chatham County Commission - Board Minutes

City of Garden City, Georgia

Local Option Sales Tax History
Last Ten Calendar Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	$ 198,128	$ 235,358	$ 246,946	$ 280,728	$ 293,311	$ 344,503	$ 273,020	$ 250,824	$ 270,245	$ 256,987
February	230,384	282,882	307,070	324,874	327,143	254,327	270,843	280,818	290,586	295,748
March	249,036	261,209	299,409	274,918	228,148	221,021	294,915	279,450	326,733	237,172
April	227,733	213,716	296,109	282,938	301,310	394,481	275,134	295,415	298,087	195,103
May	248,480	267,321	296,695	302,503	317,991	249,038	285,449	293,494	313,743	224,825
June	280,535	264,636	340,138	323,734	301,614	269,339	281,520	304,670	321,629	224,100
July	260,412	270,665	302,035	320,618	328,109	284,952	280,362	318,112	310,599	215,672
August	244,729	269,740	332,151	288,609	304,379	314,377	279,326	306,235	293,763	220,673
September	248,004	264,241	361,600	335,186	306,294	263,508	265,355	301,040	310,136	216,010
October	229,447	290,402	306,450	314,916	278,989	269,220	274,202	273,984	302,928	213,307
November	232,499	280,142	389,374	329,570	334,426	245,272	261,524	268,169	288,766	205,247
December	234,688	245,283	210,042	599,365	272,842	270,655	300,901	331,240	332,013	250,943
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	$ 3,659,228	$ 2,755,787

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

City of Garden City, Georgia

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

Tax Revenue	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Local Option Sales Tax	$ 2,884,065	$ 3,151,274	$ 3,702,601	$ 3,985,274	$ 3,443,904	$ 3,380,693	$ 3,342,551	$ 3,503,451	$ 3,659,228	$ 2,755,787
Title Ad Valorem Tax	-	-	-	-	-	-	-	-	-	170,450
Franchise Tax - Electric	380,759	408,724	474,867	471,962	527,708	691,275	589,091	722,827	655,423	683,785
Franchise Tax - Gas	41,374	36,936	27,697	43,142	33,479	31,319	31,171	30,163	30,654	31,938
Franchise Tax - Television Cable	66,367	68,090	68,507	73,286	81,123	81,315	79,960	110,206	90,787	94,093
Franchise Tax - Telephone	81,424	81,586	81,393	79,419	97,988	51,511	59,272	52,654	47,615	52,818
Alcoholic Beverage Excise Tax	199,541	192,778	191,367	185,202	172,002	172,217	157,393	151,710	140,161	129,078
Local Option Mixed Drink Excise Tax	-	-	987	4,312	5,436	5,421	2,340	3,015	2,860	2,565
Business and Occupation Tax	362,873	402,987	400,033	425,807	440,543	642,642	524,025	570,643	714,569	686,041
Insurance Premium Tax	472,965	508,848	532,383	558,647	568,637	563,302	546,931	411,725	437,321	453,629
Financial Institution Tax	30,589	30,400	30,310	24,561	21,952	23,251	40,349	35,885	40,562	33,959

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
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
2012	Base	$11.68 per REU*	Base	$13.44 per REU*
	Administration Fee	$2.35	Administration Fee	$2.35
	Gallons		Gallons	
	up to 2,500	$1.25	up to 2,500	$1.88
	2,501 - 5,000	$1.50	2,501 - 5,000	$2.25
	5,001 - 10,000	$1.75	5,001 - 10,000	$2.63
	10,001 - 15,000	$2.25	10,001 - 15,000	$3.38
	15,001 - 20,000	$2.75	15,001 - 20,000	$4.13
	Over 20,000	$3.25	Over 20,000	$4.88
2013	Base	$12.13 per REU*	Base	$13.95 per REU*
	Administration Fee	$2.35	Administration Fee	$2.35
	Gallons		Gallons	
	up to 2,500	$1.25	up to 2,500	$1.88
	2,501 - 5,000	$1.50	2,501 - 5,000	$2.25
	5,001 - 10,000	$1.75	5,001 - 10,000	$2.63
	10,001 - 15,000	$2.25	10,001 - 15,000	$3.38
	15,001 - 20,000	$2.75	15,001 - 20,000	$4.13
	Over 20,000	$3.25	Over 20,000	$4.88

** 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
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
2012	Base	$13.35 per REU*	Base	$15.35 per REU*
	Gallons		Gallons	
	up to 2,500	$1.55	up to 2,500	$2.33
	2,501 - 5,000	$1.91	2,501 - 5,000	$2.87
	5,001 - 10,000	$2.20	5,001 - 10,000	$3.30
	10,001 - 15,000	$2.85	10,001 - 15,000	$4.28
	15,001 - 20,000	$3.50	15,001 - 20,000	$5.25
	Over 20,000	$4.15	Over 20,000	$6.23
2013	Base	$14.40 per REU*	Base	$16.56 per REU*
	Gallons		Gallons	
	up to 2,500	$1.55	up to 2,500	$2.33
	2,501 - 5,000	$1.91	2,501 - 5,000	$2.87
	5,001 - 10,000	$2.20	5,001 - 10,000	$3.30
	10,001 - 15,000	$2.85	10,001 - 15,000	$4.28
	15,001 - 20,000	$3.50	15,001 - 20,000	$5.25
	Over 20,000	$4.15	Over 20,000	$6.23

** 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]
	Water Credits	Capital Leases	Certificates of Participation	Note Payable	SRF Loan	GEFA Loans	Revenue Bonds	Contractual Obligations		
2004	$ 9,936	$ 276,171	$ -	$ -	$ 558,601	$ 2,650,403	-	-	$ 3,495,111	1.83%
2005	6,665	232,641	-	-	477,306	3,425,365	-	-	4,141,977	2.07%
2006	4,128	187,368	-	-	394,373	3,298,113	-	-	3,883,982	1.88%
2007	-	140,283	-	-	309,768	3,164,919	-	-	3,614,970	1.69%
2008	-	358,838	-	-	223,458	3,913,483	-	-	4,495,779	2.03%
2009	-	396,372	-	9,950,000	135,411	4,999,932	-	-	15,481,715	6.66%
2010	-	366,256	-	9,950,000	45,588	5,079,901	-	-	15,441,745	9.49%
2011	-	127,145	-	8,997,787	-	5,007,978	-	-	14,132,910	11.39%
2012	-	135,428	8,694,420	-	-	4,889,494	-	-	13,719,342	11.05%
2013	-	58,207	8,227,459	-	-	-	4,831,164	198,867	13,315,697	10.73%

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, 2013

	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	$ 10,885,000	3.55%	$ 386,418
Chatham County Public Health Facilities Projects	175,000	3.55%	6,213
DSA Chatham County Projects Series 2005A	4,420,000	3.55%	156,910
DSA Union Mission Series 2009	2,145,000	3.55%	76,148
DSA Union Mission Series 2011	2,680,000	3.55%	95,140
Mosquito Control	3,804,217	3.55%	135,050
Chatham-Savannah School Board:			
General Obligation Bonded Debt	52,925,000	3.55%	1,878,838
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	4,561	3.55%	162
Savannah-Chatham County School Board	11,184,961	8.49%	949,603
Subtotal, overlapping debt			3,684,480
City of Garden City direct debt			8,285,666
Total direct and overlapping debt			$ 11,970,146

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

	2004	2005	2006	2007	2008
Total assessed value of taxable property.....	$ 264,657,789	$ 281,211,306	$ 306,262,395	$ 340,403,230	$ 365,889,336
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	$ 264,657,789	$ 281,211,306	$ 306,262,395	$ 340,403,230	$ 365,889,336
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	$ 26,465,779	$ 28,121,131	$ 30,626,240	$ 34,040,323	$ 36,588,934
Total net debt applicable to limit: General obligation bonds (net of set aside)....	-	-	-	-	-
Legal debt margin.....	$ 26,465,779	$ 28,121,131	$ 30,626,240	$ 34,040,323	$ 36,588,934
Total net debt applicable to the limit as a percentage of debt limit.....	0.00%	0.00%	0.00%	0.00%	0.00%

	2009	2010	2011	2012	2013
Total assessed value of taxable property.....	$ 372,047,635	$ 371,226,663	$ 381,274,091	$ 370,811,307	$ 382,746,192
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	$ 372,047,635	$ 371,226,663	$ 381,274,091	$ 370,811,307	$ 382,746,192
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	$ 37,204,764	$ 37,122,666	$ 38,127,409	$ 37,081,131	$ 38,274,619
Total net debt applicable to limit: General obligation bonds (net of set aside)....	-	-	-	-	-
Legal debt margin.....	$ 37,204,764	$ 37,122,666	$ 38,127,409	$ 37,081,131	$ 38,274,619
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
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
2012	3,275,829	1,910,226	1,365,603	227,721	184,438	3.31
2013	3,246,503	1,923,996	1,322,507	335,811	291,878	2.11

[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]
2004	9,739	$ 153,184,731	$ 15,729	32	4.2%
2005	9,572	154,358,072	16,126	32	4.5%
2006	9,469	155,395,759	16,411	32	4.2%
2007	9,426	157,367,070	16,695	32	4.1%
2008	9,413	159,832,740	16,980	32	5.6%
2009	9,502	162,757,152	17,129	32	8.5%
2010	8,778	143,783,640	16,380	35	9.1%
2011	8,871	143,783,640	16,208	35	9.2%
2012	8,913	143,783,640	16,132	35	8.6%
2013	8,913	163,036,596	18,292	37	8.9%

Sources:

** US Census Bureau - population based on 2010 Census with Census estimates applied to subsequent years*

[1] *United States Census Bureau - Community Facts*

[2] www.city-data.com/city/garden-city-georgia.html

City of Garden City, Georgia

Principal Employers
Current Year and Nine Years Ago

	2013			2004		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace Corporation	8,406	1	6.00%	4,300	3	3.74%
Savannah-Chatham Board of Ed.	4,808	2	3.78%	4,309	2	3.75%
Ft. Stewart/Hunter Army Airfield	4,637	3	3.88%	3,485	5	3.03%
Memorial Health	4,600	4	3.81%	4,934	1	4.30%
St. Joseph's/Candler	3,170	5	2.60%	3,800	4	3.31%
City of Savannah	2,795	6	2.05%	2,408	6	2.10%
Savannah College of Art and Design	1,750	7	1.44%	1,200	10	1.04%
Chatham County	1,600	8	1.23%	1,600	8	1.39%
Georgia Port Authority	988	9	0.99%	-	-	-
Armstrong Atlantic University	602	10	2.41%	-	-	-
Savannah International Airport	-	-	0.00%	4,500	3	3.92%
International Paper	-	-	0.00%	1,800	7	1.57%
Georgia-Pacific	-	-	0.00%	1,408	9	1.23%
Total	33,356		28.19%	33,744		29.38%

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	2004	2005	2006	2007	2008
General government	14	13	8	11	11
Public safety	43	41	44	49	49
Public works	13	22	19	21	13
Culture and recreation	12	12	9	13	15
Utility services	12	11	11	13	15
Total	94	99	91	107	103

Function/Program	2009	2010	2011	2012	2013
General government	11	14	13	12	12
Public safety	51	57	56	54	54
Public works	13	14	11	12	12
Culture and recreation	14	12	12	12	12
Water and sewer services	17	17	15	18	18
Total	106	114	107	108	108

Source: City Personnel Records

City of Garden City, Georgia

Operating Indicators by Function
Last Ten Calendar Years

	2004	2005	2006	2007	2008
Police:					
Arrests	1211	1859	1897	2375	2149
Fire:					
Number of emergency calls	262	261	334	366	390
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	900	1100	1000
Water:					
New connections	unav	unav	unav	unav	unav
Average daily consumption (millions of gallons)	1.3	1.2	1.2	1.2	1.1
Sewer:					
New connections	unav	unav	unav	unav	unav
Average daily sewage treatment (millions of gallons)	1.04	1.09	0.97	0.98	0.96

	2009	2010	2011	2012	2013
Police:					
Arrests	1256	1385	1259	854	842
Fire:					
Number of emergency calls	348	379	394	362	370
Inspections	unav	50	53	100	133
Public works:					
Ditch maintenance (miles)	10.7	8.1	5.6	4.96	6.50
Canal maintenance (miles)	120	84	109	1,530	646
Dry trash (tons)	826	848	848	150	189
Water:					
New connections	10	8	7	12	2
Average daily consumption (millions of gallons)	1.03	1.03	0.99	0.94	0.95
Sewer:					
New connections	6	8	7	11	2
Average daily sewage treatment (millions of gallons)	1.05	1.05	0.83	0.86	0.88

Sources: City records

unav - This information is not available.

City of Garden City, Georgia

Capital Asset Statistics by Function
Last Ten Calendar Years

	2004	2005	2006	2007	2008
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	unav	unav	unav	unav	45
Parks and recreation:					
Parks	4	4	4	4	4
Community centers	3	3	3	3	3
Water:					
Water mains (miles)	unav	unav	unav	unav	39.9
Maximum daily capacity (millions of gallons)	1.5	1.5	1.5	1.5	1.5
Wastewater:					
Sanitary sewers (miles)	unav	unav	unav	unav	45
Maximum daily treatment capacity (millions of gallons)	2.0	2.0	2.0	2.0	2.0

	2009	2010	2011	2012	2013
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	45	45	45	45	45
Parks and recreation:					
Parks	4	4	4	4	4
Community centers	3	3	3	3	3
Water:					
Water mains (miles)	39.9	39.9	41.9	41.9	41.9
Maximum daily capacity (millions of gallons)	1.5	1.5	1.3	1.3	1.3
Wastewater:					
Sanitary sewers (miles)	45	45	48	48	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
19
39
FAITH
FREEDOM
FAMILY
FAIRNESS
FUTURE

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*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Garden City, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 13, 2014.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

KRT, CPAs P.C.

KRT, CPAs P.C.
Savannah, Georgia
May 13, 2014

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