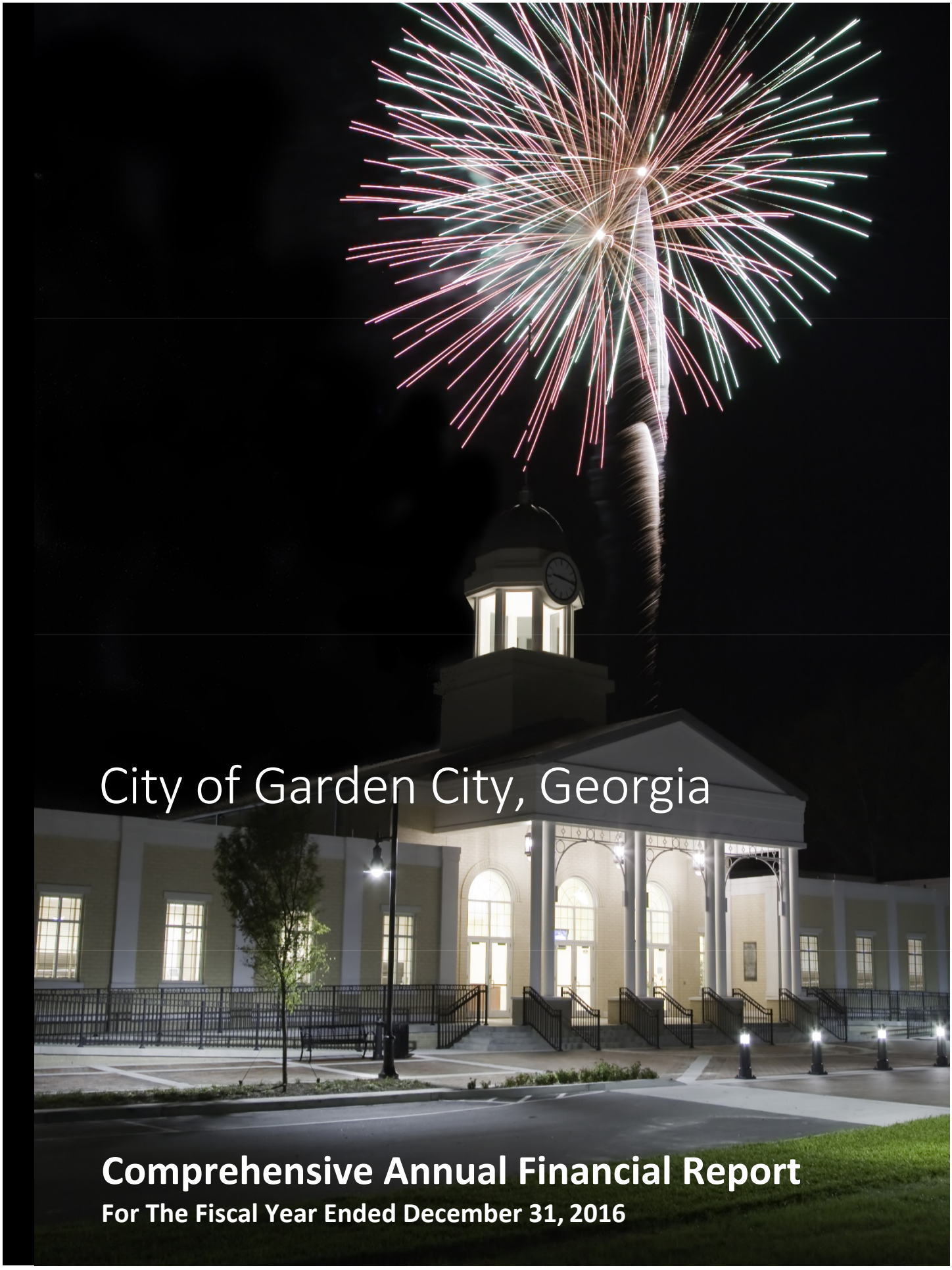
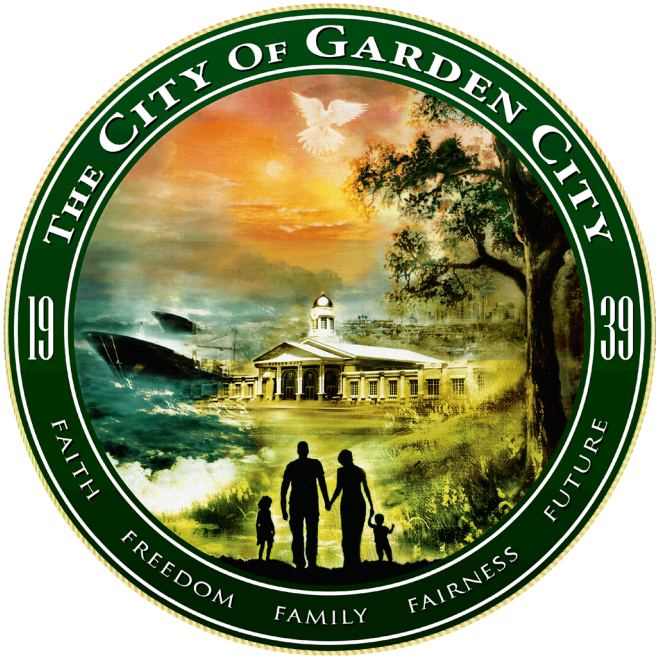


City of Garden City, Georgia

Comprehensive Annual Financial Report

For The Fiscal Year Ended December 31, 2016


THE CITY OF GARDEN CITY
19
39
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Comprehensive Annual Financial Report of the City of Garden City, Georgia for the Fiscal Year Ended December 31, 2016

Prepared by the Department of Finance

Mission

The employees of the Department of Finance are committed to providing quality service to all Citizens equitably, in a professional, responsive and caring manner.

Code of Ethics

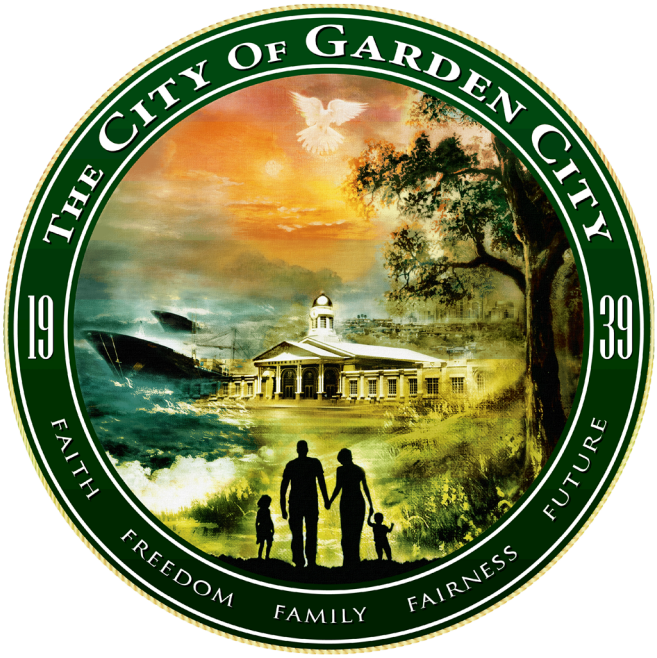
We, the employees of the Department of Finance, are committed to the highest standards of ethical conduct that reflect:
Responsibility, Honesty, Respect, Fairness, Compassion, Integrity, and Loyalty

Acknowledgments…

The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Department of Finance who have been assisted by the independent auditors, K RT, CPAs P.C. The contributions of all are invaluable and sincerely appreciated and clearly reflect the high standards which have been set by the City of Garden City.

It is also appropriate to thank the City Manager, Mayor and Members of City Council for making possible the excellent financial position of the City through their interest and support in planning and conducting the financial affairs of the City.

Please visit us at www.Gardencity-ga.gov.


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19
39
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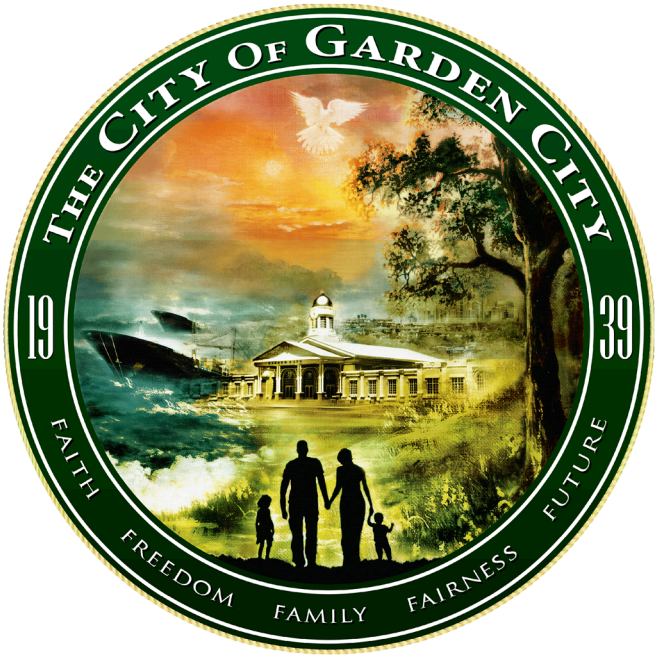
City of Garden City, Georgia
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2016

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	A - 1
Principal Officials	A - 5
Organization Chart	A - 6
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	B - 1
MANAGEMENT'S DISCUSSION AND ANALYSIS	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
Schedule of Changes in the Net Pension Liability and Related Ratios	E - 3
Schedule of Contributions	E - 4
Notes to Required Supplementary Information	E - 5
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 Projects Constructed with Special Purpose Local Option Sales Tax Proceeds	F - 7

City of Garden City, Georgia
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2016

	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
Principal Property Tax Payers - Current Year and Two Years Ago	G - 17
Property Tax Levies and Collections - Last Three Calendar Years	G - 18
Water Rates - Last Ten Calendar Years	G - 19
Sewer Rates - Last Ten Calendar Years	G - 20
DEBT CAPACITY:	
Ratios of Outstanding Debt by Type - Last Ten Calendar Years	G - 21
Direct and Overlapping Governmental Activities Debt	G - 22
Legal Debt Margin Information - Last Ten Calendar Years	G - 23
Pledged Revenue Coverage - Last Ten Calendar Years	G - 24
DEMOGRAPHIC AND ECONOMIC INFORMATION:	
Demographic and Economic Statistics - Last Ten Calendar Years	G - 25
Principal Employers - Current Year and Nine Years Ago	G - 26
OPERATING INFORMATION:	
Full Time City Employees by Function/Program - Last Ten Calendar Years	G - 27
Operating Indicators by Function - Last Ten Calendar Years	G - 28
Capital Asset Statistics by Function - Last Ten Calendar Years	G - 29
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


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

Mayor
DON BETHUNE

Members of Council
BRUCE A. CAMPBELL
ROSETTA BRYANT CODY
MARCIA C. DANIEL
BESSIE KICKLIGHTER
DEBBIE RUIZ
KIMBERLY WEXEL-TICE

City Manager
RONALD A. FELDNER

Clerk of Council / Finance Director
RHONDA FERRELL-BOWLES

City Attorney
JAMES P.GERARD

May 12, 2017

To the Honorable Mayor, Members of the City Council, and Citizens of Garden City:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Garden City, Georgia for the year ended December 31, 2016 to the Mayor, City Council 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 accurately present the financial position and results of the operation of the various funds and account groups within 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 CAFR is presented in four sections: (1) introductory, (2) financial, (3) statistical, and (4) compliance. 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 combined and individual funds statements; and schedules for the non-major governmental, special revenue, capital projects, 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 fiscal year ended December 31, 2016. 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 financial statements. 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 community that became what is known today as Garden City. Early residents of the area were simple farmers and mill workers, many of whom eventually found work in the rapidly expanding cotton and shipping industries in the area.

In its first 70 or so years, 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 seven 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 operate the City government, 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.

In 2009, legislation was passed which 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 focus primarily on legislative functions. The Mayor continues to be recognized as the political head of the City but became a voting member of the City Council under the New City Charter. As the governing body of the City, the City Council provides legislative direction whereas a City Manager is appointed by the City Council to carry out the policies it establishes, and he/she 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 Mayor and City Council as the chief executive and he/she is responsible for preparing the budget, directing day-to-day operations, and oversight of Cityoperations.

In addition to the change in the form of government, the new City Charter also incorporated 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. Currently, the City Council consists of seven members with one being the Mayor and another being the Mayor Pro-Tem. The five remaining members are elected from geographic districts while the Mayor and Mayor Pro-Tem are elected at-large. This mixed election system, combining at-large and district-member elections, blends the citywide perspective of the at-large council members with the district accountability to ensure that all geographic and demographic populations are properlyrepresented.

The City of Garden City is also financially accountable for a legally 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 document serves as the foundation for the City's financial planning, operation and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget that is approved by the Mayor and City Council. An annual operating budget is adopted for the general fund and special revenue funds. In addition, annual operating budgets are prepared for each enterprise fund for planning, control, cost allocation, and evaluation purposes. All annual appropriations end at the conclusion of each fiscal year and fund balance carryovers are recorded, where appropriate. 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 in all operational areas of the City.

ECONOMIC CONDITION AND OUTLOOK

The City's economic outlook has improved of late and continues to show signs of improvement. The City is attracting new business and continues to grow its business sector at a strong pace. Recently, the City has seen an increase in several major revenue sources that are directly linked to the economy such as occupational taxes, utility fees, and land development permitting.

MAJOR CAPITAL IMPROVEMENT INITIATIVES

The City understands the importance of maintaining and improving our public facilities and infrastructure to ensure efficient City government operation. The City actively engages in multi-year financial planning effort as it relates to our capital improvement program (CIP). The City annually updates its five year CIP to account for future capital improvement projects and capital asset replacements. The City is actively engaged in long-term forecasting to determine areas where utility upgrades are going to be needed to improve water and sewer infrastructure as well as necessary improvements to the transportation system. Staff uses various data to forecast future operating and capital needs in the preparation of the City's annual budget document as well. Highlighted below are major capital improvement projects completed by the City during fiscal year 2016 that carries forward the City's goal of capital maintenance, with projects the will upgrade, improve, and fix existing facilities and assets.

- **Fire Station Renovations:** During fiscal year 2015, the City approved plans to renovate and upgrade both of its Fire Stations. Renovations of Fire Station No. 1 (Main Street) were completed in 2015, and renovations of Fire Station No. 2 (Highway 80) were recently completed in 2016. The renovations provide for the modernization of both fire stations as well as provide for additional storage for new vehicles and equipment.

- **Chatham Parkway Road Improvements Project:** In an effort to improve safety and alleviate traffic congestion on Chatham Parkway, a traffic signal has been installed at the road's intersection with Telfair Place. The final phase of the traffic signal installation was completed in late 2015, with the traffic signal going live in early 2016. The construction work to rehabilitate and repave Chatham Parkway between Interstate I-16 and U.S. Highway 80 is scheduled to begin in late spring summer of 2017. The improvements will have a major impact on meeting the increasing traffic volume generated by growth and development in Garden City and surrounding areas. This project is a joint project funded by the City of Garden City and the Georgia Department of Transportation.

- **Garden City Town Center Development Project:** Given the current lack of a recognizable downtown and after a great deal of evaluation and planning, the City formed a public/private partnership with a private development group for the development of its mixed-use Town Center. The mixed-use development will include a vibrant mix of retail, dining, office space, business-class hotels, as well as multi-family residential housing.

- **Water and Sewer System Improvements:** In 2013, the City embarked on a multi-year infrastructure replacement and upgrade capital improvement program for the City's water and sewer operations. A total re-investment of $4.6 million has been undertaken by the City involving several major projects throughout the City. The projects are being funded using a low interest loan secured from the Georgia Environmental Finance Authority (GEFA) and payment of the debt service will be via future water and sewer revenues. Some of the major projects recently completed include: Wastewater Plant Belt Filter Press, Ronnie Avenue/Azalea Avenue/Pipkin Avenue Water Line Installations, Radio-Read Water Meter Installations, and Sanitary Sewer Line Rehabilitation in the northern areas of the City. The City is currently upgrading its Chatham City Lift Station to serve the commercial and residential areas west of State Route 21. This project is scheduled to be completed in 2017.

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 must 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.

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 especially want to express our appreciation to Garden City Mayor and City Council members for their continued leadership and for maintaining the highest standards of professionalism in management of the City's finances for the year ending December 31, 2016.

Respectfully submitted,



Ronald Feldner, P.E.
City Manager
City of Garden City

CITY OF GARDEN CITY, GEORGIA

List of Principal City Officials
December 31, 2016

City Council

Don Bethune……Mayor

Bruce Campbell ……Mayor Pro-tem

Kimberly Tice…….. President of Council

Rosetta Cody…… Councilmember

Marcia Daniel…… Councilmember

Bessie Kicklighter…….. Councilmember

Debbie Ruiz…… Councilmember

Other Officials

Ron Feldner…… City Manager

Rhonda Ferrell-Bowles…….. City Clerk

Rhonda Ferrell-Bowles…….. Director of Finance

Pamela Franklin…….. Director of Human Resources

Ben Brengman…… Director of Information Technology

Jackie Jackson……Director of Special Projects

Ron Alexander…… Director of Planning & Zoning

Benny Googe…… Director of Public Works

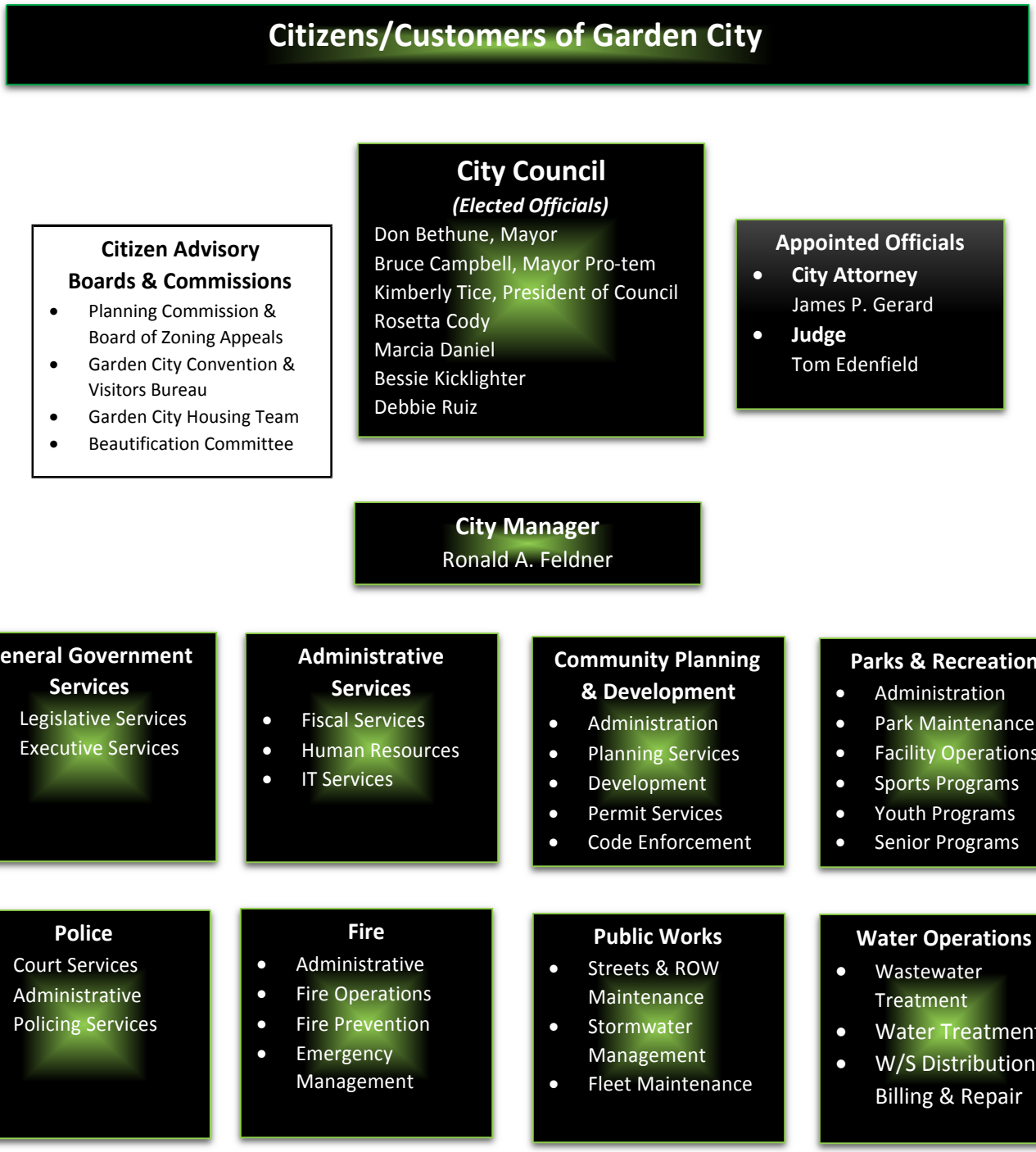
Cliff Ducey…… Director of Parks & Recreation

David Lyons…….. Chief of Police

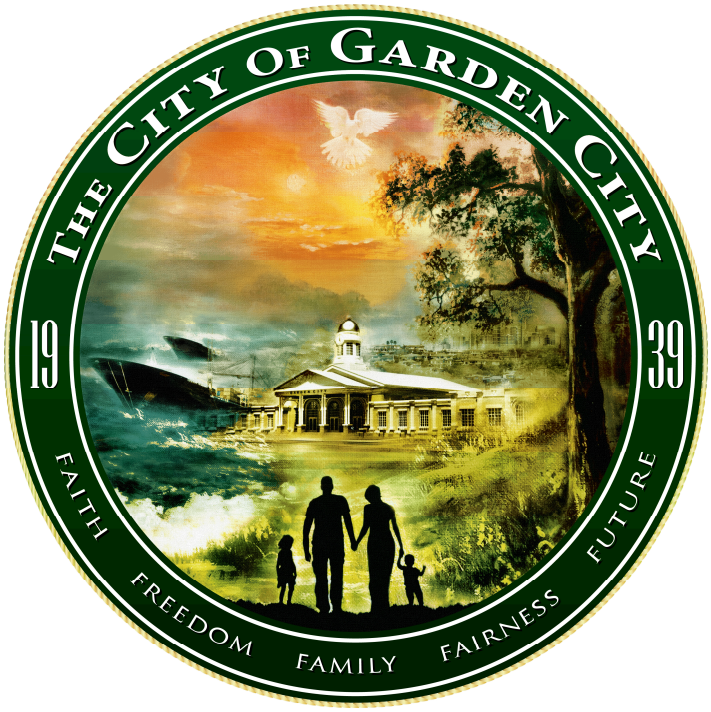
Corbin Medeiros……. Interim Fire Chief

Jim Gerard…… City Attorney

City of Garden City, Georgia
2016 Organizational Chart



FINANCIAL SECTION


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

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia, as of December 31, 2016, 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.

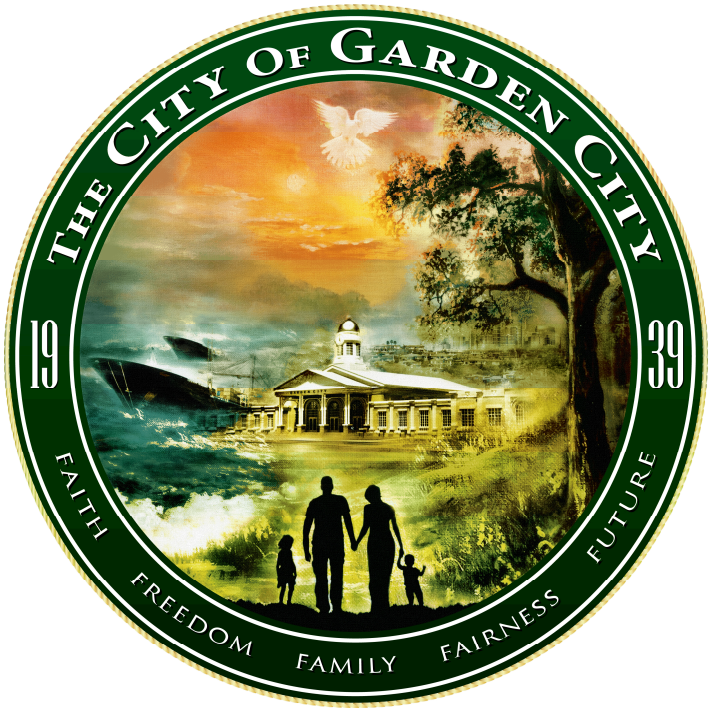
The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2017 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 12, 2017


THE CITY OF GARDEN CITY
19
39
FAITH
FREEDOM
FAMILY
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FUTURE

City of Garden City, Georgia

Management's Discussion and Analysis

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, 2016. 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 total net position on a government-wide basis, at the close of fiscal year 2016 was $31,516,185 (net position). Of this amount, $6,784,483 (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by ($363,287) from the prior year. The governmental net position decreased by ($666,255) and business-type net position increased by $302,968.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,337,008, a decrease of ($1,304,430) from the prior year. The general fund reported a decrease in fund balance of ($1,229,371), and the other governmental funds reported an increase of $164,747. The decrease in the General Fund balance is mainly attributed to the City's response and recovery expenses associated with Tropical Storm Hermine and Hurricane Matthew in fiscal year 2016.
- Unassigned fund balance for the general fund was $2,999,503 or 25% of the total general fund operating expenditures. The City has $952,139 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 non-major 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, property 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 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, 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 future to finance the City's programs.
- Proprietary funds – Services for which the City charges customers a fee 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 $31.5 million at the close of the most recent fiscal period. Governmental activities comprise $17.6 million, and business-type activities make up $13.9 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	
	2016	2015	2016	2015	2016	2015
Current assets	$ 7,058,831	$ 7,993,373	$ 4,029,353	$ 4,260,357	$ 11,088,184	$ 12,253,730
Capital assets	19,996,155	19,560,919	19,531,818	18,685,411	39,527,973	38,246,330
Total assets	27,054,986	27,554,292	23,561,171	22,945,768	50,616,157	50,500,060
Deferred outflows	758,172	303,465	353,843	140,908	1,112,015	444,373
Current liabilities	987,266	559,519	508,646	754,737	1,495,912	1,314,256
Long-term liabilities	9,163,863	8,912,816	9,538,946	8,740,981	18,702,809	17,653,797
Total liabilities	10,151,129	9,472,335	10,047,592	9,495,718	20,198,721	18,968,053
Deferred inflows	9,044	66,182	4,222	30,726	13,266	96,908
Net position:						
Net investment in capital assets	12,944,734	11,798,120	10,961,872	10,461,769	23,906,606	22,259,889
Restricted	825,096	978,394	-	-	825,096	978,394
Unrestricted	3,883,155	5,542,726	2,901,328	3,098,463	6,784,483	8,641,189
Total net position	$ 17,652,985	$ 18,319,240	$ 13,863,200	$ 13,560,232	$ 31,516,185	$ 31,879,472

The largest portion of the City's net position (70%) 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 $6,784,483 or 22% 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 ($363,287) or -1% from the prior year. Governmental activities net position decreased by ($666,255) or -4%, while business-type activities' net position increased by $302,968 or 2%. The decrease in the Governmental activities' net position is attributed to the costs associated with Tropical Storm Hermine and Hurricane Matthew. The increase in the business-type activities net position is attributed to economic growth.

Changes in Net Position

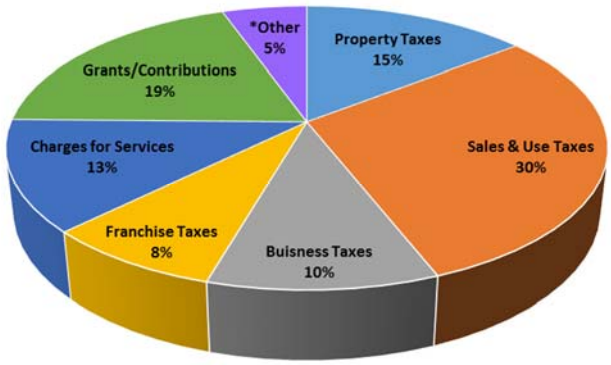
The following table shows the changes in net position for 2016:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue						
Program revenue:						
Charges for services	$ 1,272,879	$ 1,158,966	$ 5,550,037	$ 5,442,920	$ 6,822,916	$ 6,601,886
Operating grants and contributions	165,936	177,904	-	174,037	165,936	351,941
Capital grants and contributions	1,772,807	1,580,781	418,491	506,599	2,191,298	2,087,380
General Revenue:						
Property taxes	1,453,852	1,505,860	-	-	1,453,852	1,505,860
Sales and use taxes	2,976,538	3,058,754	-	-	2,976,538	3,058,754
Business taxes	1,051,127	1,000,770	-	-	1,051,127	1,000,770
Franchise taxes	819,611	851,206	-	-	819,611	851,206
Selective sales and use taxes	471,821	432,708	-	-	471,821	432,708
Unrestricted investment	14,560	7,904	6,966	2,546	21,526	10,450
Miscellaneous	60,901	29,782	2,070	38,724	62,971	68,506
Total revenue	10,060,032	9,804,635	5,977,564	6,164,826	16,037,596	15,969,461
Expenses						
General government	1,796,052	1,580,481	-	-	1,796,052	1,580,481
Judiciary	98,450	96,250	-	-	98,450	96,250
Public safety	4,820,500	3,978,747	-	-	4,820,500	3,978,747
Public works	1,489,211	1,016,071	-	-	1,489,211	1,016,071
Health and welfare	223,839	201,774	-	-	223,839	201,774
Culture and recreation	928,678	720,162	-	-	928,678	720,162
Housing and development	522,753	381,510	-	-	522,753	381,510
Interest on long-term debt	193,830	219,211	-	-	193,830	219,211
Water and sewer	-	-	3,221,336	3,075,811	3,221,336	3,075,811
Sanitation	-	-	379,055	370,800	379,055	370,800
Stormwater	-	-	931,135	808,378	931,135	808,378
Fire protection services	-	-	1,796,044	1,324,813	1,796,044	1,324,813
Total expenses	10,073,313	8,194,206	6,327,570	5,579,802	16,400,883	13,774,008
Excess (deficiency) before transfers	(13,281)	1,610,429	(350,006)	585,024	(363,287)	2,195,453
Transfers	(652,974)	(265,377)	652,974	265,377	-	-
Change in net position	(666,255)	1,345,052	302,968	850,401	(363,287)	2,195,453
Net position, beginning	18,319,240	16,974,188	13,560,232	12,709,831	31,879,472	29,684,019
Net position, ending	$ 17,652,985	$ 18,319,240	$ 13,863,200	$ 13,560,232	$ 31,516,185	$ 31,879,472

Governmental Activities

Revenues for governmental activities totaled $10.0 million in 2016, which represents an increase of 3% over 2015. The largest source of revenue for the City, sales and use taxes accounted for $2.9 million or 30% of total revenue in 2016, a reported decrease of ($82,216) from 2015. Property taxes and Franchise taxes account for $2.2 million or 23% of the total revenue in 2016. Business taxes, which include the insurance premium tax, accounted for $1.0 million or 10% of the total revenue in 2016, a reported increase of $50,357 from 2015. An increase in occupational taxes is responsible for this increase. Charges for services generated $1.2 or 13% of total revenue for 2016. Grants and contributions accounted for 19% and revenue from selective sales and use taxes and investment earnings accounted for 5% of the City's total revenue for 2016.

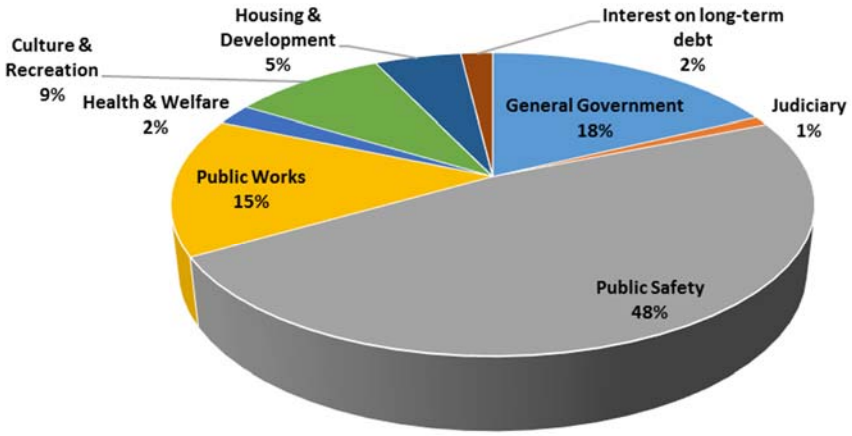
Revenues by Source – Governmental Activities – Year Ended December 31, 2016



*Other includes selective sales and use taxes, unrestricted investment earnings and miscellaneous revenues.

The City's expenses for governmental activities cover a wide range of services, with 48% or $4.9 million related to public safety (includes judiciary), 20% or $1.9 million for general government services (includes interest for long-term debt), 15% or $1.4 million for public works, and 16% or $1.6 million for public welfare services (includes health & welfare, culture & recreation and housing & development). Overall expenses for governmental activities totaled $10 million in 2016, which represents an increase of $1,879,107 or 23% compared to 2015. The increase in governmental activities is mainly attributed to the City's response and recovery expenses associated with Tropical Storm Hermine and Hurricane Matthew in 2016.

Expenses by Function – Governmental Activities – Year Ended December 31, 2016



Business-type Activities

The City has four business-type activities: water and sewer operations, solid waste collection services, stormwater fees, and fire protection services. For fiscal year 2016, total revenues for business-type activities were $5.9 million, which represents a decrease of -3% when compared to 2015. The decrease is mainly due to operating grants, capital grants, and contributions. Total expenses for fiscal year 2016 were $6.3 million, which represents an increase of 13% over fiscal year 2015.

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 $4,052,832. The total amount of unassigned fund balance for the general fund is $2,999,503.

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 20% and 45% percent of total general fund expenditures respectively.

The fund balance of the general fund decreased ($1,229,371) during fiscal year 2016. The decrease is the result of the City's response and recovery expenses from Tropical Storm Hermine and Hurricane Matthew in fiscal year 2016.

Capital Projects Fund

The capital projects fund balance at December 31, 2016 was $708,435. The fund balance decreased ($239,806) over the prior year's balance. The decrease is attributed to a decrease in the City's Special Local Option Sales Tax (SPLOST) revenue 2016. In keeping with the purpose of having a capital projects fund, the City used monies for approved SPLOST projects such as debt service payment for the city hall loan, improvements to Fire Station No. 1, Fire Station No. 2, replacement of fire department vehicles and equipment, as well as infrastructure improvements at Town Center and Chatham Parkway.

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 $31.5 million. Capital assets include assets purchased, constructed or donated.

Additional information on the City's capital assets can be found in Note II.C. beginning on page D-19.

Debt Administration

The long-term debt liabilities at December 31, 2016 totaled $15,621,368 (includes loans and installment purchase agreements). Of this amount, $7,051,422 relates to governmental type activities and $8,569,946 relates to business-type activities.

Additional information on the City's debt can be found in Note II.H. beginning on page D-25.

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 $9,019,893 for 2017. The City is constantly reviewing opportunities to increase revenue by using its assets more efficiently and effectively.

In preparing the 2017 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 2017.

- Local Option Sales Tax (L.O.S.T), the major source of General Fund revenue decreased 2.8% from 2015. The decrease is attributed to the loss in sales tax revenue as a result of Tropical Storm Hermine and Hurricane Matthew's impacts on Chatham County and surrounding areas in 2016.
- In 2014, the City levied property taxes to offset its decline in Local Option Sales Tax revenue. The City will continue to invest the revenue generated from the collection of property taxes in the City's Capital Improvement Plan (CIP) to fund general government capital purchases and capital improvement projects (e.g. public safety vehicles/equipment, building improvements, infrastructure improvements, etc.).
- The City continues to reform operations, utilize smart technologies, and aggressively manage expenses.
- The City maintains a sufficient fund balance level in the event that the City Council needs to utilize these funds in 2017.

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 slight 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 $1.40 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 City will continue to invest in water and sewer infrastructure projects using proceeds from the 2013 GEFA Loan secured by the City.

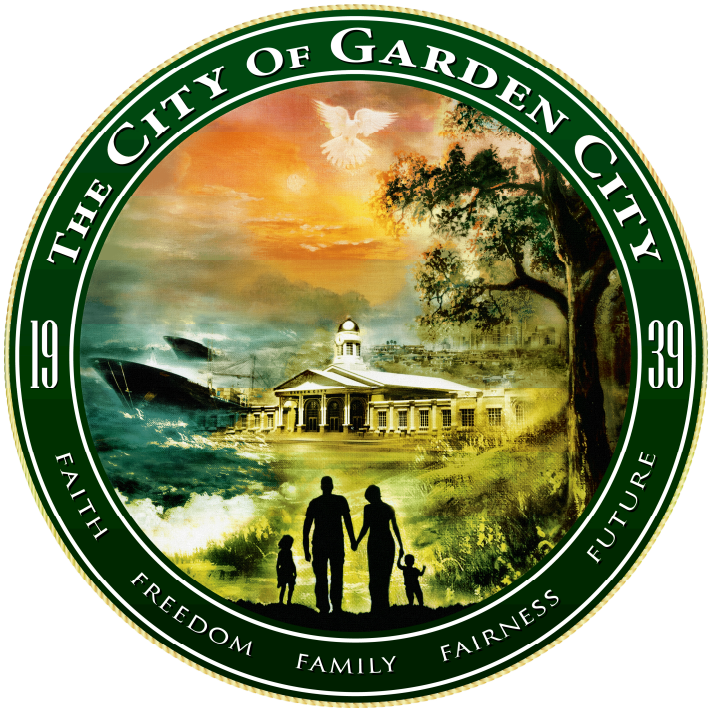
The stormwater fund was created in 2009, and the City reviews the cost allocations on an annual basis to ensure the accuracy of these allocations. The goal of the City is to accurately allocate storm water related costs incurred by the City to the stormwater fund, which was created to serve as the primary funding source for stormwater and drainage related services undertaken by the City each year. In the 2017 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 2017. Stormwater utility fees remain unchanged.

The reformation of the City's fire department was the theme of 2015 and is continued through the 2017 budget. The City continues to reform operations to enhance the City's delivery of fire protection service. In 2015, the City completed the renovation of Fire Station No. 1. The City completed the renovation work on Fire Station No. 2 in 2016. The City balanced the 2017 budget without a rate increase in fire protection fees for FY2017. However, the City approved the implementation of a fire line service charge for services provided by Garden City, but not covered under the water commodity service or the fire protection fee. The charge is designed to recover cost of miscellaneous services related to water system readiness to serve and infrastructure sizing required to provide fire flow relevant to the facility's fire line size.

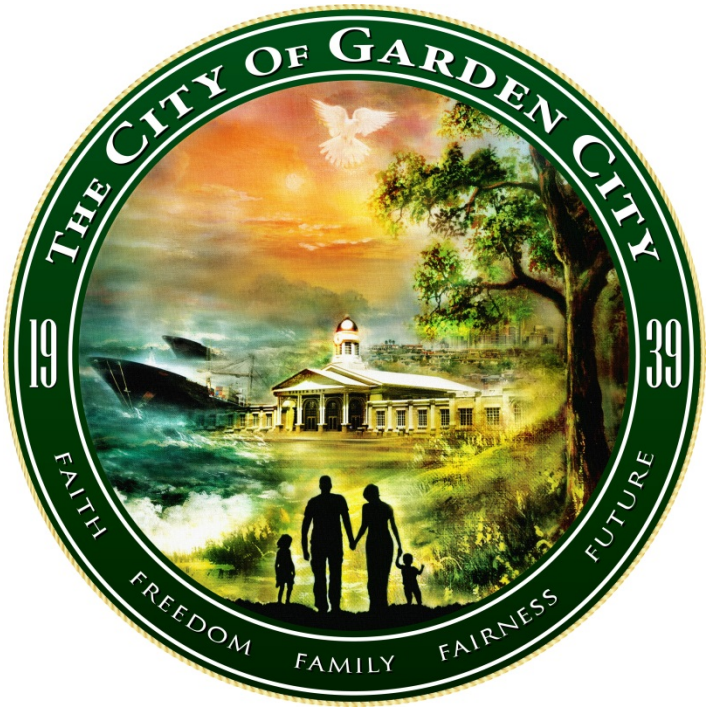
Requests for Information

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.

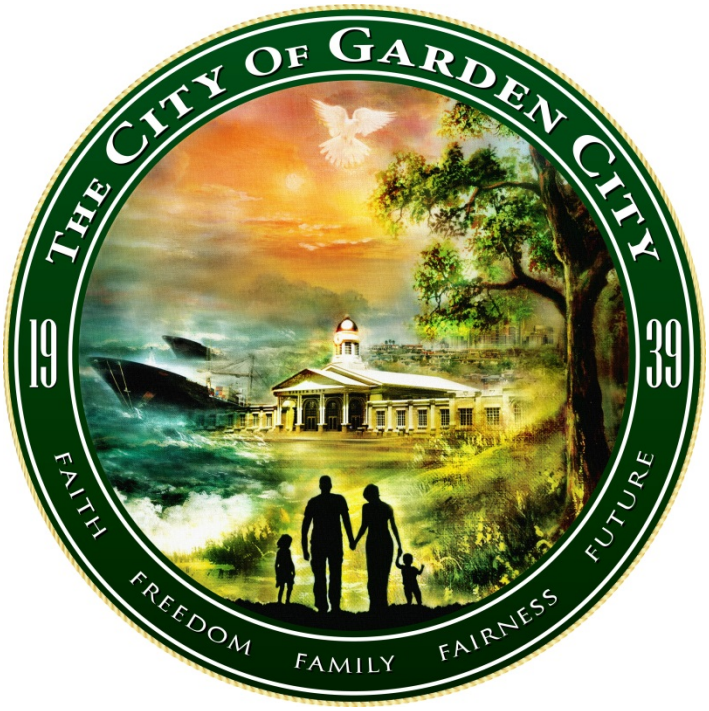
GOVERNMENT-WIDE FINANCIAL STATEMENTS


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

FINANCIAL SECTION


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

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, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,143,156	$ 520,927	$ 1,664,083
Investments	2,411,310	1,812,301	4,223,611
Receivables	1,491,704	691,306	2,183,010
Internal balances	816,828	(816,828)	-
Inventories	-	4,276	4,276
Prepaid	101,190	43,527	144,717
Restricted assets			
Cash and cash equivalents	1,094,643	1,773,844	2,868,487
Capital assets			
Land and construction in progress	6,701,165	448,270	7,149,435
Other capital assets, net of depreciation	13,294,990	19,083,548	32,378,538
Total assets	27,054,986	23,561,171	50,616,157
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	758,172	353,843	1,112,015
LIABILITIES			
Accounts payable and other accrued liablities	833,132	261,399	1,094,531
Accrued interest	23,457	21,443	44,900
Unearned revenue	91,482	-	91,482
Deposits payable	39,195	225,804	264,999
Long-term liabilities			
Due within one year	837,825	560,365	1,398,190
Due in more than one year	6,326,909	8,045,575	14,372,484
Net pension liability	1,999,129	933,006	2,932,135
Total liabilities	10,151,129	10,047,592	20,198,721
DEFERRED INFLOWS OF RESOURCES			
Pension related	9,044	4,222	13,266
NET POSITION			
Net investment in capital assets	12,944,733	10,961,872	23,906,605
Restricted for			
Capital projects	708,435	-	708,435
Other purposes	116,661	-	116,661
Unrestricted	3,883,156	2,901,328	6,784,484
Total net position	$ 17,652,985	$ 13,863,200	$ 31,516,185

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, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,796,052	$ 296,327	$ -	$ 434,469
Judicial	98,450	-	-	-
Public safety	4,820,500	791,251	165,936	480,465
Public works	1,489,211	225	-	730,197
Health and welfare	223,839	20,527	-	-
Culture and recreation	928,678	103,601	-	-
Housing and development	522,753	60,948	-	127,676
Interest on long-term debt	193,830	-	-	-
Total governmental activities	10,073,313	1,272,879	165,936	1,772,807
Business-type activities:				
Water and Sewer	3,221,336	3,706,850	-	33,219
Sanitation	379,055	336,642	-	-
Stormwater	931,135	911,779	-	-
Fire protection services	1,796,044	594,766	-	385,272
Total business-type activities	6,327,570	5,550,037	-	418,491
Total	$ 16,400,883	$ 6,822,916	$ 165,936	$ 2,191,298

General revenues:

Taxes:

Property 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 (restated)

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
$ (1,065,256)	$ -	$ (1,065,256)
(98,450)	-	(98,450)
(3,382,848)	-	(3,382,848)
(758,789)	-	(758,789)
(203,312)	-	(203,312)
(825,077)	-	(825,077)
(334,129)	-	(334,129)
(193,830)	-	(193,830)
(6,861,691)	-	(6,861,691)
-	518,733	518,733
-	(42,413)	(42,413)
-	(19,356)	(19,356)
-	(816,006)	(816,006)
-	(359,042)	(359,042)
(6,861,691)	(359,042)	(7,220,733)
1,453,852	-	1,453,852
2,976,538	-	2,976,538
1,051,127	-	1,051,127
819,611	-	819,611
471,821	-	471,821
14,560	6,966	21,526
60,901	2,070	62,971
(652,974)	652,974	-
6,195,436	662,010	6,857,446
(666,255)	302,968	(363,287)
18,319,240	13,560,232	31,879,472
$ 17,652,985	$ 13,863,200	$ 31,516,185


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, 2016

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 625,498	$ -	$ 517,658	$ 1,143,156
Investments	2,411,310	-	-	2,411,310
Receivables	1,232,366	235,248	24,090	1,491,704
Due from other funds	1,522,636	-	8,022	1,530,658
Prepaid items	101,190	-	-	101,190
Restricted cash and cash equivalents	2,465	913,758	178,420	1,094,643
Total assets	$ 5,895,465	$ 1,149,006	$ 728,190	$ 7,772,661
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 702,260	$ 59,680	$ 9,387	$ 771,327
Other accrued payables	61,805	-	-	61,805
Due to other funds	281,359	289,409	143,062	713,830
Unearned revenue	-	91,482	-	91,482
Due to others	39,195	-		39,195
Total liabilities	1,084,619	440,571	152,449	1,677,639
Deferred inflows of resources				
Unavailable revenue - property taxes	116,867	-	-	116,867
Unavailable revenue - franchise fee	641,147	-	-	641,147
Total deferred inflows of resources	758,014	-	-	758,014
Combined liabilities and deferred inflows of resources	1,842,633	440,571	152,449	2,435,653
Fund balances				
Nonspendable	101,190	-	-	101,190
Restricted	-	708,435	116,661	825,096
Committed - rainy day	952,139	-	-	952,139
Assigned	-	-	459,080	459,080
Unassigned	2,999,503	-	-	2,999,503
Total fund balances	4,052,832	708,435	575,741	5,337,008
Total liabilities, deferred inflows of resources and fund balance	$ 5,895,465	$ 1,149,006	$ 728,190	$ 7,772,661

City of Garden City, Georgia

Reconciliation of Total Governmental Fund Balances

To Net Position of Governmental Activities

December 31, 2016

Total Governmental Fund Balances		$ 5,337,008
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	$ 28,827,972	
Less: accumulated depreciation	(8,831,817)	19,996,155
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.		
Property taxes	116,867	
Franchise taxes	641,147	758,014
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.		
Certificates of participation	(6,710,000)	
Unamortized discount	33,424	
Capital leases	(374,846)	
Accrued interest payable	(23,457)	
Compensated absences	(113,312)	
Net pension liability	(1,999,129)	(9,187,320)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund financial statements:		
Deferred outflows of resources related to pensions		758,172
Deferred inflows of resources related to pensions		(9,044)
Net Position of Governmental Activities		$ 17,652,985

City of Garden City, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2016

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 6,560,879	$ -	$ 271,884	$ 6,832,763
Licenses and permits	209,968	-	-	209,968
Intergovernmental	167,186	1,643,416	218,279	2,028,881
Charges for services	129,307	-	-	129,307
Fines and forfeitures	761,964	-	24,333	786,297
Investment earnings	14,544	465	42	15,051
Miscellaneous	190,580	-	-	190,580
Total revenues	8,034,428	1,643,881	514,538	10,192,847
EXPENDITURES				
Current				
General government	1,515,878	-	-	1,515,878
Judicial	98,450	-	-	98,450
Public safety	4,093,416	-	15,120	4,108,536
Public works	1,428,590	-	-	1,428,590
Health and welfare	213,111	-	-	213,111
Culture and recreation	859,142	-	-	859,142
Housing and development	414,052	-	62,784	476,836
Capital outlay	-	1,114,765	-	1,114,765
Debt Service				
Principal	138,240	577,772	-	716,012
Interest	3,517	191,150	-	194,667
Intergovernmental:				
Assistance	-	-	135,944	135,944
Total expenditures	8,764,396	1,883,687	213,848	10,861,931
Excess (deficiency) of revenues over (under) expenditures	(729,968)	(239,806)	300,690	(669,084)
OTHER FINANCING SOURCES (USES)				
Transfers in	330,943	-	-	330,943
Transfers out	(847,974)	-	(135,943)	(983,917)
Sale of general capital assets	875	-	-	875
Insurance recoveries	16,753	-	-	16,753
Total other financing sources (uses)	(499,403)	-	(135,943)	(635,346)
Net changes in fund balances	(1,229,371)	(239,806)	164,747	(1,304,430)
Fund balances at beginning of year	5,282,203	948,241	410,994	6,641,438
Fund balances at end of year	$ 4,052,832	$ 708,435	$ 575,741	$ 5,337,008

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, 2016

Net change in Fund Balances - Total Governmental Funds		$ (1,304,430)
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	$ 1,196,181	
Depreciation expense	(760,945)	435,236
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, 2016	758,014	
Deferred at December 31, 2015	817,828	(59,814)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Certificates of participation	530,000	
Capital leases	184,416	714,416
Amortization of discount		(3,039)
Change in accrued interest payable		1,955
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, 2016	113,312	
Compensated absences at December 31, 2015	99,445	(13,867)
In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded pension expense		13,867
Change in Net Position of Governmental Activities		$ (666,255)

City of Garden City, Georgia

Proprietary Funds

Statement of Net Position

December 31, 2016

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
ASSETS					
Current assets:					
Cash and cash equivalents	520,927	$ -	$ -	$ -	$ 520,927
Investments	1,812,301	-	-	-	1,812,301
Receivables (net of allowance)	458,626	46,709	94,164	91,807	691,306
Due from other funds	-	-	281,359	-	281,359
Inventories	3,276	-	-	1,000	4,276
Prepaid items	22,690	-	6,558	14,279	43,527
Restricted cash and cash equivalents	644,673	27,515	-	-	672,188
Total current assets	3,462,493	74,224	382,081	107,086	4,025,884
Noncurrent assets:					
Restricted cash and cash equivalents	1,101,656	-	-	-	1,101,656
Capital assets:					
Land and construction in progress	417,570	-	-	30,700	448,270
Depreciable capital assets, net of depreciation	14,741,194	-	2,355,107	1,987,247	19,083,548
Total capital assets, net of depreciation	15,158,764	-	2,355,107	2,017,947	19,531,818
Total noncurrent assets	16,260,420	-	2,355,107	2,017,947	20,633,474
Total assets	19,722,913	74,224	2,737,188	2,125,033	24,659,358
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	179,479	-	57,380	116,984	353,843
LIABILITIES					
Current liabilities:					
Accounts payable	147,543	31,790	19,602	42,720	241,655
Other accrued payables	6,901	-	1,447	11,396	19,744
Due to other funds	238,460	242,819	-	616,908	1,098,187
Accrued interest	13,887	-	629	6,927	21,443
Compensated absences	19,057	-	-	16,937	35,994
Notes payable	371,377	-	19,967	133,027	524,371
Current liabilities payable from restricted assets:					
Customer deposits payable	220,944	4,860	-	-	225,804
Total current liabilities	1,018,169	279,469	41,645	827,915	2,167,198
Noncurrent liabilities:					
Notes payable	7,274,409	-	62,305	708,861	8,045,575
Net pension obligation	473,247	-	151,298	308,461	933,006
Total noncurrent liabilities	7,747,656	-	213,603	1,017,322	8,978,581
Total liabilities	8,765,825	279,469	255,248	1,845,237	11,145,779
DEFERRED INFLOWS OF RESOURCES					
Pension related	2,141	-	685	1,396	4,222
NET POSITION					
Net investment in capital assets	7,512,978	-	2,272,835	1,176,059	10,961,872
Unrestricted	3,621,448	(205,245)	265,800	(780,675)	2,901,328
Total net position	$ 11,134,426	$ (205,245)	$ 2,538,635	$ 395,384	$ 13,863,200

City of Garden City, Georgia

Proprietary Funds

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

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
OPERATING REVENUES					
Charges for services	$ 3,706,850	$ 336,642	$ 911,779	$ 594,766	$ 5,550,037
Other income	835	-	-	1,235	2,070
Total operating revenues	3,707,685	336,642	911,779	596,001	5,552,107
OPERATING EXPENSES					
Personnel services	1,113,183	-	444,679	1,272,144	2,830,006
Purchased and contractual services	720,039	379,031	327,790	171,780	1,598,640
Materials and supplies	314,813	24	27,458	135,626	477,921
Depreciation	928,730	-	129,318	168,524	1,226,572
Total operating expenses	3,076,765	379,055	929,245	1,748,074	6,133,139
Operating income (loss)	630,920	(42,413)	(17,466)	(1,152,073)	(581,032)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	6,955	11	-	-	6,966
Loss on diposal of property	-	-	-	(27,535)	(27,535)
Interest expense	(144,571)	-	(1,890)	(20,435)	(166,896)
Total nonoperating revenues (expenses)	(137,616)	11	(1,890)	(47,970)	(187,465)
Income before capital contributions and transfers	493,304	(42,402)	(19,356)	(1,200,043)	(768,497)
Capital contributions	33,219	-	-	385,272	418,491
Transfers in	-	30,000	-	847,974	877,974
Transfers out	(150,000)	-	(75,000)	-	(225,000)
Change in net position	376,523	(12,402)	(94,356)	33,203	302,968
Net position, beginning of year	10,757,903	(192,843)	2,632,991	362,181	13,560,232
Net position, end of year	$ 11,134,426	$ (205,245)	$ 2,538,635	$ 395,384	$ 13,863,200

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, 2016

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Solid Waste	Stormwater	Fire Protection	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 3,608,782	$ 341,657	$ 891,978	$ 587,067	$ 5,429,484
Cash payments to suppliers for goods and services	(1,185,682)	(370,762)	(369,343)	(1,966)	(1,927,753)
Cash payments to employees for services	(1,002,791)	-	(413,442)	(1,209,912)	(2,626,145)
Net cash provided (used) by operating activities	1,420,309	(29,105)	109,193	(624,811)	875,586
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers in (out)	(150,000)	30,000	(75,000)	847,974	652,974
Net cash provided (used) by noncapital financing activities	(150,000)	30,000	(75,000)	847,974	652,974
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from debt	857,512	-	-	-	857,512
Capital contributions	33,219	-	-	-	33,219
Acquisitions and construction of capital assets	(1,613,929)	-	(12,597)	(176,779)	(1,803,305)
Principal payments on debt	(361,377)	-	(19,579)	(130,252)	(511,208)
Interest payments on debt	(142,862)	-	(2,017)	(20,707)	(165,586)
Proceeds from the sale of assets	-	-	-	4,575	4,575
Net cash (used) by capital and related financing activities	(1,227,437)	-	(34,193)	(323,163)	(1,584,793)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earned on cash and investments	6,955	11	-	-	6,966
Purchase of investments	(156,837)	-	-	-	(156,837)
Net cash provided (used) by investing activities	(149,882)	11	-	-	(149,871)
Net increase (decrease) in cash and cash equivalents	(107,010)	906	-	(100,000)	(206,104)
Cash and cash equivalents, beginning of year	2,374,266	26,609	-	100,000	2,500,875
Cash and cash equivalents, end of year	$ 2,267,256	$ 27,515	$ -	$ -	$ 2,294,771
Operating income (loss)	$ 630,920	$ (42,413)	$ (17,466)	$ (1,152,073)	$ (581,032)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	928,730	-	129,318	168,524	1,226,572
Change in assets and liabilities:					
Decrease (increase) in accounts receivables	(22,144)	4,815	(19,801)	(8,934)	(46,064)
Decrease (increase) in inventories	435	-	-	-	435
Decrease (increase) in prepaid items	(7,262)	-	(1,540)	(3,240)	(12,042)
(Decrease) Increase in accounts payable	(124,541)	2,973	9,511	33,065	(78,992)
(Decrease) Increase in accrued liabilities	110,392	-	31,237	62,232	203,861
(Decrease) increase in customer deposits	(76,759)	200	-	-	(76,559)
(Decrease) increase in interfund balances	(19,462)	5,320	(22,066)	275,615	239,407
Total adjustments	789,389	13,308	126,659	527,262	1,456,618
Net cash provided (used) by operating activities	$ 1,420,309	$ (29,105)	$ 109,193	$ (624,811)	$ 875,586
Noncash capital and related financing activities:					
Capital assets aquired with SPLOST resources	$ -	$ -	$ -	$ 385,272	$ 385,272


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. DESCRIPTION OF GOVERNMENT-WIDE 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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. REPORTING ENTITY

The City of Garden City, Georgia (government) was organized in 1930. The government operates under a council-manager form of government (council) 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. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit – The Garden City Tourism Board is governed by a board that is substantively the same as the governing body of the primary government. The Garden City Tourism Board is reported as a special revenue fund. The Garden City Tourism Board does not issue separate financial statements.

Discretely Presented Component Unit – The Downtown Development Authority for the City of Garden City is the government'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.

C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while the business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and programs revenues reported for the various functions concerned.

D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the Government, 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 government's intergovernmental agreement with Chatham County, Georgia.

The government 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 solid waste enterprise fund accounts for financial resources from the operation of the government's sanitation services.

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

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

Additionally, the government reports the following fund types:

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

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e. governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities (i.e. enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty (30) days of the end of the current fiscal period. Expenditures generally are recognized 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 reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, sanitation fees, and interest associated with the current fiscal period are susceptible to accrual. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period (within 30 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

1. Deposits and Investments

   The government'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 government 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 government'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.

2. Receivables and Payables

   In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange revenues 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 uncollectibles.

   Activity between funds that is representative of lending/borrowing arrangements outstanding at year end are reported as interfund receivables and payables (due from/to other funds). Any residual balances outstanding at year end between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Inventories and Prepaid Items

   All inventories (when significant) are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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

   Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. When both restricted and non-restricted assets are available for use, it is the government'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

6. Long-term Obligation

   In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

   In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Deferred Outflows/Inflows of Resources

   In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

   In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) as so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and proprietary fund type in the fund financial statements have an additional deferred outflows of resources and deferred inflows of resources not reported on the modified accrual basis. These deferred outflows of resources and deferred inflows of resources related to pensions, result from changes in net pension liability not included in pension expense due to effects in actuarial differences, changes in assumptions, and differences between actual and projected earnings on plan investments.

8. Net Position Flow Assumption

   Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumption

   Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. 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 council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the 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 government's "intent" to be used for specific purposes, but are neither restricted nor committed. The government'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.

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 government's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

11. 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.

G. REVENUES AND EXPENDITURES/EXPENSES

1. Program Revenues

   Amounts reported as *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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

2. Property Taxes

   Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 3.883 mills was adopted on June 22, 2016. Tax bills were rendered on September 15, 2015 and are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

3. Compensated Absences

   It is the government'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.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

   Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense 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 government's enterprise funds are charges to customers for services provided. Operating expenses of the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

5. Interfund Transactions

   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.

II. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

At year end the carrying amount of the government's cash-on-hand and deposits with financial institutions was $4,531,170 and the bank balance was $4,293,571. The bank balance was covered by federal depository insurance or by collateral held by the government's agent in the government's name.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. 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 government has no custodial credit risk policy that would require additional collateral requirements.

In its investment of public funds, the government follows state statutes and adopted investment policies. As of December 31, 2016 the investments of the government were:

Investment	Average Credit Rating	Fair Value	Maturities in Years
Georgia Fund 1	Aaa	4,223,611	less than 1 year

Deposit and investment transactions are subject to a variety of risks. The government 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 government 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 government 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	$	1,664,083
Investments		4,223,611
Cash and cash equivalents - restricted		2,868,487
Total cash and investments	$	8,756,181

Notes to Financial Statements:

Deposits with financial institutions	$	4,531,170
Investments		4,223,611
Cash on hand		1,400
Total cash and investments	$	8,756,181

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	$ 848,262	$ -	$ 24,090	$ -	$ -	$ -	$ -	$ 872,352
Accounts	23,393	-	-	564,626	57,709	117,164	114,807	877,699
Intergovernmental	365,711	235,248	-	-	-	-	-	600,959
Gross receivables	1,237,366	235,248	24,090	564,626	57,709	117,164	114,807	2,351,010
Less: allowance for doubtful accounts	(5,000)	-	-	(106,000)	(11,000)	(23,000)	(23,000)	(168,000)
	$ 1,232,366	$ 235,248	$ 24,090	$ 458,626	$ 46,709	$ 94,164	$ 91,807	$ 2,183,010

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, 2016, 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	573,210	477,800	-	(144,722)	906,288
Total capital assets not being depreciated	6,368,087	477,800	-	(144,722)	6,701,165
Capital assets, being depreciated					
Buildings	14,378,288	103,642	-	-	14,481,930
Machinery and equipment	5,233,450	347,306	45,739	-	5,535,017
Infrastructure	1,697,705	267,433	-	144,722	2,109,860
Total capital assets, being depreciated	21,309,443	718,381	45,739	144,722	22,126,807
Less accumulated depreciation for:					
Buildings	(3,450,596)	(286,533)	-	-	(3,737,129)
Machinery and equipment	(3,923,569)	(383,865)	(45,739)	-	(4,261,695)
Infrastructure	(742,446)	(90,547)	-	-	(832,993)
Total accumulated depreciation	(8,116,611)	(760,945)	(45,739)	-	(8,831,817)
Total capital assets, being depreciated, net	13,192,832	(42,564)	-	144,722	13,294,990
Total governmental activities	$ 19,560,919	$ 435,236	$ -	$ -	19,996,155
Less related long-term debt outstanding					(7,051,422)
Net investment in capital assets					$ 12,944,733

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

General government	$ 423,965
Public Safety	148,918
Public Works	97,076
Recreation	90,986
Total depreciation for governmental activities	$ 760,945

Capital asset activity for business-type activities for the year ended December 31, 2016, 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	3,119,643	1,676,039	-	(4,402,753)	392,929
Total capital assets not being depreciated	3,174,984	1,676,039	-	(4,402,753)	448,270
Capital assets, being depreciated					
Utility plant in service	18,967,804	-	-	2,910,903	21,878,707
Buildings and systems	7,260,984	-	-	383,793	7,644,777
Other equipment	3,826,109	429,050	280,863	1,108,057	5,082,353
Infrastructure	2,758,917	-	-	-	2,758,917
Total capital assets, being depreciated	32,813,814	429,050	280,863	4,402,753	37,364,754
Less accumulated depreciation for:					
Utility plant in service	(12,212,059)	(610,389)	-	-	(12,822,448)
Buildings and systems	(1,525,142)	(238,958)	-	-	(1,764,100)
Other equipment	(3,111,355)	(339,871)	(248,753)	-	(3,202,473)
Infrastructure	(454,831)	(37,354)	-	-	(492,185)
Total accumulated depreciation	(17,303,387)	(1,226,572)	(248,753)	-	(18,281,206)
Total capital assets, being depreciated, net	15,510,427	(797,522)	32,110	4,402,753	19,083,548
Total business-type activities	$ 18,685,411	$ 878,517	$ 32,110	$ -	$ 19,531,818
Less related long-term debt outstanding					(8,569,946)
Net investment in capital assets					$ 10,961,872

D. DEFINED BENEFIT PENSION PLAN AND NET PENSION LIABILITY

Plan Description – The Garden City Retirement Plan (the plan) is a defined benefit plan covering all full-time employees and elected officials. 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 handles all administrative and investment functions relative to the plan. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Benefits provided – 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.

Employees covered by benefit terms – As of July 1, 2016, the date of the latest actuarial valuation, the plan membership included the following categories of participants:

Inactive employees (or their beneficiaries) currently receiving benefits	32
Inactive employees entitled to, but not yet receiving benefits	65
Active employees	105
Total	202

Contributions – The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is $466,592.

Net pension liability – The government's net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016.

Actuarial assumptions – The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustment	0.00%
Source of mortality assumptions:	
Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	RP-2000 Disabled Retiree Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the July 1, 2016 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00%	6.75%
International equity	20.00%	7.45%
Real estate	10.00%	4.55%
Global Fixed income	5.00%	3.30%
Domestic Fixed income	20.00%	1.75%
Cash	0.00%	
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed the government contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2015	$ 7,158,519	$ 5,620,119	$ 1,538,400
Changes for the year:			
Service cost	233,822	-	233,822
Interest	543,233	-	543,233
Difference between expected and actual experience	352,913	-	352,913
Contributions, employer	-	353,385	(353,385)
Net investment income	-	18,434	(18,434)
Benefit payments	(298,110)	(298,110)	-
Administrative expense	-	(12,500)	12,500
Other	623,086	-	623,086
Net changes	1,454,944	61,209	1,393,735
Balances at March 31, 2016	$ 8,613,463	$ 5,681,328	$ 2,932,135

The balances at March 31, 2015 and 2016 include entry age normal liabilities calculated using ages and service amounts as of July 1, 2015 and 2016, respectively, and constitute measurements of the net pension liability for the fiscal years ending December 31, 2015 and 2016 respectively.

Sensitivity of the net pension liability to changes in the discount rate – The following represents the net pension liability of the government calculated using the discount rate of 7.75%, as well as what the government's net pension liability would be if it were calculated using a discount rate that is 1.00% point lower (6.75%) or 1.00% point higher (8.75%) than the current rate:

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
City's net pension liability (asset)	$ 4,067,043	$ 2,932,135	$ 1,990,432

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

Pension expense for the year ended December 31, 2016:

Service cost	$	233,822
Interest on total pension liability		543,233
Administrative expenses		12,500
Expected return on assets		(437,217)
Expensed portion of current year period differences between projected and actual experience in total pension liability		88,229
Current year plan changes		623,086
Expensed portion of current year period differences between projected and actual investment earnings		83,755
Current year recognition of deferred inflows and outflows established in prior years		(1,474)
Total expense	$	1,145,934

At December 31, 2016, the government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 332,943	$ -
Net difference between projected and actual earnings on pension plan investments	275,613	(13,266)
City's contribution to the pension plan subsequent to the measurement date	503,459	-
Total deferred outflows/(inflows)	$ 1,112,015	$ (13,266)

The amount of deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, $503,459, will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense for the next six years as follows:

	Outflows		**Inflows**	
	Demographic	Investment	Assumption Change	Total
December 31, 2016:				
Beginning balance	$ 443,925	$ 339,563	$ (17,688)	$ 765,800
Amount recognized	110,982	63,950	(4,422)	170,510
Ending balance	$ 332,943	$ 275,613	$ (13,266)	$ 595,290
Recognized in future years:				
2017	$ 110,981	$ 63,952	$ (4,422)	
2018	110,981	63,952	(4,422)	
2019	110,981	63,952	(4,422)	
2020	-	83,757	-	
Totals	$ 332,943	$ 275,613	$ (13,266)	

The required schedule of changes in the government's net pension liability and related ratios and the schedule of government contributions immediately follow the notes to the financial statements.

Benefit Changes – Effective March 1, 2016, regular eligible employees hired after that date are required to contribute 2.5% of pay. Also effective March 1, 2016 a new alternative normal retirement eligibility at age 55 with 20 years of service is available. Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

E. 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 council. At December 31, 2016 there were 46 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 government 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, 2016, were $200,772 by the employees and $87,528 by the government.

F. RISK MANAGEMENT

The government 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 government carries the following insurance coverage:

Risk Pools. The government 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 government's management based on the anticipated needs. The government 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 government 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 government has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The government is unaware of any claims, which the government is liable (up to the applicable deductible), which were outstanding and unpaid at December 31, 2016. No provisions have been made in the financial statements for any estimate of potential claims.

The government 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 government has no legal obligation to pay its own workers' compensation claims. The government 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 government's annual contribution, the government 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 government pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

G. CAPITAL LEASES

The government has entered into lease agreements as lessee for financing of equipment and vehicles used in governmental activities. This year $78,980 was included in depreciation expense of governmental activities and $104,666 was included in depreciation expense of business-type 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	Business-type Acitivities
Machinery and equipment	$ 445,038	$ 1,216,756
Less: accumulated depreciation	(154,034)	(111,007)
Total	$ 291,004	$ 1,105,749

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

	Governmental Activities		Business-type Activities	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ 187,551	$ 5,499	$ 152,994	$ 19,561
2018	111,632	2,290	156,222	16,332
2019	50,231	1,061	159,519	13,036
2020	25,432	214	162,886	9,669
2021	-	-	144,728	6,231
2022	-	-	147,811	3,148
	$ 374,846	$ 9,064	$ 924,160	$ 67,977

H. 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 government.

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

Year Ending December 31,	Principal	Interest
2017	$ 540,000	$ 177,030
2018	555,000	166,230
2019	565,000	156,240
2020	575,000	144,375
2021	590,000	130,862
2022 - 2026	3,190,000	401,512
2027	695,000	21,892
Totals	$ 6,710,000	$ 1,198,141

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
2017	$ 370,000	$ 73,438
2018	375,000	66,038
2019	385,000	58,538
2020	390,000	53,725
2021	400,000	41,275
2022 - 2026	1,170,000	126,655
2027 - 2031	610,000	68,270
2032	45,000	5,360
Totals	$ 3,745,000	$ 493,299

Georgia Environmental Facilities Authority (GEFA) Loans

The government has entered into loan agreements with GEFA, a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. The loan proceeds have been used to finance water and sewer projects to provide water and sewer access to areas of commercial and residential development throughout the city.

Liability Description / Purpose	Original Amount	Interest Rate	Amount
GEFA 2013-L07WJ - Water and Sewer Improvements	$ 3,878,753	5.15%	$ 3,878,753
Total GEFA loans payable			3,878,753
Less GEFA loans not closed at year end			(3,878,753)
Long-term portion in repayment			$ -

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Capital leases	$ 559,262	$ -	$ 184,416	$ 374,846	$ 187,552
Certificates of participation	7,240,000	-	530,000	6,710,000	540,000
Unamortized discount	(36,463)	-	(3,039)	(33,424)	(3,039)
Long-term debt	7,762,799	-	711,377	7,051,422	724,513
Compensated absences	99,445	306,505	292,638	113,312	113,312
Total governmental activities long-term liabilities	$ 7,862,244	$ 306,505	$ 1,004,015	$ 7,164,734	$ 837,825
Business-type Activities					
Capital leases	$ 1,073,991	$ -	$ 149,831	$ 924,160	$ 152,994
Revenue bonds	4,105,000	-	360,000	3,745,000	370,000
Unamortized premium	23,410	-	1,377	22,033	1,377
GEFA loans	3,021,241	857,512	-	3,878,753	-
Long-term debt	8,223,642	857,512	511,208	8,569,946	524,371
Compensated absences	29,511	82,081	75,598	35,994	35,994
Total business-type activities long-term liabilities	$ 8,253,153	$ 939,593	$ 586,806	$ 8,605,940	$ 560,365

For governmental activities, long-term liabilities are generally liquidated by the SPLOST fund. For business-type activities, long-term liabilities are liquidated by the enterprise fund reporting the liability. The governmental fund liability for compensated absences is liquidated by the general fund.

I. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	$ 289,409
	Water and Sewer Fund	238,460
	Solid Waste Fund	242,819
	Fire Protection Fund	616,908
	Nonmajor governmental funds	135,040
		1,522,636
Nonmajor governmental fund	Nonmajor governmental fund	8,022
Stormwater Fund	General Fund	281,359
Totals		$ 1,812,017

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	$ -	$ 135,943	$ 150,000	$ 45,000	$ 330,943
Proprietary Fund Type					
Solid Waste Fund	-	-	-	30,000	30,000
Fire Protection Fund	847,974	-	-	-	847,974
Total transfers	$ 847,974	$ 135,943	$ 150,000	$ 75,000	$ 1,208,917

Throughout the course of the year, the government 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.

J. RESERVED FUND BALANCES / RETAINED EARNINGS AND RESTRICTED ASSET ACCOUNTS

Amounts for specific purpose by classification and fund for the year ended December 31, 2016 are as follows:

Classification/Fund	Purpose	Amount
Nonspendable		
General fund	Prepaid items	$ 101,190
Restricted		
Special Purpose Sales Tax fund	Capital projects	708,435
Confiscated Asset fund	Public safety	16,208
Multiple Grant fund	Grant purposes	100,453
Committed		
General fund	Rainy day	952,139
Assigned		
Tourism Board	Promote tourism	459,080
Unassigned		
General fund		2,999,503
Total fund balance		$ 5,337,008

In accordance with adopted fund balance policy, the 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.

K. JOINT VENTURE

Under Georgia law, the government is a member of the Coastal Regional Commission and is required to pay annual dues thereto. Membership in a 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 a 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.

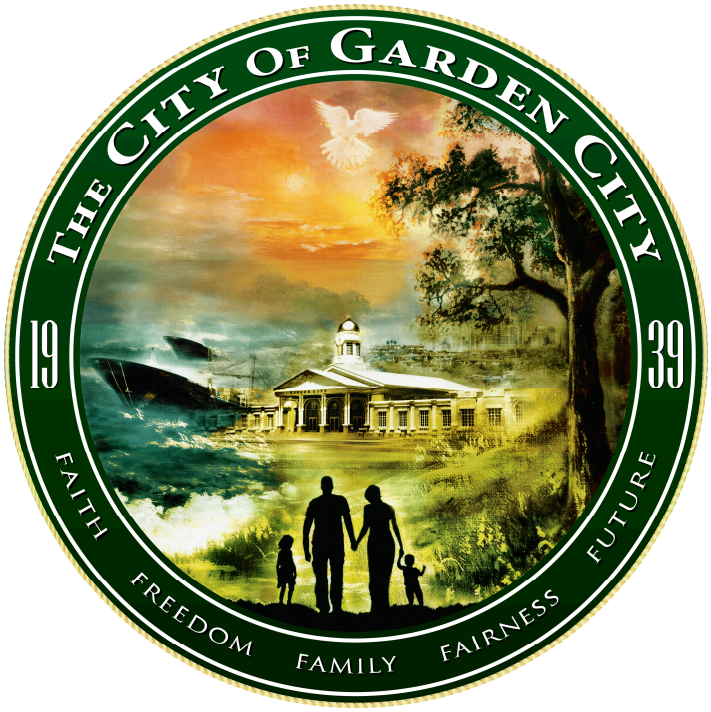
L. CONTINGENCIES

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

M. LODGING TAX

The government imposes a six percent hotel/motel tax on all lodging within the City. Revenues were $271,884 for the year ended December 31, 2016. Expenditures totaled $135,944 (50%) and were used to promote tourism, conventions, trade shows and to operate, maintain and market a conference center facility as required by O.C.G.A. 48-13-51.


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

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Taxes	$ 6,548,745	6,500,625	$ 6,560,879	$ 60,254
Licenses and permits	122,500	209,500	209,968	468
Intergovernmental revenues	162,500	167,134	167,186	52
Charges for services	125,500	127,925	129,307	1,382
Fines and forfeitures	800,000	720,000	761,964	41,964
Investment income	3,000	14,000	14,544	544
Other revenues	190,684	185,000	190,580	5,580
Total revenues	7,952,929	7,924,184	8,034,428	110,244
Expenditures:				
Current:				
General governmental:				
Council	56,500	64,300	63,534	766
City manager	315,772	342,100	335,384	6,716
General administration	1,076,362	1,130,337	1,116,960	13,377
Total general government	1,448,634	1,536,737	1,515,878	20,859
Judicial:				
Municipal court	104,481	100,000	98,450	1,550
Public safety:				
Police	3,882,292	4,096,743	4,090,045	6,698
Emergency management	4,050	3,550	3,371	179
Total public safety	3,886,342	4,100,293	4,093,416	6,877
Public works:				
Public works administration	865,991	1,284,339	1,298,973	(14,634)
Maintenance and shop	126,156	133,700	129,617	4,083
Total public works	992,147	1,418,039	1,428,590	(10,551)
Health and welfare:				
Senior citizens center	179,655	225,031	213,111	11,920
Culture and recreation:				
Recreation	764,252	854,275	845,761	8,514
Parks	2,000	14,000	13,381	619
Total culture and recreation	766,252	868,275	859,142	9,133
Housing and development:				
Planning and zoning	372,686	426,150	414,052	12,098
Total current	7,750,197	8,674,525	8,622,639	51,886
Debt service:				
Principal	134,534	138,240	138,240	-
Interest	7,224	3,517	3,517	-
Total debt service	141,758	141,757	141,757	-
Total expenditures	7,891,955	8,816,282	8,764,396	51,886
Excess (deficiency) of revenues over (under) expenditures	60,974	(892,098)	(729,968)	162,130

(continued)

City of Garden City, Georgia
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Other financing sources (uses):				
Transfers in	290,000	319,000	330,943	11,943
Transfers out	(847,974)	(1,278,599)	(847,974)	430,625
Sale of general capital assets	-	875	875	-
Insurance recoveries	10,000	26,000	16,753	(9,247)
Total other financing sources (uses)	(547,974)	(932,724)	(499,403)	433,321
Net change in fund balance	(487,000)	(1,824,822)	(1,229,371)	595,451
Fund balance, beginning of year	5,282,203	5,282,203	5,282,203	-
Fund balance, end of year	$ 4,795,203	$ 3,457,381	$ 4,052,832	$ 595,451

(concluded)

City of Garden City, Georgia
Schedule of Changes in the Net Pension Liability and Related Ratios
December 31, 2016

	2015	2016
TOTAL PENSION LIABILITY		
Service cost	$ 217,862	$ 233,822
Interest	501,801	543,233
Differences between expected and actual experience	113,765	352,913
Changes of assumptions	(22,112)	-
Benefit payments	(255,306)	(298,110)
Other	-	623,086
Net change in total pension liability	556,010	1,454,944
Total pension liability - beginning	6,602,509	7,158,519
Total pension liability - ending	$ 7,158,519	$ 8,613,463
PLAN FIDUCIARY NET POSITION		
Contributions - employer	$ 381,022	$ 353,385
Net investment income	492,021	18,434
Benefit payments	(255,306)	(298,110)
Administrative expense	(11,335)	(12,500)
Net change in plan fiduciary net position	606,402	61,209
Plan fiduciary net position - beginning	5,013,717	5,620,119
Plan fiduciary net position - ending	$ 5,620,119	$ 5,681,328
NET PENSION LIABILITY - ending	$ 1,538,400	$ 2,932,135
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	21.49%	34.04%
COVERED-EMPLOYEE PAYROLL	$ 4,119,739	$ 4,535,128
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	37.34%	64.65%

Historical information prior to the implementation of GASBS 68 is not required

City of Garden City, Georgia
Schedule of Contributions
December 31, 2016

	2015	2016 *
Actuarially determined contribution	$ 353,360	$ -
Contributions in relation to the actuarially determined contribution	353,360	-
Contribution deficiency (excess)	$ -	$ -
COVERED-EMPLOYEE PAYROLL	$ 4,119,739	$ -
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	8.58%	-

Historical information prior to the implementation of GASBS 68 is not required

* 2016 information will be determined after fiscal year end and will be included in the 2017 valuation report.

1. 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.

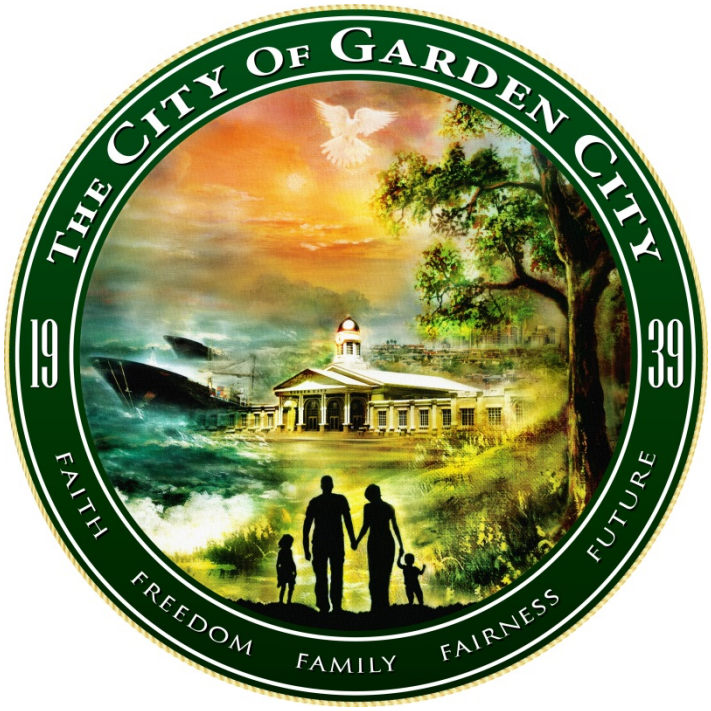
Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended December 31, 2016, the following supplemental and decrease in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriation	Supplemental Decreases	Final Appropriation
General Fund	$ 8,739,929	$ 1,363,640	$ 8,688	$ 10,094,881
Special Revenue	202,000	98,404	-	300,404

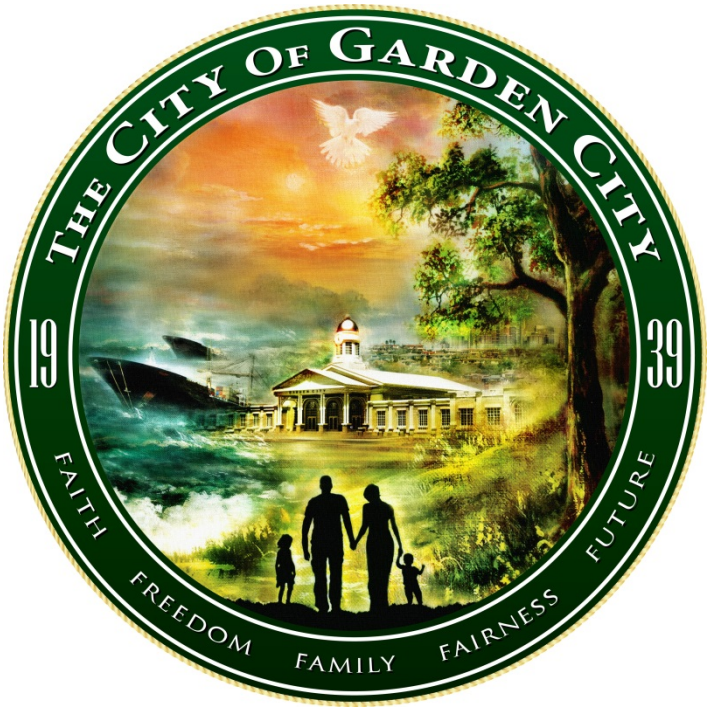
2. Retirement Plan Schedule of Contributions

The actuarially determined contribution rate was determined as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending December 31, 2016.

Valuation Date	7/1/2016
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 year plus the assumed investment return, adjusted by 10% of the amount that the value excceds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of the market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.50% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Normal: 65+5; Early: 55+10
Mortality	See notes to the basic financial statements


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

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:

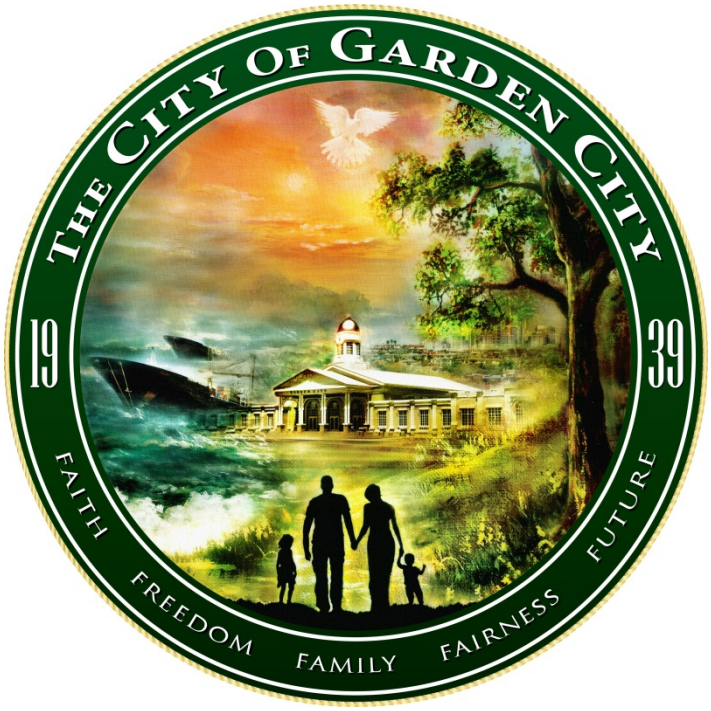
The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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, 2016

	Special Revenue Funds				
	Confiscated Assets	Special Purpose Hotel - Motel	Tourism Board	Multiple Grant	Total
ASSETS					
Cash and cash equivalents	$ 16,542	$ 24,204	476,912	$ -	$ 517,658
Taxes receivable	-	24,090	-	-	24,090
Due from other funds	-	-	8,022	-	8,022
Restricted cash and cash equivalents	-	-	-	178,420	178,420
Total assets	$ 16,542	$ 48,294	$ 484,934	$ 178,420	$ 728,190
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ 4,024	$ -	$ 5,363	$ 9,387
Due to other funds	334	44,270	25,855	72,603	143,062
Total liabilities	334	48,294	25,855	77,966	152,449
Fund balances					
Restricted	16,208	-	-	100,453	116,661
Assigned	-	-	459,080	-	459,080
Total fund balance	16,208	-	459,080	100,453	575,741
Total liablilities and fund balances	$ 16,542	$ 48,294	$ 484,935	$ 178,419	$ 728,190

City of Garden City, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds				
	Confiscated Assets	Hotel - Motel	Tourism Board	Multiple Grant	Total
REVENUES					
Taxes	$ -	$ 271,884	$ -	$ -	$ 271,884
Intergovernmental	-	-	90,629	127,650	218,279
Fines and forfeitures	24,333	-	-	-	24,333
Investment earnings	-	3	13	26	42
Total revenues	24,333	271,887	90,642	127,676	514,538
EXPENDITURES					
Current:					
Public safety	15,120	-	-	-	15,120
Housing and development	-	-	12,403	50,381	62,784
Intergovernmental:					
Assistance	-	135,944	-	-	135,944
Total expenditures	15,120	135,944	12,403	50,381	213,848
Excess (deficiency) of revenues over (under) expenditures	9,213	135,943	78,239	77,295	300,690
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(135,943)	-	-	(135,943)
Total other financing sources (uses)	-	(135,943)	-	-	(135,943)
Net change in fund balance	9,213	-	78,239	77,295	164,747
Fund balance, beginning of year	6,995	-	380,841	23,158	410,994
Fund balance, end of year	$ 16,208	$ -	$ 459,080	$ 100,453	$ 575,741

City of Garden City, Georgia
Confiscated Assets Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures	$ 10,000	$ 16,000	$ 24,333	$ 8,333
Total revenues	10,000	16,000	24,333	8,333
Expenditures:				
Current:				
Public safety	10,000	16,000	15,120	880
Total expenditures	10,000	16,000	15,120	880
Excess (deficiency) of revenues over (under) expenditures	-	-	9,213	9,213
Net change in fund balance	-	-	9,213	9,213
Fund balance, beginning of year	6,995	6,995	6,995	-
Fund balance, end of year	$ 6,995	$ 6,995	$ 16,208	$ 9,213

City of Garden City, Georgia
Hotel – Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 190,000	$ 272,000	$ 271,884	$ (116)
Investment income	-	-	3	3
Total revenues	190,000	272,000	271,887	(113)
Expenditures:				
Intergovernmental:				
Assistance	95,000	136,000	135,944	56
Total expenditures	95,000	136,000	135,944	56
Excess (deficiency) of revenues over (under) expenditures	95,000	136,000	135,943	(57)
Other financing sources (uses):				
Transfers out	(95,000)	(136,000)	(135,943)	57
Total other financing sources (uses)	(95,000)	(136,000)	(135,943)	57
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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 60,000	$ 82,599	$ 90,629	$ 8,030
Investment income	50	13	13	-
Total revenues	60,050	82,612	90,642	8,030
Expenditures:				
Current:				
General government	2,000	12,404	12,403	1
Total expenditures	2,000	12,404	12,403	1
Excess (deficiency) of revenues over (under) expenditures	58,050	70,208	78,239	8,031
Net change in fund balance	58,050	70,208	78,239	8,031
Fund balance, beginning of year	380,841	380,841	380,841	-
Fund balance, end of year	$ 438,891	$ 451,049	$ 459,080	$ 8,031

City of Garden City, Georgia
Multiple Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

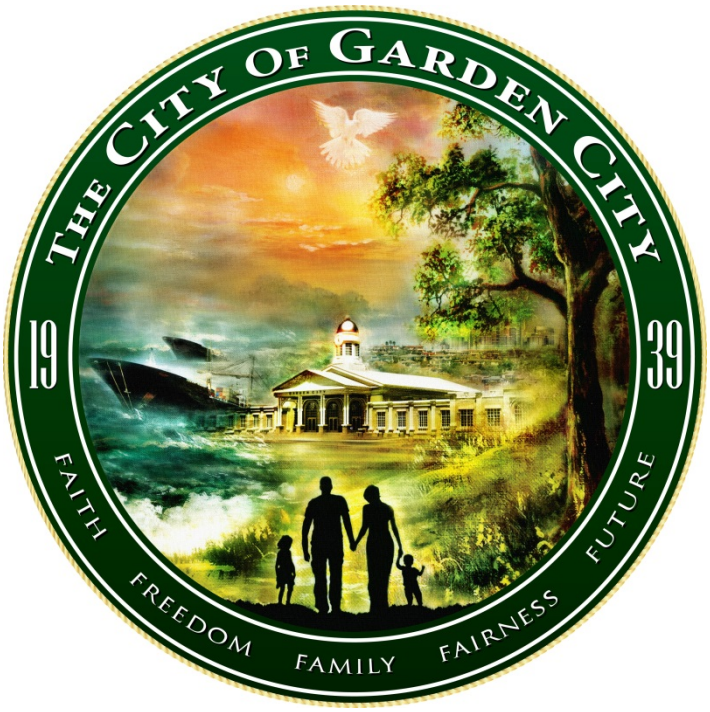
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 130,000	$ 128,530	$ 127,650	$ (880)
Investment earnings	-	-	26	26
Total revenues	130,000	128,530	127,676	(854)
Expenditures:				
Current:				
Housing and development	130,000	128,530	50,381	78,149
Total expenditures	130,000	128,530	50,381	78,149
Excess (deficiency) of revenues over (under) expenditures	-	-	77,295	77,295
Net change in fund balance	-	-	77,295	-
Fund balance, beginning of year	23,158	23,158	23,158	-
Fund balance, end of year	$ 23,158	$ 23,158	$ 100,453	$ -

City of Garden City, Georgia
Schedule of Projects Constructed With
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
2014 - 2020 SPLOST Referendum					
Capital outlay projects:	$ 3,613,000	$ 3,613,000	$ -	$ -	$ -
Government buildings			-	79,597	79,597
Public safety facilities and equipment			350,013	385,272	735,285
Roads, streets and bridges			-	449,433	449,433
Cultural and recreational facilities			-	-	-
Parks			-	-	-
Debt service:					
Municipal and Judicial facilities	4,472,000	4,472,000	680,524	717,630	1,398,154
Total SPLOST expenditures	$ 8,085,000	$ 8,085,000	$ 1,030,537	$ 1,631,932	$ 2,662,469

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	$ 1,883,687
Local maintenance and improvement grants	(200,463)
Debt service on equipment reported on schedule	(51,292)
Total SPLOST expenditures	$ 1,631,932


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 -21

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 -25

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 -27

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

	2007	2008	2009
Governmental activities			
Net investment in capital assets	$ 4,691,714	$ 13,763,772	$ 12,909,489
Restricted	1,772,604	-	-
Unrestricted	15,468,336	7,846,785	7,153,169
Total governmental activities net position	$ 21,932,654	$ 21,610,557	$ 20,062,658
Business-type activities			
Net investment in capital assets	$ 7,688,460	$ 8,293,976	$ 11,266,753
Restricted	-	-	-
Unrestricted	3,247,446	3,002,780	1,404,345
Total business-type activities net position	$ 10,935,906	$ 11,296,756	$ 12,671,098
Primary Government			
Net investment in capital assets	$ 12,380,174	$ 22,057,748	$ 24,176,242
Restricted	1,772,604	-	-
Unrestricted	18,715,782	10,849,565	8,557,514
Total primary government net position	$ 32,868,560	$ 32,907,313	$ 32,733,756

2010	2011	2012	2013	2014	2015	2016
$ 12,348,736	$ 12,329,724	$ 11,928,004	$ 11,973,251	$ 11,695,771	$ 11,798,120	$ 12,944,733
-	116,276	252,533	120,040	576,674	978,394	825,096
3,991,150	3,569,672	4,458,343	4,117,321	5,526,529	5,542,726	3,883,156
$ 16,339,886	$ 16,015,672	$ 16,638,880	$ 16,210,612	$ 17,798,974	$ 18,319,240	$ 17,652,985
$ 11,699,882	$ 11,693,200	$ 11,678,706	$ 10,950,870	$ 10,408,014	$ 10,461,769	$ 10,961,872
-	-	-	-	-	-	-
314,526	230,177	838,502	1,617,980	2,593,894	3,098,463	2,901,328
$ 12,014,408	$ 11,923,377	$ 12,517,208	$ 12,568,850	$ 13,001,908	$ 13,560,232	$ 13,863,200
$ 24,116,888	$ 24,022,924	$ 23,606,710	$ 22,924,121	$ 22,103,785	$ 22,259,889	$ 23,906,605
25,647	116,276	252,533	120,040	576,674	978,394	825,096
4,211,759	3,799,849	5,296,845	5,735,301	8,120,423	8,641,189	6,784,484
$ 28,354,294	$ 27,939,049	$ 29,156,088	$ 28,779,462	$ 30,800,882	$ 31,879,472	$ 31,516,185

City of Garden City, Georgia

Changes in Net Position
Last Ten Calendar Years

	2007	2008	2009
Expenses			
Governmental activities:			
General government	$ 1,035,750	$ 1,229,916	$ 1,749,681
Judiciary	71,619	72,997	71,619
Public safety	3,341,151	3,984,387	4,410,216
Public works	1,349,616	1,523,871	1,459,347
Health and welfare	137,767	265,131	146,905
Culture and recreation	743,384	733,409	859,249
Housing and development	310,464	524,466	414,517
Interest on long-term debt	7,321	9,181	12,593
Total governmental activities expenses	6,997,072	8,343,358	9,124,127
Business-type activities:			
Water and sewer	1,866,494	2,406,423	2,879,332
Sanitation	383,870	384,738	461,521
Stornwater	-	-	765,146
Fire protection services	-	-	-
Total business-type activities expense	2,250,364	2,791,161	4,105,999
Total primary government expenses	$ 9,247,436	$ 11,134,519	$ 13,230,126
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 69,245	$ 286,287	$ 115,827
Public safety	628,232	765,113	1,057,234
Public works	-	600	450
Health and welfare	-	-	-
Culture and recreation	80,133	89,426	67,558
Housing and development	230,177	85,648	42,478
Operating grants and contributions	66,925	138,576	141,953
Capital grants and contributions	63,251	15,983	2,170,273
Total governmental activities program revenues	1,137,963	1,381,633	3,595,773
Business-type activities:			
Charges for services	2,215,695	2,967,045	3,589,799
Operating grants and contributions	-	-	-
Capital grants and contributions	441,774	81,741	50,200
Total business type activities program revenues	2,657,469	3,048,786	3,639,999
Total primary government program revenues	$ 3,795,432	$ 4,430,419	$ 7,235,772
Net (Expense)/Revenue			
Governmental activities	$ (5,859,109)	$ (6,961,725)	$ (5,528,354)
Business-type activities	407,105	257,625	(466,000)
Total primary government net expense	$ (5,452,004)	$ (6,704,100)	$ (5,994,354)

2010	2011	2012	2013	2014	2015	2016
$ 2,272,465	$ 1,957,364	$ 2,018,107	$ 1,934,767	$ 1,449,807	$ 1,580,481	$ 1,796,052
98,187	97,289	97,000	97,160	95,500	96,250	98,450
6,332,933	3,990,758	3,691,402	3,606,478	3,727,352	3,978,747	4,820,500
1,553,248	1,010,737	706,294	1,644,768	984,467	1,016,071	1,489,211
157,645	142,685	185,716	149,818	165,958	201,774	223,839
744,323	632,721	836,979	770,782	694,969	720,162	928,678
496,820	311,098	323,100	300,931	164,671	381,510	522,753
380,030	348,678	637,930	200,938	212,955	219,211	193,830
12,035,651	8,491,330	8,496,528	8,705,642	7,495,679	8,194,206	10,073,313
2,924,569	3,047,325	2,952,549	3,101,449	2,837,507	3,075,811	3,221,336
434,560	385,114	399,333	413,749	384,159	370,800	379,055
766,005	829,794	722,104	738,503	878,475	808,378	931,135
-	747,183	899,450	962,591	874,368	1,324,813	1,796,044
4,125,134	5,009,416	4,973,436	5,216,292	4,974,509	5,579,802	6,327,570
$ 16,160,785	$ 13,500,746	$ 13,469,964	$ 13,921,934	$ 12,470,188	$ 13,774,008	$ 16,400,883
$ 119,688	$ 116,139	$ 72,804	$ 197,364	$ 201,390	$ 254,970	$ 296,327
1,014,791	1,210,341	1,218,187	764,254	709,893	734,117	791,251
720	1,045	2,198	170	705	630	225
-	-	-	22,574	24,283	22,817	20,527
106,654	106,017	128,288	93,780	106,154	91,742	103,601
52,476	21,299	29,367	16,879	38,677	54,690	60,948
768,046	259,378	254,356	146,502	164,947	177,904	165,936
15,059	1,169,793	1,203,611	1,664,723	1,295,386	1,580,781	1,772,807
2,077,434	2,884,012	2,908,811	2,906,246	2,541,435	2,917,651	3,211,622
3,587,896	4,401,169	4,974,884	5,050,737	5,224,169	5,442,920	5,550,037
-	201,426	200,189	193,377	39,078	524,050	-
205,910	22,441	401,069	15,215	87,876	156,586	418,491
3,793,806	4,625,036	5,576,142	5,259,329	5,351,123	6,123,556	5,968,528
$ 5,871,240	$ 7,509,048	$ 8,484,953	$ 8,165,575	$ 7,892,558	$ 9,041,207	$ 9,180,150
$ (9,958,217)	$ (5,607,318)	$ (5,587,717)	$ (5,799,396)	$ (4,954,244)	$ (5,276,555)	$ (6,861,691)
(331,328)	(384,380)	602,706	43,037	376,614	543,754	(359,042)
$(10,289,545)	$ (5,991,698)	$ (4,985,011)	$ (5,756,359)	$ (4,577,630)	$ (4,732,801)	$ (7,220,733)

continued

City of Garden City, Georgia

Changes in Net Position
Last Ten Calendar Years

	2007	2008	2009
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes	$ 5,846,673	$ 5,842,702	$ 5,500,889
Grants and contributions not restricted to specific programs	1,038,544	258,538	-
Unrestricted investment earnings	737,279	360,975	67,762
Miscellaneous	125,786	201,026	241,991
Special Item - Gain on sale of municipal complex	3,184,212	-	-
Transfers	(486,703)	(23,613)	(1,830,187)
Total governmental activities	10,445,791	6,639,628	3,980,455
Business-type activities - water and sewer:			
Unrestricted investment earnings	160,239	79,611	10,155
Miscellaeous	-	-	-
Transfers	486,703	23,613	1,830,187
Total business-type activities	646,942	103,224	1,840,342
Total primary government	$ 11,092,733	$ 6,742,852	$ 5,820,797
Change in Net Position			
Governmental activities	$ 4,586,682	$ (322,097)	$ (1,547,899)
Business-type activities	1,054,047	360,849	1,374,342
Total primary government	$ 5,640,729	$ 38,752	$ (173,557)

2010	2011	2012	2013	2014	2015	2016
$ 5,618,465	$ 5,693,408	$ 6,042,359	$ 5,330,729	$ 6,591,994	$ 6,849,298	$ 6,772,949
202,913	-	-	-	-		
18,644	2,152	2,500	3,091	3,087	7,904	14,560
200,423	191,832	142,866	28,110	1,283	29,782	60,901
-	17,023	-	-	-	-	-
195,000	(292,911)	23,200	9,198	(53,758)	(265,377)	(652,974)
6,235,445	5,611,504	6,210,925	5,371,128	6,542,606	6,621,607	6,195,436
1,542	438	816	1,239	1,764	2,546	6,966
-	-	13,509	16,564	922	38,724	2,070
(195,000)	292,911	(23,200)	(9,198)	53,758	265,377	652,974
(193,458)	293,349	(8,875)	8,605	56,444	306,647	662,010
$ 6,041,987	$ 5,904,853	$ 6,202,050	$ 5,379,733	$ 6,599,050	$ 6,928,254	$ 6,857,446
$ (3,722,772)	$ 4,186	$ 623,208	$ (428,268)	$ 1,588,362	$ 1,345,052	$ (666,255)
(524,786)	(91,031)	593,831	51,642	433,058	850,401	302,968
$ (4,247,558)	$ (86,845)	$ 1,217,039	$ (376,626)	$ 2,021,420	$ 2,195,453	$ (363,287)

(concluded)

City of Garden City, Georgia

Fund Balances, Governmental Funds
Last Ten Calendar Years

	2007	2008	2009
General Fund			
Reserved	$ 189,626	$ 107,194	$ 3,851,793
Unreserved	14,190,311	10,675,968	6,001,695
Nonspendable	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	$ 14,379,937	$ 10,783,162	$ 9,853,488
All Other Governmental Funds			
Reserved	$ -	$ -	$ -
Unreserved, reported in:			
Special reveneue funds	276,499	215,896	21,384
Capital projects fund	1,772,604	(4,135,489)	(3,411,015)
Restricted			
Special reveneue funds	-	-	-
Capital projects fund	-	-	-
Assigned			
Special reveneue funds	-	-	-
Total all other governmental funds	$ 2,049,103	$ (3,919,593)	$ (3,389,631)

The City of Garden City implemented GASB 54 for the calendar year ended December 31, 2011.

2010	2011	2012	2013	2014	2015	2016
$ 1,689,362	$ -	$ -	$ -	$ -	$ -	$ -
4,088,793	-	-	-	-	-	-
-	125,386	126,443	117,959	184,289	74,493	101,190
-	1,757,128	1,923,724	1,757,126	1,898,074	2,184,982	952,139
-	-	533,000	-	-	-	-
-	1,321,567	1,149,729	1,464,440	2,482,404	3,022,728	2,999,503
$ 5,778,155	$ 3,204,081	$ 3,732,896	$ 3,339,525	$ 4,564,767	$ 5,282,203	$ 4,052,832
$ -	$ -	$ -	$ -	$ -	$ -	$ -
42,928	-	-	-	-	-	-
(2,478,743)	-	-	-	-	-	-
-	11,171	13,125	1,673	4,498	30,153	116,661
-	105,105	239,409	118,367	572,176	948,241	708,435
-	93,411	152,450	224,709	299,895	380,841	459,080
$ (2,435,815)	$ 209,687	$ 404,984	$ 344,749	$ 876,569	$ 1,359,235	$ 1,284,176

City of Garden City, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years

	2007	2008	2009
Revenues			
Taxes	$ 6,067,002	$ 5,681,166	$ 5,862,825
Licenses and permits	299,322	371,935	158,305
Intergovernmental	1,168,720	413,097	156,106
Charges for services	107,577	111,948	86,398
Fines and fees	600,888	743,191	1,038,844
Interest revenues	737,279	360,975	67,762
Other revenues	125,786	238,684	241,991
Total revenue	9,106,574	7,920,996	7,612,231
Expenditures			
Current:			
General government	993,290	1,258,805	1,778,215
Judiciary	71,619	72,997	71,619
Public safety	3,016,062	3,636,442	4,106,397
Public works	1,111,409	1,314,486	1,307,368
Health and welfare	137,767	148,852	146,905
Culture and recreation	626,069	733,409	745,024
Housing and development	417,853	495,843	386,341
Capital outlay	1,219,135	9,910,821	8,712,346
Debt service:			
Principal	51,213	142,763	219,904
Interest and other charges	7,321	9,181	12,593
Intergovernmental:			
Assistance	91,150	100,573	88,646
Total expenditures	7,742,888	17,824,172	17,575,358
Excess (Deficiency) of revenues over (under) expenditures	1,363,686	(9,903,176)	(9,963,127)
Other Financing sources (uses)			
Capital leases and notes payable	-	361,318	10,207,438
Certificates of participation issued	-	-	-
Discount on certificates of participation issued	-	-	-
Sale of surplus property	-	-	-
Insurance recoveries	-	-	-
Transfers in	205,415	3,646,975	140,885
Transfers out	(692,118)	(3,670,588)	(784,908)
Total other financing sources (uses)	(486,703)	337,705	9,563,415
Special Item			
Proceeds from sale of municipal complex	3,389,558	-	-
Net change in fund balances	$ 4,266,541	$ (9,565,471)	$ (399,712)
Debt service as a percentage of noncapital expenditures	0.89%	1.92%	2.73%

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.

2010	2011	2012	2013	2014	2015	2016
$ 5,558,257	$ 5,792,343	$ 6,025,297	$ 5,341,826	$ 6,528,681	$ 6,770,026	$ 6,832,763
172,197	136,213	102,171	80,782	115,075	172,865	209,968
1,067,075	1,365,828	1,457,934	1,883,741	1,535,954	1,835,756	2,028,881
119,519	125,035	139,499	150,326	155,754	119,455	129,307
1,002,613	1,193,593	1,209,174	730,884	685,389	730,823	786,297
18,703	2,152	2,530	3,091	3,087	7,988	15,051
223,002	231,154	122,320	148,532	122,773	159,750	190,580
8,161,366	8,846,318	9,058,925	8,339,182	9,146,713	9,796,663	10,192,847
1,835,903	1,527,331	1,616,657	1,565,889	1,028,023	1,216,522	1,515,878
98,187	97,289	97,000	97,160	95,500	96,250	98,450
4,519,181	3,577,570 [(a)]	3,514,410	3,474,984	3,550,513	3,862,078	4,108,536
1,082,379	811,223	675,617	583,182	789,449	907,525	1,428,590
157,645	142,685	185,716	149,818	165,958	202,054	213,111
744,323	570,302	775,429	817,256	619,474	734,559	859,142
639,431	326,839	302,740	264,661	126,860	340,560	476,836
1,875,554	-	-	948,156	115,405	635,504	1,114,765
283,814	1,191,325	9,060,504	547,220	523,461	618,046	716,012
380,030	377,338	881,197	240,704	211,212	218,259	194,667
115,134	92,821	73,816	125,564	113,432	123,245	135,944
11,731,581	8,714,723	17,183,086	8,814,594	7,339,287	8,954,602	10,861,931
(3,570,215)	131,595	(8,124,161)	(475,412)	1,807,426	842,061	(669,084)
253,698	-	71,000	-	-	612,563	-
-	-	8,740,000	-	-	-	-
-	-	(45,580)	-	-	-	-
-	-	39,107	-	-	-	875
-	-	20,546	12,607	3,394	10,855	16,753
3,327,250	3,383,109	582,482	312,115	308,434	318,245	330,943
(3,132,250)	(3,443,276)	(559,282)	(302,917)	(362,192)	(583,622)	(983,917)
448,698	(60,167)	8,848,273	21,805	(50,364)	358,041	(635,346)
-	-	-	-	-	-	-
$ (3,121,517)	$ 71,428	$ 724,112	$ (453,607)	$ 1,757,062	$ 1,200,102	$ (1,304,430)
5.98%	18.14%	58.78%	9.25%	10.07%	10.20%	9.42%

City of Garden City, Georgia

Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

Tax Digest Year	Real Property		Mobile Homes	Motor Vehicles	Industrial	Utility
	Residential	Commercial				
2007	$ 96,315,222	$ 139,038,044	$ 4,837,800	$ 25,821,260	$ 88,079,178	$ 5,144,188
2008	102,002,998	148,130,329	4,879,800	27,855,530	93,924,012	8,489,551
2009	102,612,345	153,186,452	4,716,200	28,087,370	90,569,095	7,803,677
2010	87,583,851	152,466,687	4,606,800	26,211,060	102,262,351	8,491,300
2011	79,077,088	144,592,269	4,519,484	25,055,760	124,301,390	10,779,351
2012	78,084,103	147,194,157	5,492,582	26,301,130	111,412,897	10,150,904
2013	81,535,065	156,766,825	5,965,240	27,999,510	109,871,199	10,367,321
2014	81,205,784	167,938,531	5,773,080	24,858,970	100,240,147	10,872,614
2015	78,385,792	175,929,590	5,646,194	16,776,140	117,435,762	12,124,157
2016	75,494,899	164,296,704	5,235,004	12,951,250	133,902,014	12,417,656

Source: Chatham County Tax Assessor City Only Consolidation and Evaluation Digest

Note: The ratio of total assessed to total estimated actual value is at at 40.00% by state law.

Tax rates are per $1,000 net assessed value.

Other Personal Property	Tax Exempt Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
$ 3,795,220	$ (22,627,682)	$ 340,403,230	$ 851,008,075	40.00%	-
3,869,741	(23,262,625)	365,889,336	914,723,340	40.00%	-
5,138,351	(20,065,855)	372,047,635	930,119,088	40.00%	-
3,344,329	(13,739,715)	371,226,663	928,066,658	40.00%	-
2,332,308	(9,383,559)	381,274,091	953,185,228	40.00%	-
1,153,718	(8,978,184)	370,811,307	927,028,268	40.00%	-
833,057	(10,592,025)	382,746,192	956,865,480	40.00%	-
1,482,241	(41,126,476)	351,244,891	878,112,228	40.00%	4.000
2,301,812	(39,526,795)	369,072,652	922,681,630	40.00%	3.883
2,346,749	(38,232,614)	368,411,662	921,029,155	40.00%	3.883

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
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
2014	4.000	15.881	12.543	0.100	32.524
2015	3.883	16.631	12.543	0.050	33.107
2016	3.883	16.631	12.543	-	33.057

Source: Chatham County Tax Assessor

City of Garden City, Georgia

Local Option Sales Tax History
Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January	$ 280,728	$ 293,311	$ 344,503	$ 273,020	$ 250,824	$ 270,245	$ 256,987	$ 198,095	$ 215,149	$ 179,109
February	324,874	327,143	254,327	270,843	280,818	290,586	295,748	210,564	220,986	219,773
March	274,918	228,148	221,021	294,915	279,450	326,733	237,172	240,296	243,788	251,317
April	282,938	301,310	394,481	275,134	295,415	298,087	195,103	233,610	251,283	241,114
May	302,503	317,991	249,038	285,449	293,494	313,743	224,825	238,363	247,085	240,575
June	323,734	301,614	269,339	281,520	304,670	321,629	224,100	240,984	254,619	253,815
July	320,618	328,109	284,952	280,362	318,112	310,599	215,672	247,207	253,464	242,325
August	288,609	304,379	314,377	279,326	306,235	293,763	220,673	235,973	235,624	237,427
September	335,186	306,294	263,508	265,355	301,040	310,136	216,010	230,915	199,903	238,282
October	314,916	278,989	269,220	274,202	273,984	302,928	213,307	231,495	232,030	218,906
November	329,570	334,426	245,272	261,524	268,169	288,766	205,247	232,669	230,946	244,444
December	599,365	272,842	270,655	300,901	331,240	332,013	250,943	267,433	266,323	283,077
Pro Rata Adjustment	7,315	-	-	-	-	-	-	-	-	-
Total	$ 3,985,274	$ 3,594,556	$ 3,380,693	$ 3,342,551	$ 3,503,451	$ 3,659,228	$ 2,755,787	$ 2,807,604	$ 2,851,200	$ 2,850,164

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Local Option Sales Tax	$ 3,985,274	$ 3,443,904	$ 3,380,693	$ 3,342,551	$ 3,503,451	$ 3,659,228	$ 2,755,787	$ 2,807,604	$ 2,851,200	$ 2,850,164
Real and Personal Property Tax	-	-	-	-	-	-	-	1,174,624	1,377,255	1,479,981
Title Ad Valorem Tax	-	-	-	-	-	-	170,450	196,198	207,554	126,374
Franchise Tax - Electric	471,962	527,708	691,275	589,091	722,827	655,423	683,785	662,390	719,749	662,594
Franchise Tax - Gas	43,142	33,479	31,319	31,171	30,163	30,654	31,938	31,442	29,699	29,649
Franchise Tax - Television Cable	73,286	81,123	81,315	79,960	110,206	90,787	94,093	94,802	95,864	100,537
Franchise Tax - Telephone	79,419	97,988	51,511	59,272	52,654	47,615	52,818	51,156	55,648	67,922
Alcoholic Beverage Excise Tax	185,202	172,002	172,217	157,393	151,710	140,161	129,078	139,623	141,929	146,458
Energy Excise Tax	-	-	-	-	-	-	6,701	18,900	36,702	43,503
Local Option Mixed Drink Excise Tax	4,312	5,436	5,421	2,340	3,015	2,860	2,565	4,271	7,416	9,556
Business and Occupation Tax	425,807	440,543	642,642	524,025	570,643	714,569	709,453	623,464	466,552	461,095
Insurance Premium Tax	558,647	568,637	563,302	546,931	411,725	437,321	453,628	474,518	506,945	549,120
Financial Institution Tax	24,561	21,952	23,251	40,349	35,885	40,562	33,959	22,825	27,027	33,926
	$ 5,851,612	$ 5,392,772	$ 5,642,946	$ 5,373,083	$ 5,592,279	$ 5,819,180	$ 5,124,255	$ 6,301,817	$ 6,523,540	$ 6,560,879

City of Garden City, Georgia

Principal Property Tax Payers
Current Year and Two Years Ago

Taxpayer	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value
International Paper	$ 9,455,239	1	2.57%	$ 8,125,231	1	2.05%
Centerpoint Garden City LLC	8,600,168	2	2.33%	7,136,760	2	1.80%
Georgia Power Company	8,580,621	3	2.33%	6,994,812	3	1.76%
Slivka Gene R	7,621,800	4	2.07%	3,478,520	9	0.88%
Duke Realty Limited Partnership	7,220,280	5	1.96%	6,381,648	4	1.61%
Byck Sylvan M Jr Etal	5,866,840	6	1.59%	5,206,740	5	1.31%
Garden Lake Townhomes LLC	5,343,240	7	1.45%	3,673,821	8	0.93%
Glencore Ltd	5,330,119	8	1.45%			
Newell Recycling of Savannah LLC	4,164,985	9	1.13%			
Sunbelt Rentals, Inc.	3,478,520	10	0.94%			
Trafigura				5,023,394	6	1.27%
Cowan Investments LLC				3,948,000	7	0.99%
ABRO Industries Inc.				3,324,485	10	0.84%
Total	$ 65,661,812		17.82%	$ 53,293,411		13.44%

Source: Chatham County Tax Assessor

Note: 2014 was the first year the City of Garden City, Georgia levied property taxes.

City of Garden City, Georgia

Property Tax Levies and Collections
Last Three Calendar Years

Calendar Year [1]	Total Tax Levy [2]	Adjustments	Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 1,278,693	$ (24,184)	$ 1,254,509	$ 1,009,692	78.96%	$ 242,708	$ 1,252,400	97.94%
2015	1,339,135	(45,492)	1,293,643	1,121,272	86.68%	170,138	1,291,410	99.83%
2016	1,352,839	(32,261)	1,320,578	1,174,439	86.81%	-	1,174,439	88.93%

Source: Chatham County Tax Commissioner

[1] Taxes are assessed for the calendar year beginning January 1.

[2] The total tax levy is the original state approved levy and includes real property, industrial property, personal property and public utilities.

Note: 2014 was the first year the City of Garden City, Georgia levied property taxes

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	
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	Base *	$	10.54
	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	Base *	$	12.26
2012	Base *		11.68	Base *		13.44
2013	Base *		12.13	Base *		13.95
2014	Base *		13.35	Base *		15.36
2015	Base *		13.55	Base *		15.59
	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
2016	Base *	$	14.09	Base *	$	16.20
	Administration Fee		2.35	Administration Fee		2.35
	Gallons			Gallons		
	up to 2,500	$	1.32	up to 2,500	$	2.07
	2,501 - 5,000		1.58	2,501 - 5,000		2.48
	5,001 - 10,000		1.85	5,001 - 10,000		2.90
	10,001 - 15,000		2.37	10,001 - 15,000		3.72
	15,001 - 20,000		2.90	15,001 - 20,000		4.55
	Over 20,000		3.43	Over 20,000		5.37

** Base rates are per residential equivalent unit (REU)*

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
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	Base *	$ 12.04
	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	Base *	$ 13.39
	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	Base *	$ 15.35
2013	Base *	14.40	Base *	16.56
2014	Base *	15.84	Base *	18.21
2015	Base *	16.08	Base *	18.50
2016	Base *	$ 16.29	Base *	$ 18.50
	Administration Fee	2.35	Administration Fee	2.35
	Gallons		Gallons	
	up to 2,500	$ 2.02	up to 2,500	$ 3.03
	2,501 - 5,000	2.17	2,501 - 5,000	3.26
	5,001 - 10,000	2.25	5,001 - 10,000	3.63
	10,001 - 15,000	2.32	10,001 - 15,000	4.71
	15,001 - 20,000	3.59	15,001 - 20,000	5.78
	Over 20,000	4.25	Over 20,000	6.86

** Base rates are per residential equivalent unit (REU)*

City of Garden City

Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Calendar Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income [(a)]	Per Capita [(a)]
	Capital Leases	Certificates of Participation	Note Payable	Capital Leases	SRF Loan	GEFA Loans	Revenue Bonds	Contractual Obligations			
2007	$ 140,283	$ -	$ -	$ -	$ 309,768	$3,164,919	-	-	$3,614,970	1.69%	$ 384
2008	358,838	-	-	-	223,458	3,913,483	-	-	4,495,779	2.03%	478
2009	396,372	-	9,950,000	-	135,411	4,999,932	-	-	15,481,715	6.66%	1,629
2010	366,256	-	9,950,000	-	45,588	5,079,901	-	-	15,441,745	10.74%	1,759
2011	127,145	-	8,997,787	-	-	5,007,978	-	-	14,132,910	9.83%	1,593
2012	135,428	8,694,420	-	-	-	4,889,494	-	-	13,719,342	9.54%	1,539
2013	58,207	8,227,459	-	-	-	-	4,831,164	198,867	13,315,697	8.17%	1,494
2014	44,746	7,720,498	-	-	-	832,812	4,484,787	99,433	13,182,276	8.45%	1,480
2015	559,262	7,203,537	-	1,073,991	-	3,021,241	4,128,410	-	15,986,441	9.89%	1,777
2016	374,846	6,676,576	-	924,160	-	3,878,753	3,767,033	-	15,621,368	9.51%	1,742

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, 2016

	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 2005A	$ 2,746,711	3.17%	87,071
DSA Union Mission Series 2009	1,875,000	3.17%	59,438
DSA Union Mission Series 2011	2,680,000	3.17%	84,956
DSA Chatham County Projects Series 2014	9,045,000	3.17%	286,727
Mosquito Control	3,468,759	3.17%	109,960
Chatham-Savannah School Board:			
General Obligation Bonded Debt	32,605,000	7.47%	2,435,594
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	3,706,552	3.17%	117,498
Savannah-Chatham County School Board	11,620,341	7.47%	868,039
Subtotal, overlapping debt			4,049,281
City of Garden City direct debt			7,051,422
Total direct and overlapping debt			$ 11,100,703

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

	2007	2008	2009	2010	2011
Total assessed value of taxable property	$ 340,403,230	$ 365,889,336	$ 372,047,635	$ 371,226,663	$ 381,274,091
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 340,403,230	$ 365,889,336	$ 372,047,635	$ 371,226,663	$ 381,274,091
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 34,040,323	$ 36,588,934	$ 37,204,764	$ 37,122,666	$ 38,127,409
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 34,040,323	$ 36,588,934	$ 37,204,764	$ 37,122,666	$ 38,127,409
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2012	2013	2014	2015	2016
Total assessed value of taxable property	$ 370,811,307	$ 382,746,192	$ 351,244,891	$ 369,072,652	$ 368,411,662
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	$ 370,811,307	$ 382,746,192	$ 351,244,891	$ 369,072,652	$ 368,411,662
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	$ 37,081,131	$ 38,274,619	$ 35,124,489	$ 36,907,265	$ 36,841,166
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-
Legal debt margin	$ 37,081,131	$ 38,274,619	$ 35,124,489	$ 36,907,265	$ 36,841,166
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	Operating Expenses [a]	Net Available Revenue	Debt Service [b] Principal	Debt Service [b] Interest	Coverage
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
2014	3,453,056	(1,882,597)	1,570,459	445,811	95,812	2.90
2015	3,640,404	(2,142,547)	1,497,857	455,810	76,735	2.81
2016	3,707,685	(2,148,035)	1,559,650	361,377	144,571	3.08

[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 [1]	Unemployment Rate [2]
2007	9,426	$ 157,367,070	$ 16,695	32.0	4.1%
2008	9,413	159,832,740	16,980	32.0	5.6%
2009	9,502	162,757,152	17,129	32.0	8.5%
2010	8,778	143,783,640	16,380	35.0	9.1%
2011	8,871	143,783,640	16,208	35.0	9.2%
2012	8,913	143,783,640	16,132	35.0	8.6%
2013	8,913	163,036,596	18,292	36.8	8.9%
2014	8,904	155,989,176	17,519	35.3	7.7%
2015	8,994	161,712,120	17,980	36.0	5.0%
2016	8,966	164,239,188	18,318	37.2	4.9%

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

	2016			2007		
Employer	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**	**Employees**	**Rank**	**Percentage of Total Metro Area Employment**
Gulfstream Aerospace Corporation	9,878	1	7.86%	5,400	1	2.97%
Ft. Stewart/Hunter Army Airfield	5,773	2	4.60%	3,942	4	2.17%
Savannah-Chatham Board of Ed.	5,654	3	4.50%	4,750	3	2.62%
Memorial Medical Center	4,775	4	3.80%	4,989	2	2.75%
St. Joseph's/Candler Health System	3,400	5	2.71%	3,323	5	1.83%
City of Savannah	2,468	6	1.96%	2,500	7	1.38%
Savannah College of Art and Design	1,886	7	1.50%	1,500	8	0.83%
Chatham County	1,600	8	1.27%	1,400	10	0.77%
Georgia Ports Authority	1,080	9	0.86%	-	-	-
Armstrong Atlantic University	886	10	0.71%	-	-	-
Wal-Mart	-	-	-	2,951	6	1.62%
Momentum Resources II, Inc.	-	-	-	1,437	9	0.79%
Total	37,400		29.77%	32,192		17.73%

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

Function/Program	2012	2013	2014	2015	2016
General government	12	12	9	7	8
Public safety	54	54	56	58	60
Public works	12	12	12	12	12
Culture and recreation	12	12	12	13	14
Water and sewer services	18	18	17	17	16
Total	108	108	106	107	110

Source: City Personnel Records

City of Garden City, Georgia

Operating Indicators by Function
Last Ten Calendar Years

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

	2012	2013	2014	2015	2016
Police:					
Arrests	854	842	867	845	1054
Fire:					
Number of emergency calls	362	370	357	601	2407
Inspections	100	133	180	150	147
Public works:					
Ditch maintenance (miles)	4.96	6.50	5.60	7.60	7.50
Canal maintenance (miles)	1,530	646	508	745	765
Dry trash (tons)	150	189	38	157	168
Water:					
New connections	12	2	6	12	5
Average daily consumption (millions of gallons)	0.94	0.95	0.96	0.89	0.82
Sewer:					
New connections	11	2	6	8	5
Average daily sewage treatment (millions of gallons)	0.86	0.88	0.89	1.07	1.05

Sources: City records

unav - This information is not available.

City of Garden City, Georgia

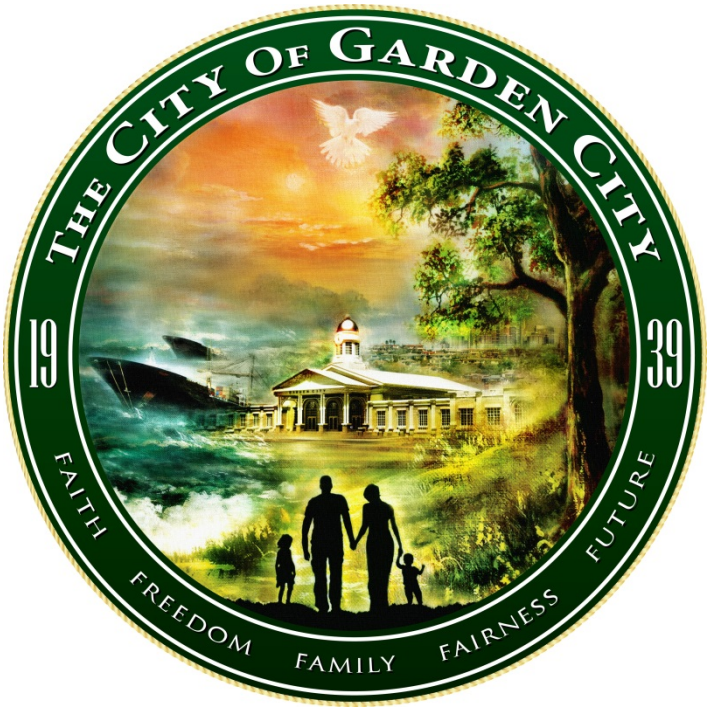
Capital Asset Statistics by Function
Last Ten Calendar Years

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

	2012	2013	2014	2015	2016
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)	41.9	41.9	41.9	41.9	41.9
Maximum daily capacity (millions of gallons)	1.3	1.3	1.3	1.3	1.3
Wastewater:					
Sanitary sewers (miles)	48	48	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, 2016, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 12, 2017.

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.

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 12, 2017