

# City of Garden City, Georgia

## **Comprehensive Annual Financial Report** For The Fiscal Year Ended December 31, 2018







**CITY OF GARDEN CITY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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## **INTRODUCTORY SECTION**







**City of Garden City, Georgia  
Comprehensive Annual Financial Report  
For The Fiscal Year Ended December 31, 2018**

**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, Mauldin & Jenkins CPAs LLC. 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](http://www.Gardencity-ga.gov).







*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

June 5, 2019

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, 2018 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 Mauldin & Jenkins CPAs, LLC. They have issued an unqualified ("clean") opinion of the City's financial statements for the fiscal year ended December 31, 2018. 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 City operations.

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 properly represented.

The City of Garden City is also financially accountable for a legal separate Tourism Board which is reported separately within the City's financial statements. Additional information of the City's component units can be found in the notes to the financial statements.

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.

## **LONG-TERM FINANCIAL PLANNING**

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 efforts as it relates to our capital improvement program (CIP). The City regularly 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. Revenue projections for future years are purposely developed in a conservative manner which sets the parameters for resources available to deliver services.

## **MAJOR INITIATIVES**

Highlighted below are major capital improvement projects started and/or completed by the City during fiscal year 2018.

- **Chatham Parkway Road Improvement 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 commenced in mid-2017. The improvements have had a major impact on meeting the increasing traffic volume generated by growth and development in Garden City and surrounding areas. This project was jointly funded by the City of Garden City using SPLOST revenues and grant funds from the Georgia Department of Transportation. The Chatham Parkway Road Improvements project was successfully completed in 2018.
- **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. Infrastructure work for the Town Center Development Project got underway in December 2018. Construction work on the Town Center Development Project will continue into mid- 2019.
- **Bazemore Park Concession Stand Renovations:** During fiscal year 2018, the City approved plans to renovate and upgrade the concession stands and restrooms at the Bazemore Park ball field(s). The renovations provide for building improvements, replacement of kitchen equipment as well as facility modernization enhancements. The project was successfully completed in early 2019 prior to the start of baseball season.
- **Wastewater Treatment Plant Aerator Unit Replacement Project:** In 2017, the City commenced the replacement of four aging rotary brush aeration units at its Water Pollution Control Plant (WPCP) that were damaged and/or impaired because of subsequent effects resulting from Hurricane Matthew in October 2016. Due to the actual or potential public health hazards or violations of environmental regulations that would likely occur if one or more of the rotary brush aerators were to malfunction or fail, the City secured a low interest emergency loan from the Georgia Environmental Finance Authority (GEFA) to fund the project. Payment of the debt service will be via future water and sewer revenues and/or reimbursement proceeds from FEMA and other agencies. This project was successfully



completed in 2018.

### **ACKNOWLEDGMENTS**

The preparation of this report is a complex task and one that 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 City departments who assisted and contributed to the preparation of this report. We would also like to express appreciation to the independent auditors, Mauldin & Jenkins CPAs LLC for not only their professionalism extended to our staff as they conducted their audit engagement, but also for their guidance and technical assistance.

We especially want to express our appreciation to the 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, 2018.

Respectfully submitted,



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



## CITY OF GARDEN CITY, GEORGIA

### List of Principal City Officials December 31, 2018

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#### City Council

Don Bethune.....Mayor  
Bessie Kicklighter .....Mayor Pro-tem  
Kimberly Tice..... President of Council  
Bruce Campbell ..... Councilmember  
Rosetta Cody ..... Councilmember  
Marcia Daniel ..... 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  
Gilbert Ballard..... Chief of Police  
Corbin Medeiros ..... Fire Chief  
Jim Gerard ..... City Attorney



# City of Garden City, Georgia 2018 Organizational Chart

## Citizens/Customers of Garden City

### City Council

Don Bethune, Mayor  
Bessie Kicklighter, Mayor Pro-tem  
Kimberly Tice, President of Council  
Bruce Campbell  
Rosetta Cody  
Marcia Daniel  
Debbie Ruiz

### Appointed Officials

- **City Attorney**  
James P. Gerard
- **Judge**  
Tom Edenfield

### Citizen Advisory Boards & Commissions

- Planning Commission &  
Board of Zoning Appeals
- Garden City Convention &  
Visitors Bureau

### City Manager

Ronald A. Feldner

### General Government

- Legislative
- Executive

### Administrative

- Finance
- Human Resources
- Information  
Technology

### Community Development

- Administration
- Planning & Zoning
- Development
- Permits
- Inspections

### Parks & Recreation

- Administration
- Parks
- Sports Programs
- Youth Programs
- Senior Programs

### Police

- Municipal Court
- Administration
- Police Protection
- Code Enforcement

### Fire

- Administration
- Fire Protection
- Fire Prevention
- Emergency  
Management

### Public Works

- Streets & ROW  
Maintenance
- Stormwater  
Management
- Fleet Maintenance

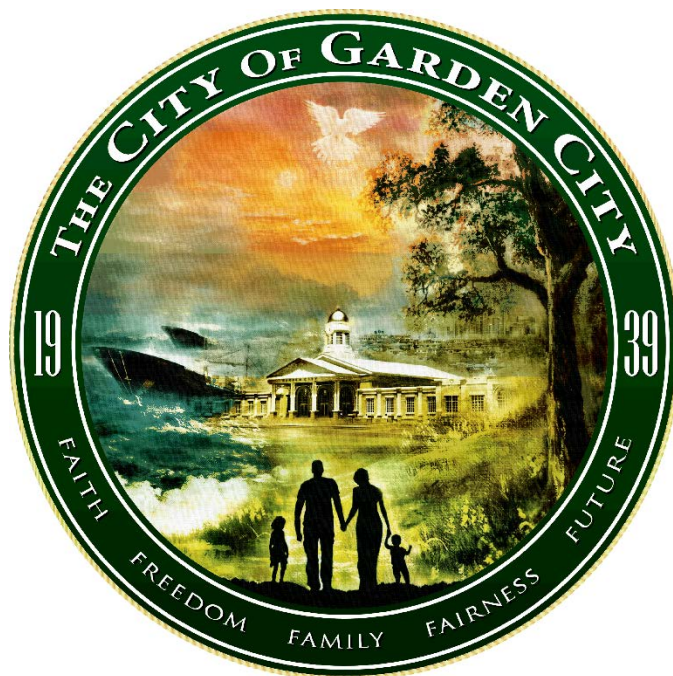
### Water Operations

- Wastewater
- Water Treatment
- W/S Distribution,  
Billing & Repair



## **FINANCIAL SECTION**









## INDEPENDENT AUDITOR'S REPORT

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Garden City, Georgia** (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Garden City, Georgia'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 of 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Garden City, Georgia, Georgia as of December 31, 2018, 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 on pages 4 - 12, the Schedule of Changes in the City's Net Pension Liability and Related Ratios on page 52, and the Schedule of City Contributions on page 53 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Garden City, Georgia. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements.



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The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019, 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 the City of Garden City, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
June 5, 2019







# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

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As management of the City of Garden City (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Garden City, Georgia for the fiscal year ended December 31, 2018. 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 2018 was \$32,889,176 (net position). Of this amount, \$6,261,728 (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$403,922 from the prior year. The governmental net position decreased by (\$286,982) and business-type net position increased by \$690,904.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,409,548, which is an increase of \$259,088 from the prior year. The general fund reported a decrease in fund balance of (\$1,900,013) and the other governmental funds reported an increase of \$2,159,101. The general fund decrease in fund balance is attributed to the reconciliation and repayment of historical amounts/advances due to/from other funds arising from interfund loans/transfers between funds for principal and interest payments, payment for portion of a capital project, and resources to subsidize operations. The increase in the combined fund balance is mainly attributed to proceeds from the sale of blocks 1-3, 5 & 6 of the City's Town Center property to a private development group. In 2018, the City formed a public/private partnership with a private development group for the development of its mixed-use Town Center. Infrastructure work for the Town Center development got underway in December 2018. Construction work on the Town Center Development Project will continue into mid-2019.
- The General Fund reported a total fund balance of \$2,363,804, a decrease from 2017 of (\$1,900,013). The unassigned fund balance for the general fund was \$1,012,469 or 10% of the total general fund operating expenditures. The City has \$1,254,973 in committed general 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.



# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

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### 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.



# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

### 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 \$32.8 million at the close of the most recent fiscal period. Governmental activities comprise \$18.5 million, and business-type activities make up \$14.2 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	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 6,008,457	\$ 5,695,186	\$ 5,494,803	\$ 4,422,577	\$ 11,503,260	\$ 10,117,763
Capital assets	20,776,398	21,649,964	18,327,596	19,038,853	39,103,994	40,688,817
Total assets	26,784,855	27,345,150	23,822,399	23,461,430	50,607,254	50,806,580
Deferred outflows	556,365	527,319	337,972	246,363	894,337	773,682
Current liabilities	1,615,909	808,067	1,115,504	427,594	2,731,413	1,235,661
Long-term liabilities	6,868,616	7,974,625	8,542,218	9,571,762	15,410,834	17,546,387
Total liabilities	8,484,525	8,782,692	9,657,722	9,999,356	18,142,247	18,782,048
Deferred inflows	267,204	213,304	202,965	99,656	470,169	312,960
Net position:						
Net investment in						
capital assets	14,832,504	15,323,056	9,749,200	10,219,652	24,581,704	25,542,708
Restricted	2,045,744	113,981	-	-	2,045,744	113,981
Unrestricted	1,711,243	3,439,436	4,550,484	3,389,129	6,261,727	6,828,565
Total net position	\$ 18,589,491	\$ 18,876,473	\$ 14,299,684	\$ 13,608,781	\$ 32,889,175	\$ 32,485,254

The largest portion of the City's net position (75%) 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 \$6,261,728 or 19% 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.



# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

The total net position increased by \$403,922 from the prior year. Governmental activities net position decreased (\$286,982), while business-type activities' net position increased by \$690,904.

### Changes in Net Position

The following table shows the changes in net position for 2018:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1,408,713	\$ 1,233,837	\$ 6,068,762	\$ 5,731,172	\$ 7,477,475	\$ 6,965,009
Operating grants and contributions	\$ 176,419	788,841	\$ -	-	176,419	788,841
Capital grants and contributions	\$ 1,897,581	2,756,303	\$ 30,988	134,117	1,928,569	2,890,420
General Revenue:						
Property taxes	1,667,156	1,603,686	-	-	1,667,156	1,603,686
Sales and use taxes	3,460,712	3,178,170	-	-	3,460,712	3,178,170
Business taxes	1,173,077	1,098,313	-	-	1,173,077	1,098,313
Franchise taxes	826,335	787,256	-	-	826,335	787,256
Selective sales and use taxes	634,071	621,493	-	-	634,071	621,493
Unrestricted investment	41,904	24,054	37,063	17,201	78,967	41,255
Miscellaneous	15,141	219,846	-	36,973	15,141	256,819
Total revenue	11,301,109	12,311,799	6,136,813	5,919,463	17,437,922	18,231,262
<b>Expenses</b>						
General government	2,079,811	1,905,124	-	-	2,079,811	1,905,124
Judiciary	98,201	102,750	-	-	98,201	102,750
Public safety	4,384,679	4,345,144	-	-	4,384,679	4,345,144
Public works	1,152,826	1,353,264	-	-	1,152,826	1,353,264
Health and welfare	181,160	193,803	-	-	181,160	193,803
Culture and recreation	865,594	902,666	-	-	865,594	902,666
Housing and development	589,906	889,052	-	-	589,906	889,052
Interest on long-term debt	169,563	181,448	-	-	169,563	181,448
Water and sewer	-	-	4,039,620	3,517,828	4,039,620	3,517,828
Sanitation	-	-	385,996	407,944	385,996	407,944
Stormwater	-	-	847,326	898,404	847,326	898,404
Fire protection services	-	-	2,239,319	2,105,686	2,239,319	2,105,686
Total expenses	9,521,740	9,873,251	7,512,261	6,929,862	17,034,001	16,803,113
Excess (deficiency) before transfers	1,779,369	2,438,548	(1,375,448)	(1,010,399)	403,921	1,428,149
Transfers	(2,066,351)	(755,980)	2,066,351	755,980	-	-
Change in net position	(286,982)	1,682,568	690,903	(254,419)	403,921	1,428,149
Net position, beginning	18,876,473	17,193,905	13,608,781	13,863,200	32,485,254	31,057,105
Net position, ending	\$ 18,589,491	\$ 18,876,473	\$ 14,299,684	\$ 13,608,781	\$ 32,889,175	\$ 32,485,254



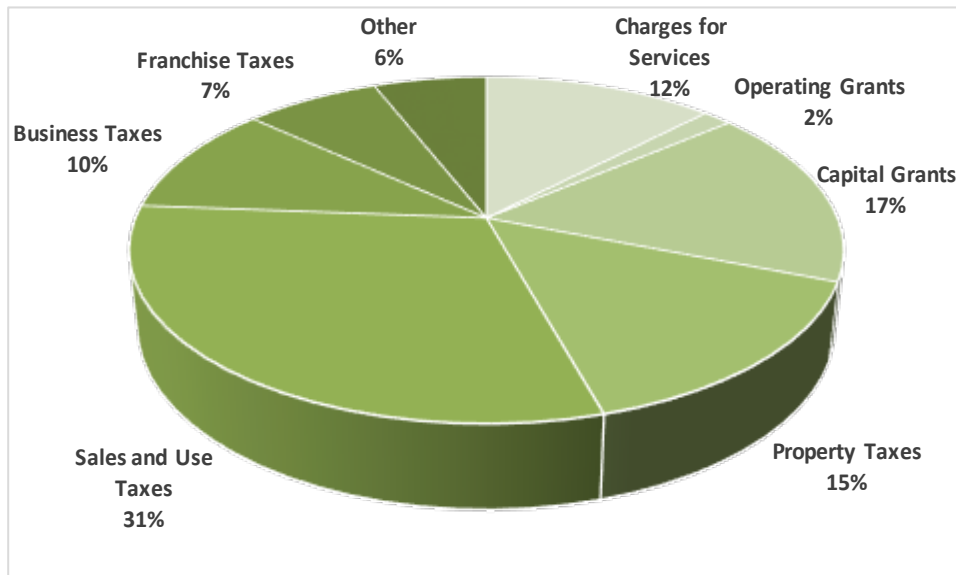
# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

### Governmental Activities

Revenues for governmental activities totaled \$11.3 million in 2018, which represents a decrease of (8%) when compared to 2017. A decrease in grant funding is responsible for the decrease in governmental revenues. The largest source of revenue for the City, sales and use taxes accounted for \$3.4 million or 31% of total revenue in 2018, a reported increase of \$282,542 from 2017. Property taxes and Franchise taxes account for \$2.4 million or 22% of the total revenue in 2018. Business taxes, which include the insurance premium tax, accounted for \$1.1 million or 10% of the total revenue in 2018, a reported increase of \$74,764 from 2017. Charges for services generated \$1.4 or 12% of total revenue for 2018. Grants and contributions accounted for 19% and other revenue from selective sales and use taxes, investment earnings and miscellaneous accounted for 6% of the City's total revenue for 2018.

**Revenues by Source – Governmental Activities – Year Ended December 31, 2018**



The City's expenses for governmental activities cover a wide range of services, with 47% or \$4.4 million related to public safety (includes judiciary), 24% or \$2.2 million for general government services (includes interest for long-term debt), 12% or \$1.1 million for public works, and 17% or \$1.6 million for public welfare services (includes health & welfare, culture & recreation and housing & development). Overall expenses for governmental activities totaled \$9.5 million in 2018, which represents a decrease of (\$351,511) compared to 2017. The decrease in governmental activities is mainly attributed to a concerted effort to keep spending levels consistent with budget targets in 2018.

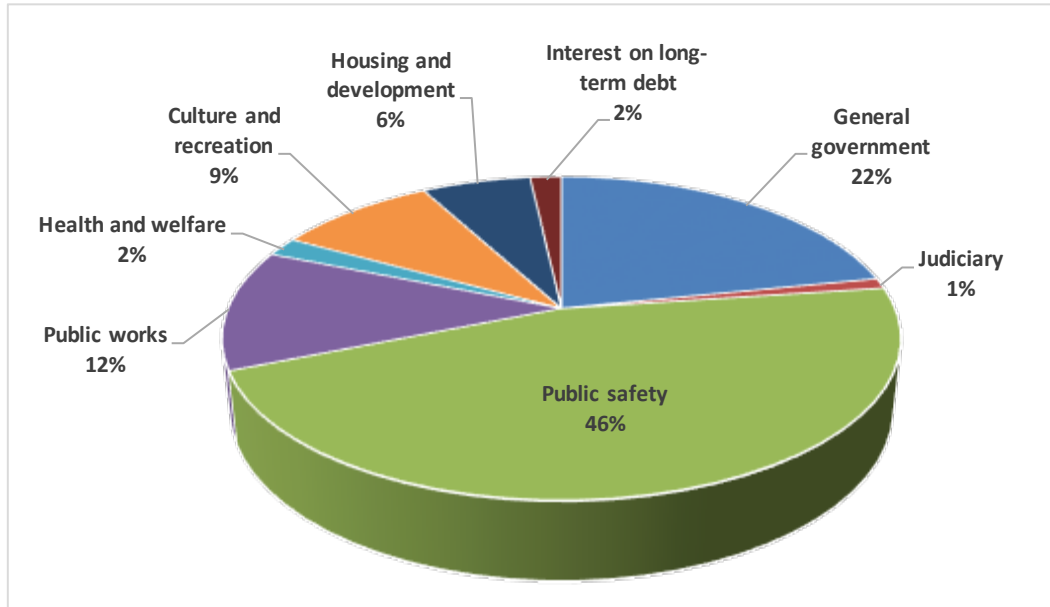


# CITY OF GARDEN CITY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

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### Expenses by Function – Governmental Activities – Year Ended December 31, 2018



### Business-type Activities

The City has four business-type activities: water and sewer operations, solid waste collection services, stormwater management, and fire protection services. For fiscal year 2018, total revenues for business-type activities were \$6.1 million, which represents an increase of 3% when compared to 2017. The increase in revenue is associated with an increase in commercial and industrial growth in the city as well as moderate increases to service fee rates. Total expenses for fiscal year 2018 were \$7.5 million, which represents an increase of 8% over fiscal year 2017. The increase in expenses is mainly attributed to an increase in operation and maintenance costs in water/sewer operations and fire protection services.

### 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 \$2,363,804. The total amount of unassigned fund balance for the general fund was \$1,012,469.

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 10% and 24% percent of total general fund expenditures respectively.



# **CITY OF GARDEN CITY, GEORGIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018**

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The fund balance of the general fund decreased (\$1,900,013) during fiscal year 2018. As stated previously, the decrease is mainly attributed to the reconciliation and repayment of historical amounts/advances transferred between the general fund and other funds for principal and interest payments, payment for portion of a capital project, and resources to subsidize operations of the Fire Protection Fund.

### **Capital Projects Fund**

The SPLOST Capital Projects Fund balance at December 31, 2018 was 1,893,575. All of the SPLOST revenue received in 2018 plus additional fund balance was used for approved SPLOST projects such as debt service payment for the city hall, replacement of public safety vehicles and equipment, as well as the reconstruction of Chatham Parkway and infrastructure improvements at Town Center. The increase in fund balance is mainly attributed to the proceeds from the sale of blocks 1-3, 5&6 of the City's Town Center property to a private development group for development. The City formed a public/private partnership with a private development group for the development of its mixed-use Town Center. The City is reinvesting the proceeds from the sale of the Town Center parcels into infrastructure improvements for the Town Center development at this time.

### **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 \$39.1 million. Capital assets include assets purchased, constructed or donated.

Additional information on the City's capital assets can be found in Note 4 beginning on page 36.

### **Debt Administration**

The long-term debt liabilities at December 31, 2018 totaled \$14,671,845. Of this amount, \$6,063,347 relates to governmental type activities and \$8,608,498 relates to business-type activities.

Additional information on the City's debt can be found in Note 7 beginning on page 39.



# **CITY OF GARDEN CITY, GEORGIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018**

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### **General Fund Budgetary Highlights**

Budget to actual schedules are provided in the required supplementary information other than MD&A for the General Fund. Individual columns are provided for both the original and final budgets. A column for actual expenditures and a column for differences between the final budget and actual expenditures follow these columns. These schedules can be found beginning on page 50.

The overall operations of the City are similar to directing a large multi-million dollar business. Budget amendments are approved throughout the year to more accurately reflect the ongoing changes and to abide by state laws. The original budget was adopted by City Council on December 4, 2017.

### **Economic Conditions and Next Year's Budget**

The City adopted a general fund budget of \$9,743,240 for fiscal year 2019, including a transfer of \$1,070,500 to the Fire Protection Fund. The transfer to the Fire Protection Fund will be used to subsidize the operations of the Fire Department. Budget appropriations in all departments in 2019 remain relatively stable from 2018. The City is constantly reviewing opportunities to increase revenue by using its assets more efficiently and effectively.

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 \$1.22 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 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 2019 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 2019. The stormwater utility billing rate remains unchanged.

The City continues to improve operations to enhance the City's delivery of fire protection service. The Mayor and City Council approved a rate increase for fire protection fees from \$10.00 per REU to \$12.50 per REU. The rate increase will support long term financial planning, debt service for amortized capital expenditures and operational expenditures.



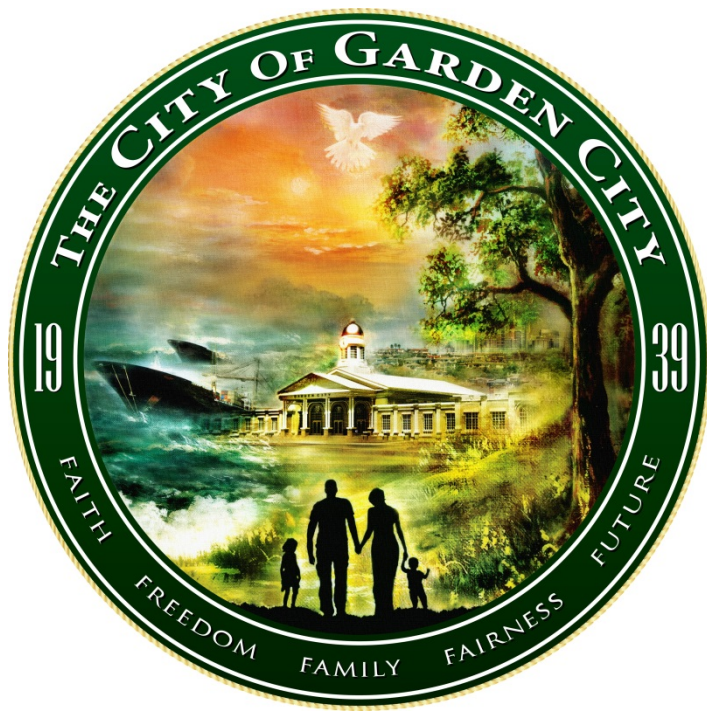
**CITY OF GARDEN CITY, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

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**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.

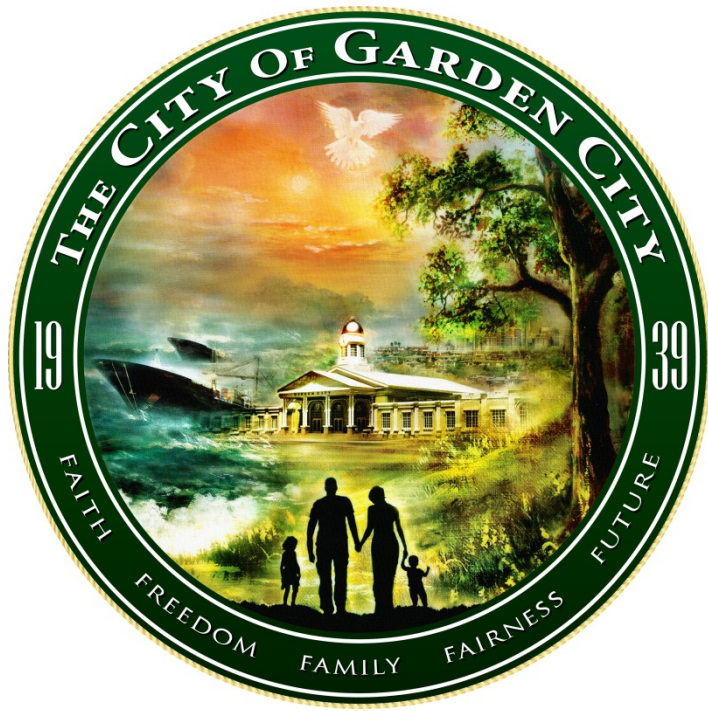






## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**







# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF NET POSITION DECEMBER 31, 2018

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Garden City Convention and Visitors Bureau
Cash and cash equivalents	\$ 760,067	\$ 849,258	\$ 1,609,325	\$ 663,880
Investments	1,606,203	1,862,885	3,469,088	-
Accounts receivable, net of allowances	1,812,418	503,397	2,315,815	8,454
Inventories	-	2,925	2,925	-
Prepaid expenses	96,362	66,095	162,457	-
Restricted assets:				
Cash and cash equivalents	1,733,407	2,210,243	3,943,650	-
Capital assets:				
Nondepreciable	5,071,212	210,382	5,281,594	-
Depreciable, net of accumulated depreciation	15,705,186	18,117,214	33,822,400	-
Total assets	<u>26,784,855</u>	<u>23,822,399</u>	<u>50,607,254</u>	<u>672,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	<u>556,365</u>	<u>337,972</u>	<u>894,337</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	661,893	16,363	678,256	150,472
Retainage payable	29,453	-	29,453	-
Accrued liabilities	76,477	273,255	349,732	-
Deposits payable	26,369	-	26,369	-
Net pension liability	1,626,986	759,606	2,386,592	-
Capital leases due within one year	140,303	158,598	298,901	-
Capital leases due in more than one year	215,937	456,629	672,566	-
Certificates of participation due within one year	561,961	-	561,961	-
Certificates of participation due in more than one year	5,025,693	-	5,025,693	-
Loans payable due within one year	-	250,809	250,809	-
Loans payable due in more than one year	-	4,693,081	4,693,081	-
Bonds payable due within one year	-	386,377	386,377	-
Bonds payable due in more than one year	-	2,632,902	2,632,902	-
Compensated absences due within one year	119,453	30,102	149,555	-
Total liabilities	<u>8,484,525</u>	<u>9,657,722</u>	<u>18,142,247</u>	<u>150,472</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	<u>267,204</u>	<u>202,965</u>	<u>470,169</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,832,504	9,749,200	24,581,704	-
Restricted for:				
Capital outlay	1,986,506	-	1,986,506	-
Public safety purposes	22,322	-	22,322	-
Culture and beautification	36,916	-	36,916	-
Other purposes	-	-	-	521,862
Unrestricted	1,711,243	4,550,484	6,261,727	-
Total net position	<u>\$ 18,589,491</u>	<u>\$ 14,299,684</u>	<u>\$ 32,889,175</u>	<u>\$ 521,862</u>

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



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF ACTIVITIES DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,079,811	\$ 511,775	\$ -	\$ 5,000
Judicial	98,201	-	-	-
Public safety	4,384,679	843,667	176,419	23,783
Public works	1,152,826	-	-	1,868,798
Health and welfare	181,160	-	-	-
Culture and recreation	865,594	53,271	-	-
Housing and economic development	589,906	-	-	-
Interest on long-term debt	169,563	-	-	-
Total governmental activities	<u>9,521,740</u>	<u>1,408,713</u>	<u>176,419</u>	<u>1,897,581</u>
Business-type activities:				
Water and sewer	4,039,620	4,139,108	-	-
Sanitation	385,996	359,537	-	-
Stormwater	847,326	934,065	-	10,151
Fire protection services	2,239,319	636,052	-	20,837
Total business-type activities	<u>7,512,261</u>	<u>6,068,762</u>	<u>-</u>	<u>30,988</u>
Total primary government	<u>\$ 17,034,001</u>	<u>\$ 7,477,475</u>	<u>\$ 176,419</u>	<u>\$ 1,928,569</u>
<b>Component units:</b>				
Garden City Convention and Visitors Bureau	\$ 119,704	\$ -	\$ 133,019	\$ -
Total component unit	<u>\$ 119,704</u>	<u>\$ -</u>	<u>\$ 133,019</u>	<u>\$ -</u>
<div style="text-align: right;"> General revenues:  Property taxes  Franchise taxes  Hotel/Motel taxes  Unrestricted investment earnings  Miscellaneous  Transfers  Total general revenue and transfers  Change in net position  Net position, beginning of year  Net position, end of year </div>				

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



Net (Expenses) Revenues and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	Garden City Convention and Visitors Bureau
\$ (1,563,036)	\$ -	\$ (1,563,036)	\$ -
(98,201)	-	(98,201)	-
(3,340,810)	-	(3,340,810)	-
715,972	-	715,972	-
(181,160)	-	(181,160)	-
(812,323)	-	(812,323)	-
(589,906)	-	(589,906)	-
(169,563)	-	(169,563)	-
(6,039,027)	-	(6,039,027)	-
-	99,488	99,488	-
-	(26,459)	(26,459)	-
-	96,890	96,890	-
-	(1,582,430)	(1,582,430)	-
-	(1,412,511)	(1,412,511)	-
(6,039,027)	(1,412,511)	(7,451,538)	-
			13,315
			\$ 13,315
6,535,924	-	6,535,924	-
826,334	-	826,334	-
399,093	-	399,093	-
41,904	37,063	78,967	14
15,141	-	15,141	-
(2,066,351)	2,066,351	-	-
5,752,045	2,103,414	7,855,459	14
(286,982)	690,903	403,921	13,329
18,876,473	13,608,781	32,485,254	508,533
\$ 18,589,491	\$ 14,299,684	\$ 32,889,175	\$ 521,862

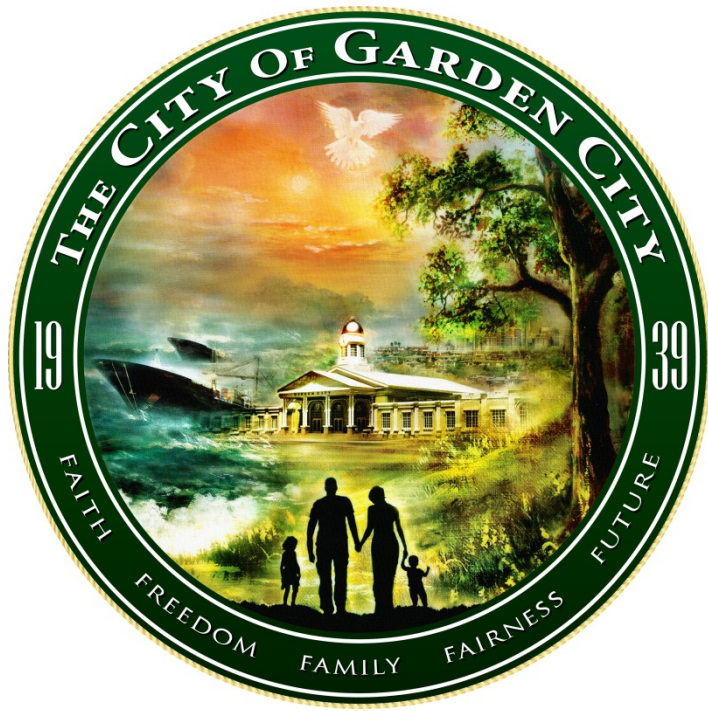






## **FUND FINANCIAL STATEMENTS**







# CITY OF GARDEN CITY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 713,536	\$ -	\$ 46,531	\$ 760,067
Investments	1,606,203	-	-	1,606,203
Accounts receivable, net	1,503,623	283,375	25,420	1,812,418
Prepaid expenditures	96,362	-	-	96,362
Restricted cash and cash equivalents	-	1,640,476	92,931	1,733,407
Total assets	<u>\$ 3,919,724</u>	<u>\$ 1,923,851</u>	<u>\$ 164,882</u>	<u>\$ 6,008,457</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 648,358	\$ 823	\$ 12,713	\$ 661,894
Retainage payable	-	29,453	-	29,453
Accrued liabilities	57,157	-	-	57,157
Deposits	26,369	-	-	26,369
Total liabilities	<u>731,884</u>	<u>30,276</u>	<u>12,713</u>	<u>774,873</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	152,467	-	-	152,467
Unavailable revenue - franchise fees	671,569	-	-	671,569
Total deferred inflows of resources	<u>824,036</u>	<u>-</u>	<u>-</u>	<u>824,036</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	96,362	-	-	96,362
Committed:				
Rainy day	1,254,973	-	-	1,254,973
Restricted:				
Public safety	-	-	22,322	22,322
Culture and beautification	-	-	36,916	36,916
Capital outlay	-	1,893,575	92,931	1,986,506
Unassigned:	1,012,469	-	-	1,012,469
Total fund balances	<u>2,363,804</u>	<u>1,893,575</u>	<u>152,169</u>	<u>4,409,548</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,919,724</u>	<u>\$ 1,923,851</u>	<u>\$ 164,882</u>	<u>\$ 6,008,457</u>



# CITY OF GARDEN CITY, GEORGIA

## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2018

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Total fund balances of governmental funds	\$	4,409,548
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Amounts reported for governmental activities in the  
statement of net position are different because:

Capital assets used in governmental activities are not financial resources;  
therefore, they are not reported in the respective governmental funds:

Cost of capital assets	\$	30,953,824	
Accumulated depreciation		<u>(10,177,426)</u>	20,776,398

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	152,468
Franchise taxes	671,569

Deferred outflow and inflows of resources related to pensions are  
applicable to future periods and, therefore, are not reported in  
the fund financial statements:

Deferred outflow of resources related to pensions	\$	556,365	
Deferred inflow of resources related to pensions		<u>(267,204)</u>	289,161

Long-term liabilities are not due and payable in the current period and,  
therefore, they are not reported in governmental funds:

Accrued interest	\$	(19,320)	
Amortization of bond discounts		27,346	
Compensated absences		(119,453)	
Certificates of participation		(5,615,000)	
Capital leases		(356,240)	
Net pension liability		<u>(1,626,986)</u>	<u>(7,709,653)</u>

Net position of governmental activities	\$	<u><u>18,589,491</u></u>
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# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 7,296,187	\$ -	\$ 399,093	\$ 7,695,280
Licenses and permits	237,735	-	-	237,735
Intergovernmental	303,259	1,770,742	-	2,074,001
Fines and forfeitures	809,439	-	19,494	828,933
Charges for services	139,032	-	-	139,032
Investment earnings	40,302	1,579	23	41,904
Miscellaneous	195,513	-	7,499	203,012
Total revenues	<u>9,021,467</u>	<u>1,772,321</u>	<u>426,109</u>	<u>11,219,897</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,481,463	-	-	1,481,463
Judicial	98,201	-	-	98,201
Public safety	4,188,357	-	9,205	4,197,562
Public works	1,117,805	-	-	1,117,805
Health and welfare	178,164	-	-	178,164
Culture and recreation	1,004,719	-	-	1,004,719
Housing and development	383,855	-	199,547	583,402
Capital outlay	-	1,001,598	-	1,001,598
Debt service:				
Principal	59,896	604,286	-	664,182
Interest and other fees	307	168,203	-	168,510
Total expenditures	<u>8,512,767</u>	<u>1,774,087</u>	<u>208,752</u>	<u>10,495,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>508,700</u>	<u>(1,766)</u>	<u>217,357</u>	<u>724,291</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	802,452	695,123	-	1,497,575
Transfers out	(3,232,033)	(152,724)	(179,169)	(3,563,926)
Capital lease	-	280,465	-	280,465
Sale of capital assets	5,727	1,299,815	-	1,305,542
Insurance recoveries	15,141	-	-	15,141
Total other financing sources (uses)	<u>(2,408,713)</u>	<u>2,122,679</u>	<u>(179,169)</u>	<u>(465,203)</u>
Net change in fund balances	(1,900,013)	2,120,913	38,188	259,088
Fund balances (deficit), beginning of year	<u>4,263,817</u>	<u>(227,338)</u>	<u>113,981</u>	<u>4,150,460</u>
Fund balances, end of year	<u>\$ 2,363,804</u>	<u>\$ 1,893,575</u>	<u>\$ 152,169</u>	<u>\$ 4,409,548</u>

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



# 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 FISCAL YEAR ENDED DECEMBER 31, 2018

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Net change in fund balances of total governmental funds as noted in the statement of revenues, expenditures and changes in fund balances.	\$	259,088
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Amounts reported for governmental activities in the statement of activities are different from the statement of revenues, expenditures and changes in fund balances 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 and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$	1,482,020	
Depreciation		<u>(863,137)</u>	618,883

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, transfers from enterprise funds) is to decrease net position.	(1,492,449)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	66,071
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The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the statement of net position. Repayment of debt is an expenditure in the government funds, but reduces long-term liabilities in the statement of

Proceeds from capital lease obligations	\$	(280,465)	
Amortization of discount		(3,039)	
Payment of capital leases payable and certificates of participation		<u>666,520</u>	383,016

The effect of changes in net pension liability and related deferred inflows and outflows of pension resources.	(120,646)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds.

Current year change in compensated absences	\$	(2,931)	
Change in accrued interest		<u>1,986</u>	<u>(945)</u>

Net change in net position of governmental activities as noted in the statement of activities	\$	<u><u>(286,982)</u></u>
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**The accompanying notes are an integral part of these financial statements.**



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Fire Protection Fund	Totals
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 849,258	\$ -	\$ -	\$ -	\$ 849,258
Investments	1,862,885	-	-	-	1,862,885
Accounts receivable, net of allowances	334,810	29,078	74,124	65,385	503,397
Inventories	1,925	-	-	1,000	2,925
Prepaid expenses	22,817	-	6,712	36,566	66,095
Total current assets	3,071,695	29,078	80,836	102,951	3,284,560
<b>NONCURRENT ASSETS</b>					
Restricted assets, cash	2,180,073	30,170	-	-	2,210,243
Capital assets:					
Land and construction in progress	143,366	-	36,316	30,700	210,382
Depreciable capital assets	32,579,672	-	2,958,282	3,624,734	39,162,688
Less: accumulated depreciation	(17,914,317)	-	(865,778)	(2,265,379)	(21,045,474)
Total noncurrent assets	16,988,794	30,170	2,128,820	1,390,055	20,537,839
Total assets	20,060,489	59,248	2,209,656	1,493,006	23,822,399
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	171,394	-	54,802	111,776	337,972
Total deferred outflows of resources	171,394	-	54,802	111,776	337,972
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	15,813	-	-	550	16,363
Salaries payable	7,926	-	4,718	14,330	26,974
Accrued interest payable	12,503	-	402	5,898	18,803
Compensated absences	9,825	-	-	20,277	30,102
Customer deposits payable	222,998	4,480	-	-	227,478
Revenue bonds payable, current portion	386,377	-	-	-	386,377
Notes payable, current portion	250,809	-	-	-	250,809
Capital leases, current portion	-	-	20,731	137,867	158,598
Total current liabilities	906,251	4,480	25,851	178,922	1,115,504
<b>NONCURRENT LIABILITIES</b>					
Revenue bonds payable	2,632,902	-	-	-	2,632,902
Notes payable	4,662,628	-	30,453	-	4,693,081
Capital leases	-	-	21,231	435,398	456,629
Net pension liability	385,216	-	123,169	251,221	759,606
Total noncurrent liabilities	7,680,746	-	174,853	686,619	8,542,218
Total liabilities	8,586,997	4,480	200,704	865,541	9,657,722
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	102,928	-	32,911	67,126	202,965
Total deferred inflows of resources	102,928	-	32,911	67,126	202,965
<b>NET POSITION</b>					
Net investment in capital assets	6,876,005	-	2,056,405	816,790	9,749,200
Unrestricted	4,665,953	54,768	(25,562)	(144,675)	4,550,484
Total net position	\$ 11,541,958	\$ 54,768	\$ 2,030,843	\$ 672,115	14,299,684

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



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Fire Protection Fund	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,095,542	\$ 332,887	\$ 934,065	\$ 609,344	\$ 5,971,838
Miscellaneous	43,566	26,650	-	26,708	96,924
Total operating revenues	<u>4,139,108</u>	<u>359,537</u>	<u>934,065</u>	<u>636,052</u>	<u>6,068,762</u>
<b>OPERATING EXPENSES</b>					
Personnel services	937,183	-	453,466	1,561,482	2,952,131
Purchased and contractual services	1,725,534	385,972	249,530	188,290	2,549,326
Materials and supplies	316,619	24	12,177	152,633	481,453
Depreciation	926,598	-	130,765	319,803	1,377,166
Total operating expenses	<u>3,905,934</u>	<u>385,996</u>	<u>845,938</u>	<u>2,222,208</u>	<u>7,360,076</u>
Operating income (loss)	<u>233,174</u>	<u>(26,459)</u>	<u>88,127</u>	<u>(1,586,156)</u>	<u>(1,291,314)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income - nonrestricted assets	37,051	12	-	-	37,063
Interest expense	(133,686)	-	(1,388)	(17,111)	(152,185)
Total non-operating revenues (expenses)	<u>(96,635)</u>	<u>12</u>	<u>(1,388)</u>	<u>(17,111)</u>	<u>(115,122)</u>
Income (loss) before capital contributions and transfers	<u>136,539</u>	<u>(26,447)</u>	<u>86,739</u>	<u>(1,603,267)</u>	<u>(1,406,436)</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>10,151</u>	<u>20,837</u>	<u>30,988</u>
<b>TRANSFERS</b>					
Transfers out	(129,822)	-	(523,461)	-	(653,283)
Transfers in	-	330,826	-	2,388,808	2,719,634
Total transfers	<u>(129,822)</u>	<u>330,826</u>	<u>(523,461)</u>	<u>2,388,808</u>	<u>2,066,351</u>
Change in net position	<u>6,717</u>	<u>304,379</u>	<u>(426,571)</u>	<u>806,378</u>	<u>690,903</u>
<b>NET POSITION, beginning of year</b>	<u>11,535,241</u>	<u>(249,611)</u>	<u>2,457,414</u>	<u>(134,263)</u>	<u>13,608,781</u>
<b>NET POSITION, end of year</b>	<u>\$ 11,541,958</u>	<u>\$ 54,768</u>	<u>\$ 2,030,843</u>	<u>\$ 672,115</u>	<u>\$ 14,299,684</u>

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



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Protection Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 5,728,967	\$ 546,501	\$ 1,536,491	\$ 1,005,169	\$ 8,817,128
Payments to suppliers	(3,334,155)	(875,631)	(552,164)	(1,722,641)	(6,484,591)
Payments to employees	(920,063)	-	(443,343)	(1,539,449)	(2,902,855)
Net cash provided by (used in) operating activities	1,474,749	(329,130)	540,984	(2,256,921)	(570,318)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	330,826	-	2,388,808	2,719,634
Transfers out	(129,822)	-	(523,461)	-	(653,283)
Net cash provided by (used in) noncapital financing activities	(129,822)	330,826	(523,461)	2,388,808	2,066,351
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(629,593)	-	(36,316)	-	(665,909)
Principal paid on notes payable and capital leases	(549,643)	-	(20,342)	(135,596)	(705,581)
Proceeds from notes payable and capital leases	435,700	-	40,604	-	476,304
Interest paid	(134,428)	-	(1,469)	(17,128)	(153,025)
Contributions from private sources	-	-	-	20,837	20,837
Net cash used in capital and related financing activities	(877,964)	-	(17,523)	(131,887)	(1,027,374)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(34,087)	-	-	-	(34,087)
Interest received	37,051	12	-	-	37,063
Net cash provided by investing activities	2,964	12	-	-	2,976
Increase (decrease) in cash and cash equivalents	469,927	1,708	-	-	471,635
<b>Cash and cash equivalents:</b>					
Beginning of year	2,559,404	28,462	-	-	2,587,866
End of year	\$ 3,029,331	\$ 30,170	\$ -	\$ -	\$ 3,059,501
<b>Classified as:</b>					
Cash and cash equivalents	\$ 849,258	\$ -	\$ -	\$ -	\$ 849,258
Restricted assets, cash	2,180,073	30,170	-	-	2,210,243
Total cash and cash equivalents	\$ 3,029,331	\$ 30,170	\$ -	\$ -	\$ 3,059,501

(Continued)



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Protection Fund	Totals
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 233,174	\$ (26,459)	\$ 88,127	\$ (1,586,156)	\$ (1,291,314)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	926,598	-	130,765	319,803	1,377,166
Amortization of discount	(1,377)	-	-	-	(1,377)
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	127,181	4,398	(4,890)	8,223	134,912
Inventories	1,351	-	-	-	1,351
Prepaid expenses	(4,793)	-	105	(5,853)	(10,541)
Due from other funds	1,462,678	182,566	607,316	360,894	2,613,454
Deferred outflows of resources	(46,457)	-	(14,855)	(30,297)	(91,609)
Increase (decrease) in:					
Accounts payable	(135,439)	-	-	-	(135,439)
Accrued liabilities	(3,565)	(590)	1,054	1,404	(1,697)
Compensated absences payable	(9,215)	-	-	2,131	(7,084)
Due to other funds	(1,150,208)	(489,045)	(290,562)	(1,375,865)	(3,305,680)
Net pension liability	22,431	-	7,172	14,628	44,231
Deferred inflows of resources	52,390	-	16,752	34,167	103,309
Net cash provided by (used in) operating activities	<u>\$ 1,474,749</u>	<u>\$ (329,130)</u>	<u>\$ 540,984</u>	<u>\$ (2,256,921)</u>	<u>\$ (570,318)</u>
<b>Noncash capital and related financing activities:</b>					
GEFA loan forgiveness	\$ -	\$ -	\$ 10,151	\$ -	\$ 10,151

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



## **NOTES TO THE FINANCIAL STATEMENTS**







# CITY OF GARDEN CITY , GEORGIA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **A. The Financial Reporting Entity**

The City of Garden City, Georgia (the "City") was organized in 1930. The City operates under a council-manager form of government (the "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.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards Board (the "GASB") No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the component units' financial statements have been included as discretely presented. All of the City's component units have a December 31 year-end.

#### **Discretely Presented Component Units**

The Garden City Convention and Visitors Bureau was created to promote tourism, trade and conventions for the City. The governing board consists of nine regular members and two ex-officio members. The Mayor and City Council of the City appoint the regular members. The ex-officio members are the executive director of the Garden City Convention and Visitors Bureau Authority and the City Manager of the City of Garden City. The City provides the major support to the Visitors Bureau through the collection and remittance of hotel/motel taxes. The Garden City Convention and Visitors Bureau is reported as a governmental fund type.

The Downtown Development Authority for the City of Garden City meets the requirements of being reported as a discretely presented component unit but has no significant activity or assets and is in a dormant status.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its discretely presented component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special purpose local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, investment earnings and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** – The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The City reports the following major proprietary funds:

**Water and Sewer Fund** – accounts for financial resources from the operation of the sewage treatment plant, sewage pumping stations and collection systems, and the distribution of water.

**Solid Waste Fund** – accounts for financial resources from the operation of the government's sanitation services.

**Stormwater Fund** – accounts for financial resources from the operation of the government's stormwater drainage systems.

**Fire Protection Fund** – accounts for financial resources from the operation of the government's fire protection services.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the City reports the following fund type:

***Special Revenue Fund*** – accounts for revenue sources that are legally restricted to expenditure for specific purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general 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 public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

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

#### D. Management Estimates

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

#### E. Deposits and Investments

##### ***Deposits***

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



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **E. Deposits and Investments (Continued)**

##### ***Investments***

All investments are stated at fair value.

#### **F. Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

#### **G. Interfund Receivables, Payables, and Transfers**

In the fund financial statements, balances that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year, are referred to as “interfund receivables/interfund payables”. In the government-wide financial statements these balances are netted and reported as “internal balances”.

#### **H. Inventories**

In the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e. the consumption method).

In the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis.

Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market.

#### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed rather than when purchased.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. 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.

#### K. 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 acquisition value.

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



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **L. 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.

#### **M. Long-Term Obligations**

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.

#### **N. 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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

##### **Fund Balance**

Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Mayor and City Council through the adoption of a resolution. The Mayor and City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Mayor and City Council have authorized the City Manager or his designee to assign fund balance.
- **Unassigned** – Fund balances are reported as unassigned when the balances have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes with the General Fund.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Fund Equity (Continued)

##### Fund Balance Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

##### Net Position

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

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

#### P. Pensions

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



## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2018, are summarized as follows:

**As reported in the Statement of Net Position:**

Cash and cash equivalents - Primary Government	\$ 1,609,325
Cash and cash equivalents - Component Unit	663,880
Investments	3,469,088
Cash and cash equivalents - restricted	3,943,650
Total cash and investments	<u>\$ 9,685,943</u>
Deposits with financial institutions	\$ 6,214,955
Investments	3,469,088
Cash on hand	1,900
Total cash and investments	<u>\$ 9,685,943</u>

#### Credit Risk

Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The City has no investment policy that would further limit its investment choices. State statute authorizes the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the local government investment pool ("Georgia Fund 1"). As of December 31, 2018, the City's investment in the Georgia Fund 1 was rated AA+ by Standard & Poor's. Shares sold and redeemed are based on \$1 per share. The reported value of the pool is the same as the fair value of the pool shares. The Georgia Fund 1 is managed by the Office of the State Treasurer.

#### Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At December 31, 2018, the City had the following investments:

<u>Investment</u>	<u>Average Credit Rating</u>	<u>Fair Value</u>	<u>Maturities in Years</u>
Georgia Fund 1	Aaa	3,469,088	less than 1 year



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. DEPOSITS AND INVESTMENT (CONTINUED)

#### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The only investments held by City as of December 31, 2018, are maintained in Georgia Fund 1 and are not subject to level disclosure.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

#### Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities combined in the aggregate totaling not less than 110% of the public funds held. As of December 31, 2018, the City's bank balances of deposits are entirely covered under insurance or collateralization with securities held by the City's agent in the City's name.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. RECEIVABLES

#### Accounts Receivable

Receivables as of December 31, 2018, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund
Receivables:				
Taxes	\$ 947,506	\$ -	\$ 25,420	\$ -
Accounts	150,782	-	-	582,810
Intergovernmental	405,335	283,375	-	-
Gross receivables	1,503,623	283,375	25,420	582,810
Less allowance	-	-	-	(248,000)
Net receivables	<u>\$ 1,503,623</u>	<u>\$ 283,375</u>	<u>\$ 25,420</u>	<u>\$ 334,810</u>

	Solid Waste Fund	Stormwater Fund	Fire Protection Fund	Total
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ 972,926
Accounts	58,078	111,124	133,385	1,036,179
Intergovernmental	-	-	-	688,710
Gross receivables	58,078	111,124	133,385	2,697,815
Less allowance	(29,000)	(37,000)	(68,000)	(382,000)
Net receivables	<u>\$ 29,078</u>	<u>\$ 74,124</u>	<u>\$ 65,385</u>	<u>\$ 2,315,815</u>

#### Property Taxes

Property taxes are levied as of January 1 on property values assessed on the same date. A millage rate of 3.756 mills was adopted on June 4, 2018. Tax bills were rendered on September 15, 2018 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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2018, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Government Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 5,794,877	\$ -	\$ 1,463,835	\$ -	\$ 4,331,042
Construction in progress	3,121,516	1,083,714	-	(3,465,060)	740,170
Total	<u>8,916,393</u>	<u>1,083,714</u>	<u>1,463,835</u>	<u>(3,465,060)</u>	<u>5,071,212</u>
Capital assets, being depreciated					
Buildings	14,348,147	-	-	-	14,348,147
Machinery and equipment	5,801,420	398,306	360,698	-	5,839,028
Infrastructure	2,230,377	-	-	3,465,060	5,695,437
Total	<u>22,379,944</u>	<u>398,306</u>	<u>360,698</u>	<u>3,465,060</u>	<u>25,882,612</u>
Less accumulated depreciation for:					
Buildings	(3,981,984)	(285,231)	-	-	(4,267,215)
Machinery and equipment	(4,731,116)	(465,610)	(332,084)	-	(4,864,642)
Infrastructure	(933,273)	(112,296)	-	-	(1,045,569)
Total	<u>(9,646,373)</u>	<u>(863,137)</u>	<u>(332,084)</u>	<u>-</u>	<u>(10,177,426)</u>
Total capital assets, being depreciated, net	<u>12,733,571</u>	<u>(464,831)</u>	<u>28,614</u>	<u>3,465,060</u>	<u>15,705,186</u>
Governmental activities capital assets, net	<u>\$21,649,964</u>	<u>\$ 618,883</u>	<u>\$ 1,492,449</u>	<u>\$ -</u>	<u>20,776,398</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 55,341	\$ 36,316	\$ -	\$ -	\$ 91,657
Construction in progress	69,381	580,592	-	(531,248)	118,725
Total	<u>124,722</u>	<u>616,908</u>	<u>-</u>	<u>(531,248)</u>	<u>210,382</u>
Capital assets, being depreciated					
Utility plant in service	23,100,348	-	-	531,248	23,631,596
Buildings and systems	7,655,530	-	-	-	7,655,530
Other equipment	5,113,417	49,001	45,773	-	5,116,645
Infrastructure	2,758,917	-	-	-	2,758,917
Total	<u>38,628,212</u>	<u>49,001</u>	<u>45,773</u>	<u>531,248</u>	<u>39,162,688</u>
Less accumulated depreciation for:					
Utility plant in service	(13,439,293)	(640,671)	-	-	(14,079,964)
Buildings and systems	(2,013,142)	(249,557)	-	-	(2,262,699)
Other equipment	(3,622,887)	(395,081)	(45,773)	-	(3,972,195)
Infrastructure	(638,759)	(91,857)	-	-	(730,616)
Total	<u>(19,714,081)</u>	<u>(1,377,166)</u>	<u>(45,773)</u>	<u>-</u>	<u>(21,045,474)</u>
Total capital assets, being depreciated, net	<u>18,914,131</u>	<u>(1,328,165)</u>	<u>-</u>	<u>531,248</u>	<u>18,117,214</u>
Business-type activities capital assets, net	<u>\$19,038,853</u>	<u>\$ (711,257)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$18,327,596</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 441,791
Public safety	201,595
Public works	119,113
Recreation	96,752
Housing and development	3,886
Total depreciation for governmental activities	<u>\$ 863,137</u>
Business-type activities:	
Water and sewer fund	\$ 926,598
Stormwater fund	130,765
Fire protection fund	319,803
Total depreciation for governmental activities	<u>\$ 1,377,166</u>

### NOTE 5. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2018, is as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	\$ 179,169
General Fund	Water and Sewer Fund	129,822
General Fund	Stormwater Fund	493,461
SPLOST Fund	General Fund	695,123
Solid Waste Fund	General Fund	300,826
Solid Waste Fund	Stormwater Fund	30,000
Fire Protection Fund	General Fund	2,236,084
Fire Protection Fund	SPLOST Fund	152,724
		<u>\$ 4,217,209</u>

Interfund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) close out funds no longer used by the City, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. 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 \$244,966 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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Machinery and equipment	\$ 445,038	\$ 1,216,756
Less: accumulated depreciation	(311,994)	(599,324)
Total	<u>\$ 133,044</u>	<u>\$ 617,432</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

Year Ending December 31,	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 140,303	\$ 10,135	\$ 158,598	\$ 15,499
2020	\$ 119,253	6,249	162,669	11,788
2021	96,684	2,494	145,101	7,614
2022	-	-	148,859	3,855
	<u>\$ 356,240</u>	<u>\$ 18,878</u>	<u>\$ 615,227</u>	<u>\$ 38,756</u>

### NOTE 7. LONG-TERM DEBT

#### Governmental activities

##### Certificates 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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Governmental activities (Continued)

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 565,000	\$ 156,240
2020	575,000	144,375
2021	590,000	130,862
2022	605,000	115,523
2023	620,000	99,188
2024 - 2027	2,660,000	208,695
Totals	<u>\$5,615,000</u>	<u>\$ 854,883</u>

#### Business 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:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 385,000	\$ 58,538
2020	390,000	53,725
2021	400,000	41,275
2022	405,000	41,275
2023	330,000	33,985
2024 - 2028	725,000	102,925
2029 - 2032	365,000	22,100
Totals	<u>\$ 3,000,000</u>	<u>\$ 353,823</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Business activities (Continued)

##### Georgia Environmental Facilities Authority (GEFA) Loans

The Water and Sewer Fund incurred debt of \$4,588,080 to GEFA for various water and sewer system projects during prior years. Payments are due in monthly installments of \$21,929 including interest at 1.40% through 2038. The outstanding balance at December 31, 2018, is \$4,421,443.

Year Ending December 31,	Principal	Interest
2019	\$ 202,546	\$ 60,604
2020	205,400	57,750
2021	208,295	54,856
2022	211,229	51,921
2023	214,206	48,945
2024 - 2028	1,117,161	198,590
2029 - 2033	1,198,115	117,636
2034 - 2038	1,064,491	31,970
Totals	<u>\$ 4,421,443</u>	<u>\$ 622,272</u>

The Water and Sewer Fund incurred debt of \$500,000 to GEFA for a project at the wastewater treatment plant during current and prior years. Payments are due in monthly installments of \$4,339 including interest at 0.81% through 2028. The outstanding balance at December 31, 2018, is \$491,994.

Year Ending December 31,	Principal	Interest
2019	\$ 48,263	\$ 60,604
2020	48,655	57,750
2021	49,051	54,856
2022	49,450	51,921
2023	49,852	48,945
2024 - 2028	246,723	4,944
Totals	<u>\$ 491,994</u>	<u>\$ 279,020</u>

The Water and Sewer Fund incurred debt to GEFA for acquisition of an approved land conservation project during the year ended December 31, 2018. The construction line of credit agreement is for \$525,000, of which \$30,453 has been drawn down as of December 31, 2018. Repayment will be determined when construction is complete and all draws have been made.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended December 31, 2018, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities</b>					
Capital leases	\$ 187,293	\$ 280,465	\$ 111,518	\$ 356,240	\$ 140,303
Certificates of participation	6,170,000	-	555,000	5,615,000	565,000
Unamortized discount	(30,385)	-	(3,039)	(27,346)	(3,039)
Long-term debt	6,326,908	280,465	663,479	5,943,894	702,264
Compensated absences	116,523	326,214	323,284	119,453	119,453
Total governmental activities long-term liabilities	<u>\$6,443,431</u>	<u>\$ 606,679</u>	<u>\$ 986,763</u>	<u>\$6,063,347</u>	<u>\$ 821,717</u>
<b>Business-type Activities</b>					
Capital leases	\$ 771,165	\$ -	\$ 155,938	\$ 615,227	\$ 158,598
Revenue bonds	3,375,000	-	375,000	3,000,000	385,000
Unamortized premium	20,656	-	1,377	19,279	1,377
GEFA loans	4,652,380	476,304	184,794	4,943,890	250,809
Long-term debt	8,819,201	476,304	717,109	8,578,396	795,784
Compensated absences	37,186	80,618	87,702	30,102	30,102
Total business-type activities long-term liabilities	<u>\$8,856,387</u>	<u>\$ 556,922</u>	<u>\$ 804,811</u>	<u>\$8,608,498</u>	<u>\$ 825,886</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are generally paid for by the enterprise fund reporting the liability.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLAN

#### A. Plan Description

The City's defined benefit pension plan, the City of Garden City Retirement Plan (the "Plan"), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia.

The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information.

The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

*Plan membership.* As of January 1, 2018, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	40
Terminated plan members entitled to, but not receiving, benefits	66
Active plan members	111
Total	<u>217</u>

*Contributions.* Employees are not required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code section 47-20-10). 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 City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The City contributed \$519,942 to the Plan for the year ended December 31, 2018.

#### B. Net Pension Liability

The City's net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2018.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability (Continued)

Actuarial assumptions. The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75%, plus service based merit increases
Investment rate of return	7.50%

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.71%
International equity	20.00%	7.71%
Real estate	10.00%	5.21%
Global Fixed income	5.00%	3.36%
Domestic Fixed income	20.00%	2.11%
Cash	0.00%	
<b>Total</b>	<u>100.00%</u>	



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability (Continued)

*Discount rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability.* The changes in the components of the net pension liability of the City for the year ended December 31, 2018, were as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at March 31, 2017	\$ 8,928,621	\$ 6,682,052	\$ 2,246,569
Changes for the year:			
Service cost	317,750	-	317,750
Interest	678,587	-	678,587
Difference between expected and actual experience	352,086	-	352,086
Contributions, employer	-	544,609	(544,609)
Contributions, employee	-	27,522	(27,522)
Net investment income	-	838,864	(838,864)
Benefit payments	(345,327)	(345,327)	-
Administrative expense	-	(30,148)	30,148
Other	172,447	-	172,447
Net changes	<u>1,175,543</u>	<u>1,035,520</u>	<u>140,023</u>
Balances at March 31, 2018	<u><u>\$10,104,164</u></u>	<u><u>\$ 7,717,572</u></u>	<u><u>\$ 2,386,592</u></u>

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



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability (Continued)

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
\$3,699,812	\$2,386,592	\$1,297,543

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2018, and the current sharing pattern of costs between employer and employee.

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 375,047	\$ (192,678)
Changes of assumptions	129,336	(4,422)
Net difference between projected and actual earnings on pension plan investments	-	(273,069)
City's contribution to the pension plan subsequent to the measurement date	389,954	-
Total deferred outflows/(inflows)	<u>\$ 894,337</u>	<u>\$ (470,169)</u>



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability (Continued)

City contributions subsequent to the measurement date of \$389,954 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2019	\$ 85,939
2020	(815)
2021	11,767
2022	(62,677)
Total	<u>\$ 34,214</u>

### NOTE 9. ICMA RETIREMENT PLANS

*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, 2018 there were 72 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, 2018, were \$227,997 by the employees and \$101,102 by the government.

### NOTE 10. 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:



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RISK MANAGEMENT (CONTINUED)

*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, 2018. 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.

### NOTE 11. 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 (O.C.G.A.) 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. O.C.G.A. 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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. 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.

### NOTE 13. LODGING TAX

The government imposes a six percent hotel/motel tax on all lodging within the City. Revenues were \$399,093 for the year ended December 31, 2018. Expenditures totaled \$199,547 (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.

### NOTE 14. LEGAL COMPLIANCE – BUDGETS

#### Excess Expenditures over Appropriations

For the year ended December 31, 2018, expenditures exceeded budget in the following department or function as follows:

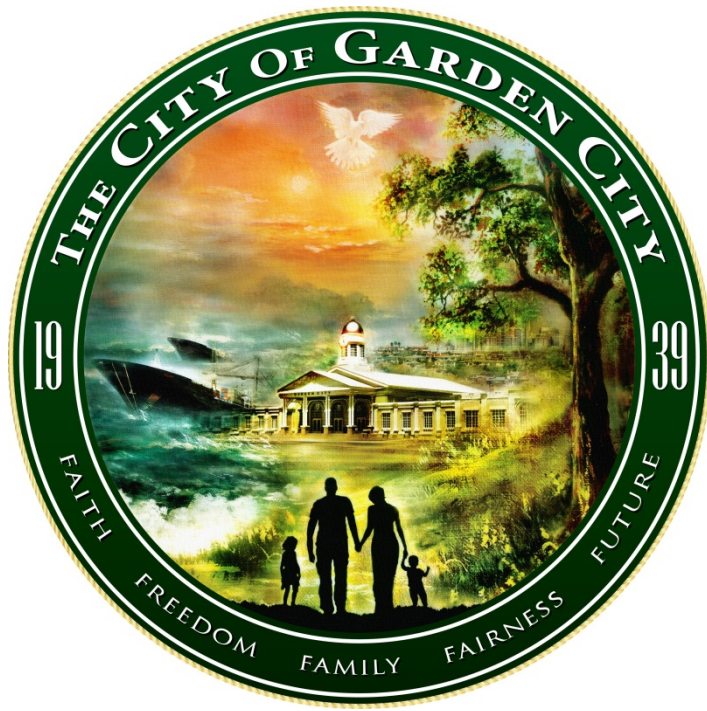
<u>Department</u>	<u>Excess</u>
Hotel-Motel Tax Fund - Housing and development	\$ 12,710

These over expenditures were funded by additional unanticipated revenues.



## **REQUIRED SUPPLEMENTARY INFORMATION**







# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,525,000	\$ 1,544,500	\$ 1,650,860	\$ 106,360
Sales	3,025,000	3,136,000	3,460,712	324,712
Franchise	826,000	779,200	776,559	(2,641)
Insurance premium	520,000	624,432	624,432	-
Occupational	460,000	571,000	479,266	(91,734)
Alcoholic beverage	152,000	171,000	170,627	(373)
Financial institution	35,000	35,000	33,170	(1,830)
Excise	35,000	60,500	64,351	3,851
Other	5,250	36,600	36,210	(390)
Licenses and permits	197,600	244,000	237,735	(6,265)
Intergovernmental	162,500	317,339	303,259	(14,080)
Fines and forfeitures	850,000	813,000	809,439	(3,561)
Charges for services	128,500	145,000	139,032	(5,968)
Investment earnings	10,000	31,000	40,302	9,302
Miscellaneous	181,000	197,500	195,513	(1,987)
Total revenues	8,112,850	8,706,071	9,021,467	315,396
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
Council	62,350	70,500	68,460	(2,040)
Executive department	305,750	318,700	297,721	(20,979)
General administration	992,205	1,130,111	1,115,282	(14,829)
Total general government	1,360,305	1,519,311	1,481,463	(37,848)
<b>Judicial</b>				
Municipal court	113,514	98,500	98,201	(299)
<b>Public safety</b>				
Police	4,156,312	4,259,831	4,187,843	(71,988)
Emergency management	10,000	1,000	514	(486)
Total public safety	4,166,312	4,260,831	4,188,357	(72,474)
<b>Public works</b>				
Public works administration	851,450	967,515	956,602	(10,913)
Maintenance and shop	122,550	164,900	161,203	(3,697)
Total public works	974,000	1,132,415	1,117,805	(14,610)
<b>Health and welfare</b>				
Senior citizens center	180,470	184,750	178,164	(6,586)
<b>Culture and recreation</b>				
Recreation	740,750	1,041,750	997,974	(43,776)
Parks	6,000	7,000	6,745	(255)
Total public works	746,750	1,048,750	1,004,719	(44,031)
<b>Housing and development</b>				
Planning and zoning	371,700	408,000	383,855	(24,145)
<b>Debt service:</b>				
Principal	121,741	59,896	59,896	-
Interest and other fees	2,356	307	307	-
Total debt service	124,097	60,203	60,203	-
Total expenditures	8,037,148	8,712,760	8,512,767	(199,993)
Excess (deficiency) of revenues over (under) expenditures	75,702	(6,689)	508,700	115,403



# CITY OF GARDEN CITY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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### OTHER FINANCING SOURCES (USES)

Transfers in	315,000	395,000	802,452	407,452
Transfers out	-	-	(3,232,033)	(3,232,033)
Sale of capital assets	-	-	5,727	5,727
Insurance recoveries	10,000	18,000	15,141	(2,859)
Total other financing sources, net	<u>325,000</u>	<u>413,000</u>	<u>(2,408,713)</u>	<u>(2,821,713)</u>
Net change in fund balances	<u>400,702</u>	<u>406,311</u>	<u>(1,900,013)</u>	<u>(2,706,310)</u>
Fund balances, beginning of year	<u>4,263,817</u>	<u>4,263,817</u>	<u>4,263,817</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,664,519</u>	<u>\$ 4,670,128</u>	<u>\$ 2,363,804</u>	<u>\$ (2,706,310)</u>



**CITY OF GARDEN CITY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 317,750	\$ 269,894	\$ 233,822	\$ 217,862
Interest	678,587	656,890	543,233	501,801
Differences between expected and actual experience	352,086	(385,356)	352,913	113,765
Changes of assumptions	-	-	-	(22,112)
Benefit payments	(345,327)	(274,922)	(298,110)	(255,306)
Other	172,447	48,652	623,086	-
<b>Net change in total pension liability</b>	<b>1,175,543</b>	<b>315,158</b>	<b>1,454,944</b>	<b>556,010</b>
<b>Total pension liability - beginning</b>	<b>8,928,621</b>	<b>8,613,463</b>	<b>7,158,519</b>	<b>6,602,509</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 10,104,164</b>	<b>\$ 8,928,621</b>	<b>\$ 8,613,463</b>	<b>\$ 7,158,519</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 544,609	\$ 553,264	\$ 353,385	\$ 381,022
Contributions - employee	27,522	12,085	-	-
Net investment income	838,864	734,086	18,434	492,021
Benefit payments	(345,327)	(274,922)	(298,110)	(255,306)
Administrative expense	(30,148)	(23,789)	(12,500)	(11,335)
<b>Net change in plan fiduciary net position</b>	<b>1,035,520</b>	<b>1,000,724</b>	<b>61,209</b>	<b>606,402</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,682,052</b>	<b>5,681,328</b>	<b>5,620,119</b>	<b>5,013,717</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 7,717,572</b>	<b>\$ 6,682,052</b>	<b>\$ 5,681,328</b>	<b>\$ 5,620,119</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 2,386,592</b>	<b>\$ 2,246,569</b>	<b>\$ 2,932,135</b>	<b>\$ 1,538,400</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>76.38%</b>	<b>74.84%</b>	<b>65.96%</b>	<b>78.51%</b>
<b>Covered payroll</b>	<b>\$ 4,922,342</b>	<b>\$ 5,318,021</b>	<b>\$ 4,535,128</b>	<b>\$ 4,119,739</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>48.48%</b>	<b>42.24%</b>	<b>64.65%</b>	<b>37.34%</b>

**Notes to the Schedule**

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



**CITY OF GARDEN CITY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	<b>\$ 544,609</b>	\$ 551,719	\$ 353,458	\$ 353,360
Contributions in relation to the actuarially determined contribution	<b>544,609</b>	553,264	353,385	381,022
Contribution deficiency (excess)	<b>\$ -</b>	<b>\$ (1,545)</b>	<b>\$ 73</b>	<b>\$ (27,662)</b>
Covered payroll	<b>\$ 4,922,342</b>	\$ 5,318,021	\$ 4,535,128	\$ 4,119,739
Contributions as a percentage of covered payroll	11.06%	10.40%	7.79%	9.25%

**Notes to the Schedule**

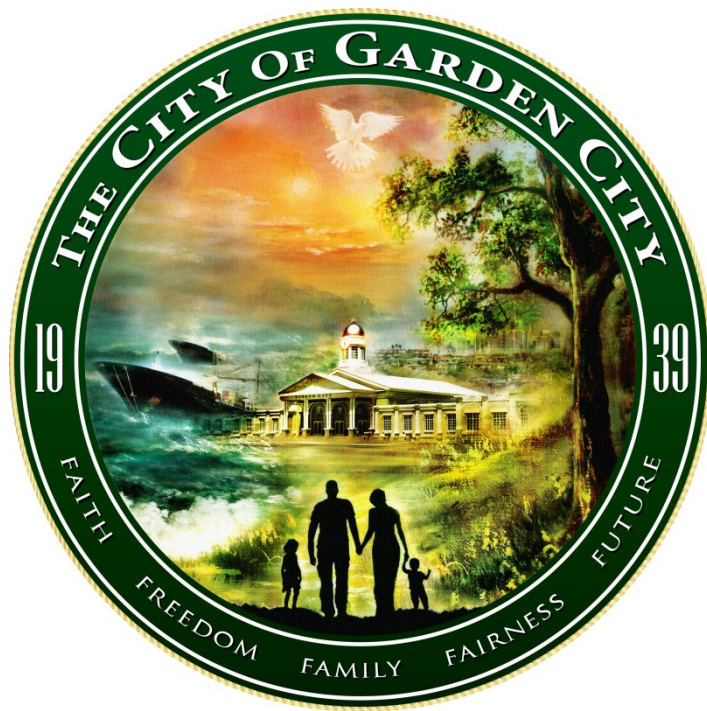
Valuation Date	July 1, 2018
Cost Method	Projected unit credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	13 years

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



## **COMBINING AND INDIVIDUAL FUND STATEMENTS**







# CITY OF GARDEN CITY, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### **SPECIAL REVENUE FUNDS:**

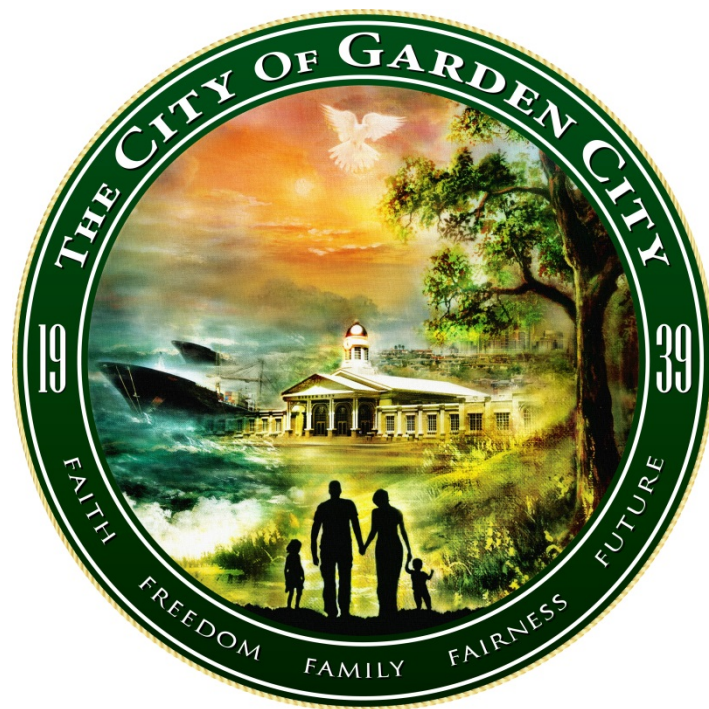
The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

**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.

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







# CITY OF GARDEN CITY, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/Motel Tax	Multiple Grant	
ASSETS				
Cash and cash equivalents	\$ 22,322	\$ 24,209	\$ -	\$ 46,531
Taxes receivable	-	25,420	-	25,420
Restricted cash and cash equivalents	-	-	92,931	92,931
Total assets	<u>\$ 22,322</u>	<u>\$ 49,629</u>	<u>\$ 92,931</u>	<u>\$ 164,882</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	<u>\$ -</u>	<u>\$ 12,713</u>	<u>\$ -</u>	<u>\$ 12,713</u>
Total liabilities	<u>-</u>	<u>12,713</u>	<u>-</u>	<u>12,713</u>
FUND BALANCES				
Restricted for:				
Public safety	22,322	-	-	22,322
Culture and beautification	-	36,916	-	36,916
Capital outlay	-	-	92,931	92,931
Total fund balances	<u>22,322</u>	<u>36,916</u>	<u>92,931</u>	<u>152,169</u>
Total liabilities and fund balances	<u>\$ 22,322</u>	<u>\$ 49,629</u>	<u>\$ 92,931</u>	<u>\$ 164,882</u>



# CITY OF GARDEN CITY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel/Motel Tax	Multiple Grant	
<b>Revenues:</b>				
Taxes	\$ -	399,093	\$ -	\$ 399,093
Fines and forfeitures	19,494	-	-	19,494
Investment earnings	-	3	20	23
Miscellaneous	7,499	-	-	7,499
Total revenues	<u>26,993</u>	<u>399,096</u>	<u>20</u>	<u>426,109</u>
<b>Expenditures:</b>				
Public safety	9,205	-	-	9,205
Housing and development	-	199,547	-	199,547
Total expenditures	<u>9,205</u>	<u>199,547</u>	<u>-</u>	<u>208,752</u>
Excess of revenues over expenditures	<u>17,788</u>	<u>199,549</u>	<u>20</u>	<u>217,357</u>
<b>Other financing uses</b>				
Transfers out	(3,785)	(162,633)	(12,751)	(179,169)
Total other financing uses	<u>(3,785)</u>	<u>(162,633)</u>	<u>(12,751)</u>	<u>(179,169)</u>
Net change in fund balances	14,003	36,916	(12,731)	38,188
<b>Fund balances, beginning of year</b>	<u>8,319</u>	<u>-</u>	<u>105,662</u>	<u>113,981</u>
<b>Fund balances, end of year</b>	<u>\$ 22,322</u>	<u>\$ 36,916</u>	<u>\$ 92,931</u>	<u>\$ 152,169</u>



# CITY OF GARDEN CITY, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL BUDGETARY COMPARISON SCHEDULE CONFISCATED ASSETS SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 19,494	\$ 9,494
Miscellaneous	-	-	7,499	7,499
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>26,993</u>	<u>16,993</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>10,000</u>	<u>10,000</u>	<u>9,205</u>	<u>795</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,205</u>	<u>795</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>17,788</u>	<u>17,788</u>
<b>Other financing uses</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(3,785)</u>	<u>(3,785)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(3,785)</u>	<u>(3,785)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>14,003</u>	<u>14,003</u>
<b>FUND BALANCES, beginning of year</b>	<u>8,319</u>	<u>8,319</u>	<u>8,319</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 8,319</u></u>	<u><u>\$ 8,319</u></u>	<u><u>\$ 22,322</u></u>	<u><u>\$ 14,003</u></u>



# CITY OF GARDEN CITY, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL BUDGETARY COMPARISON SCHEDULE HOTEL/MOTEL TAX FUND SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 303,000	\$ 373,673	\$ 399,093	\$ 25,420
Interest	-	-	3	3
Total revenues	<u>303,000</u>	<u>373,673</u>	<u>399,096</u>	<u>25,423</u>
 <b>EXPENDITURES</b>				
Current:				
Housing and Development	<u>151,500</u>	<u>186,837</u>	<u>199,547</u>	<u>(12,710)</u>
Total expenditures	<u>151,500</u>	<u>186,837</u>	<u>199,547</u>	<u>(12,710)</u>
 Net change in fund balance	151,500	186,836	199,549	12,713
 <b>Other financing uses</b>				
Transfers out	<u>(151,500)</u>	<u>(186,837)</u>	<u>(162,633)</u>	<u>24,204</u>
Total other financing uses	<u>(151,500)</u>	<u>(186,837)</u>	<u>(162,633)</u>	<u>24,204</u>
 Net change in fund balance				
 <b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>FUND BALANCES, end of year</b>	<u>\$ 151,500</u>	<u>\$ 186,836</u>	<u>\$ 36,916</u>	<u>\$ 12,713</u>



# CITY OF GARDEN CITY, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL BUDGETARY COMPARISON SCHEDULE MULTIPLE GRANT SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Interest	\$ 20	\$ 20	\$ 20	\$ -
Total revenues	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Housing and development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
<b>Other financing uses</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(12,751)</u>	<u>(12,751)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(12,751)</u>	<u>(12,751)</u>
Net change in fund balance	20	20	(12,731)	(12,751)
<b>FUND BALANCES, beginning of year</b>	<u>105,662</u>	<u>105,662</u>	<u>105,662</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 105,682</u>	<u>\$ 105,682</u>	<u>\$ 92,931</u>	<u>\$ (12,751)</u>



# CITY OF GARDEN CITY, GEORGIA

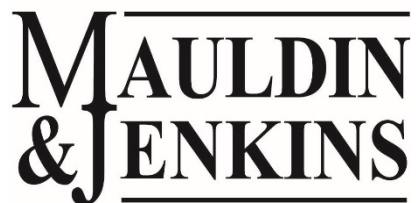
## SCHEDULE OF EXPENDITURES OF 2014 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2018

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
<u>2014 - 2020 SPLOST Referendum</u>					
Capital Outlay:	\$ 3,613,000	\$ 3,613,000			
Government Buildings			\$ 139,328	\$ 360,456	\$ 499,784
Public Safety Facilities and Equipment			950,134	287,424	1,237,558
Roads, Streets and Bridges			1,894,786	407,393	2,302,179
Cultural and Recreational Facilities			-	-	-
Parks			-	-	-
Debt Service:					
Municipal and Judicial Facilities	<u>4,472,000</u>	<u>4,472,000</u>	<u>2,115,184</u>	<u>721,230</u>	<u>2,836,414</u>
	<u>\$ 8,085,000</u>	<u>\$ 8,085,000</u>	<u>\$ 5,099,432</u>	<u>\$ 1,776,503</u>	<u>\$ 6,875,935</u>

*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	\$1,774,087
Transfer from SPLOST funds for repayment of principal and interest on	
Fire Protection Fund debt service	152,724
Local maintenance and improvement grants	(99,049)
Debt service on equipment not reported on schedule	(51,259)
Total SPLOST expenditures	<u>\$1,776,503</u>





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2018-001 that we consider to be a material weakness.



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### **Compliance and Other Matters**

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

### **City of Garden City, Georgia's Responses to Findings**

The City of Garden City, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Garden City, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
June 5, 2019



**CITY OF GARDEN CITY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

  X   Yes        None Reported

Significant deficiencies identified not considered  
to be material weaknesses?

       Yes   X   None Reported

Noncompliance material to financial statements noted?

       Yes   X   No

**Federal Awards**

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



**CITY OF GARDEN CITY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2018-001. Management of Due To/From (Internal) Accounts**

**Criteria:** Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the City.

**Condition:** Prior to fiscal year 2018, the City maintained internal payables/receivables to the General Fund across multiple funds due to the cash disbursement procedures. Most all of the checks are written out of the General Fund and due to/from(s) are generated by the system when these expenses are paid. These due/to from(s) have accumulated over the last few years with no intention or resources to pay them back.

**Context/Cause:** See above condition.

**Effect:** The following audit adjustments were required as of December 31, 2018:

- General Fund
  - Decreased due from other funds and increased transfers out to other funds in the amount of \$1,606,647.
- Confiscated Assets Fund
  - Decreased due from other funds and increased transfers out to other funds in the amount of \$3,785.
- Hotel-Motel Fund
  - Decreased due to other funds and increased transfers in from other funds in the amount of \$36,915.
- Multiple Grant Fund
  - Decreased due from other funds and increased transfers out to other funds in the amount of \$12,751.
- SPLOST Fund
  - Decreased due to other funds and increased transfers in from other funds in the amount of \$695,123.
- Water and Sewer Fund
  - Decreased due to other funds and increased transfers in from other funds in the amount of \$20,178.
- Solid Waste Fund
  - Decreased due to other funds and increased transfers in from other funds in the amount of \$300,826.
- Stormwater Fund
  - Increased due to other funds and transfers out to other funds in the amount of \$448,461.
- Fire Protection Fund
  - Decreased due to other funds and increased transfers in from other funds in the amount of \$1,018,603.

**Recommendation:** We recommend the City evaluate all due to/from (internal) accounts for collectability as appropriate.

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will evaluate all due to/from (internal) accounts for collectability as appropriate.



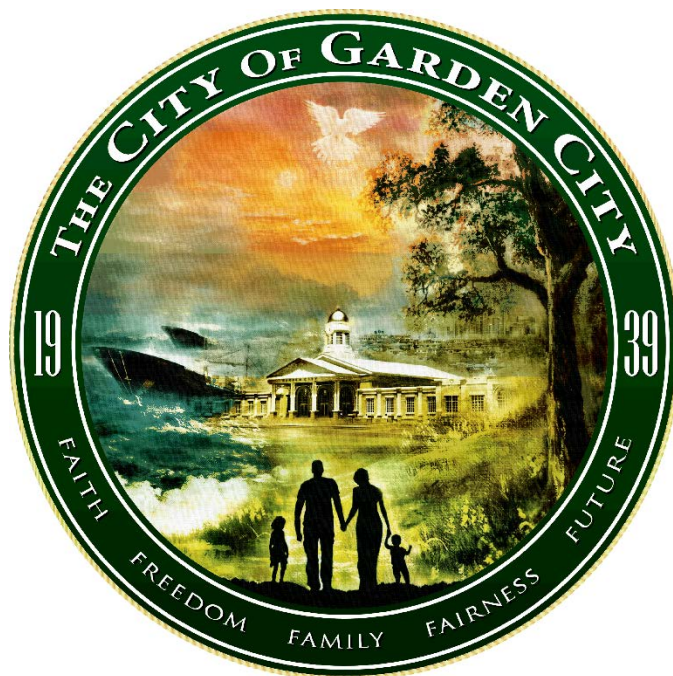
**CITY OF GARDEN CITY, GEORGIA**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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None reported.







## **STATISTICAL SECTION**







# CITY OF GARDEN CITY, GEORGIA

## STATISTICAL SECTION

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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	65 – 71
<b>Revenue Capacity</b> 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 sales taxes.	72 – 81
<b>Debt Capacity</b> 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.	82 – 85
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and provide information that facilitates comparisons of financial information over time and among governments.	86 and 87
<b>Operating Information</b> 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.	88 – 90

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



# CITY OF GARDEN CITY, GEORGIA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 12,909,489	\$ 12,348,736	\$ 12,329,724	\$ 11,928,004	\$ 11,973,251	\$ 11,695,771	\$ 11,798,120	\$ 12,944,733	\$ 15,323,056	\$ 14,832,504
Restricted	-	-	116,276	252,533	120,040	576,674	978,394	825,096	113,981	2,045,744
Unrestricted	7,153,169	3,991,150	3,569,672	4,458,343	4,117,321	5,526,529	5,542,726	3,883,156	3,439,436	1,711,243
Total governmental activities net position	\$ 20,062,658	\$ 16,339,886	\$ 16,015,672	\$ 16,638,880	\$ 16,210,612	\$ 17,798,974	\$ 18,319,240	\$ 17,652,985	\$ 18,876,473	\$ 18,589,491
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 11,266,753	\$ 11,699,882	\$ 11,693,200	\$ 11,678,706	\$ 10,950,870	\$ 10,408,014	\$ 10,461,769	\$ 10,961,872	\$ 10,219,652	\$ 9,749,200
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,404,345	314,526	230,177	838,502	1,617,980	2,593,894	3,098,463	2,901,328	3,389,129	4,550,485
Total business-type activities net position	\$ 12,671,098	\$ 12,014,408	\$ 11,923,377	\$ 12,517,208	\$ 12,568,850	\$ 13,001,908	\$ 13,560,232	\$ 13,863,200	\$ 13,608,781	\$ 14,299,685
<b>Primary government</b>										
Net investment in capital assets	\$ 24,176,242	\$ 24,116,888	\$ 24,022,924	\$ 23,606,710	\$ 22,924,121	\$ 22,103,785	\$ 22,259,889	\$ 23,906,605	\$ 25,542,708	\$ 24,581,704
Restricted	-	25,647	116,276	252,533	120,040	576,674	978,394	825,096	113,981	2,045,744
Unrestricted	8,557,514	4,211,759	3,799,849	5,296,845	5,735,301	8,120,423	8,641,189	6,784,484	6,828,565	6,261,728
Total primary government net position	\$ 32,733,756	\$ 28,354,294	\$ 27,939,049	\$ 29,156,088	\$ 28,779,462	\$ 30,800,882	\$ 31,879,472	\$ 31,516,185	\$ 32,485,254	\$ 32,889,176



# CITY OF GARDEN CITY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,749,681	\$ 2,272,465	\$ 1,957,364	\$ 2,018,107	\$ 1,934,767	\$ 1,449,807	\$ 1,580,481	\$ 1,796,052	\$ 1,905,124	\$ 2,079,811
Judiciary	71,619	98,187	97,289	97,000	97,160	95,500	96,250	98,450	102,750	98,201
Public safety	4,410,216	6,332,933	3,990,758	3,691,402	3,606,478	3,727,352	3,978,747	4,820,500	4,345,144	4,384,679
Public works	1,459,347	1,553,248	1,010,737	706,294	1,644,768	984,467	1,016,071	1,489,211	1,353,264	1,152,826
Health and Welfare	146,905	157,645	142,685	185,716	149,818	165,958	201,774	223,839	193,803	181,160
Culture and Recreation	859,249	744,323	632,721	836,979	770,782	694,969	720,162	928,678	902,666	865,594
Housing and Development	414,517	496,820	311,098	323,100	300,931	164,671	381,510	522,753	889,052	589,906
Interest on long-term debt	12,593	380,030	348,678	637,930	200,938	212,955	219,211	193,830	181,448	169,563
Total governmental activities expenses	9,124,127	12,035,651	8,491,330	8,496,528	8,705,642	7,495,679	8,194,206	10,073,313	9,873,251	9,521,740
Business-type activities:										
Water and sewerage system	2,879,332	2,924,569	3,047,325	2,952,549	3,101,449	2,837,507	3,075,811	3,221,336	3,517,828	4,039,620
Sanitation	461,521	434,560	385,114	399,333	413,749	384,159	370,800	379,055	407,944	385,996
Stormwater	765,146	766,005	829,794	722,104	738,503	878,475	808,378	931,135	898,404	847,326
Fire Protection Services	-	-	747,183	899,450	962,591	874,368	1,324,813	1,796,044	2,105,686	2,239,319
Total business-type activities expense	4,105,999	4,125,134	5,009,416	4,973,436	5,216,292	4,974,509	5,579,802	6,327,570	6,929,862	7,512,261
Total primary government expenses	\$ 13,230,126	\$ 16,160,785	\$ 13,500,746	\$ 13,469,964	\$ 13,921,934	\$ 12,470,188	\$ 13,774,008	\$ 16,400,883	\$ 16,803,113	\$ 17,034,001
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 115,827	\$ 119,688	\$ 116,139	\$ 72,804	\$ 197,364	\$ 201,390	\$ 254,970	\$ 296,327	\$ 295,108	\$ 511,775
Public safety	1,057,234	1,014,791	1,210,341	1,218,187	764,254	709,893	734,117	791,251	750,639	843,667
Public works	450	720	1,045	2,198	170	705	630	225	-	-
Health and Welfare	-	-	-	-	22,574	24,283	22,817	20,527	20,293	-
Culture and Recreation	67,558	106,654	106,017	128,288	93,780	106,154	91,742	103,601	100,351	53,271
Housing and Development	42,478	52,476	21,299	29,367	16,879	38,677	54,690	60,948	67,446	-
Operating grants and contributions	141,953	768,046	259,378	254,356	146,502	164,947	177,904	165,936	788,841	176,419
Capital grants and contributions	2,170,273	15,059	1,169,793	1,203,611	1,664,723	1,295,386	1,580,781	1,772,807	2,756,303	1,897,581
Total governmental activities program revenues	3,595,773	2,077,434	2,884,012	2,908,811	2,906,246	2,541,435	2,917,651	3,211,622	4,778,981	3,482,713



# CITY OF GARDEN CITY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Program Revenues (Continued)</b>										
Business-type activities:										
Charges for services	3,589,799	3,587,896	4,401,169	4,974,884	5,050,737	5,224,169	5,442,920	5,550,037	5,731,172	<b>6,068,762</b>
Operating grants and contributions	-	-	201,426	200,189	193,377	39,078	524,050	-	-	-
Capital grants and contributions	50,200	205,910	22,441	401,069	15,215	87,876	156,586	418,491	134,117	<b>30,988</b>
Total business-type activities										
program revenues	3,639,999	3,793,806	4,625,036	5,576,142	5,259,329	5,351,123	6,123,556	5,968,528	5,865,289	<b>6,099,750</b>
Total primary government										
program revenues	<u>\$ 7,235,772</u>	<u>\$ 5,871,240</u>	<u>\$ 7,509,048</u>	<u>\$ 8,484,953</u>	<u>\$ 8,165,575</u>	<u>\$ 7,892,558</u>	<u>\$ 9,041,207</u>	<u>\$ 9,180,150</u>	<u>\$ 10,644,270</u>	<u><b>\$ 9,582,463</b></u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (5,528,354)	\$ (9,958,217)	\$ (5,607,318)	\$ (5,587,717)	\$ (5,799,396)	\$ (4,954,244)	\$ (5,276,555)	\$ (6,861,691)	\$ (5,094,270)	<b>\$ (6,039,027)</b>
Business-type activities	(466,000)	(331,328)	(384,380)	602,706	43,037	376,614	543,754	(359,042)	(1,064,573)	<b>(1,412,511)</b>
Total primary government net expense	<u>\$ (5,994,354)</u>	<u>\$ (10,289,545)</u>	<u>\$ (5,991,698)</u>	<u>\$ (4,985,011)</u>	<u>\$ (5,756,359)</u>	<u>\$ (4,577,630)</u>	<u>\$ (4,732,801)</u>	<u>\$ (7,220,733)</u>	<u>\$ (6,158,843)</u>	<u><b>\$ (7,451,538)</b></u>
<b>General Revenue and Other</b>										
<b>Changes in Net Assets</b>										
Governmental activities:										
Taxes	5,500,889	5,618,465	5,693,408	6,042,359	5,330,729	6,591,994	6,849,298	6,772,949	7,288,918	<b>7,761,351</b>
Grants and contributions not restricted	-	202,913	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	67,762	18,644	2,152	2,500	3,091	3,087	7,904	14,560	24,054	<b>41,904</b>
Miscellaneous	241,991	200,423	191,832	142,866	28,110	1,283	29,782	60,901	219,846	<b>15,141</b>
Special items - Gain on sale of municipal complex	-	-	17,023	-	-	-	-	-	-	-
Transfers	(1,830,187)	195,000	(292,911)	23,200	9,198	(53,758)	(265,377)	(652,974)	(755,980)	<b>(2,066,351)</b>
Total governmental activities	<u>3,980,455</u>	<u>6,235,445</u>	<u>5,611,504</u>	<u>6,210,925</u>	<u>5,371,128</u>	<u>6,542,606</u>	<u>6,621,607</u>	<u>6,195,436</u>	<u>6,776,838</u>	<u><b>5,752,045</b></u>



# CITY OF GARDEN CITY, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenue and Other</b>										
<b>Changes in Net Assets (Continued)</b>										
Business-type activities:										
Unrestricted Investment Earnings	\$ 10,155	\$ 1,542	\$ 438	\$ 816	\$ 1,239	\$ 1,764	\$ 2,546	\$ 6,966	\$ 17,201	\$ 37,063
Miscellaneous	-	-	-	13,509	16,564	922	38,724	2,070	36,973	-
Transfers	1,830,187	(195,000)	292,911	(23,200)	(9,198)	53,758	265,377	652,974	755,980	2,066,351
Total business-type activities	1,840,342	(193,458)	293,349	(8,875)	8,605	56,444	306,647	662,010	810,154	2,103,414
Total primary government	\$ 5,820,797	\$ 6,041,987	\$ 5,904,853	\$ 6,202,050	\$ 5,379,733	\$ 6,599,050	\$ 6,928,254	\$ 6,857,446	\$ 7,586,992	\$ 7,855,459
<b>Change in Net Assets</b>										
Governmental activities	\$ (1,547,899)	\$ (3,722,772)	\$ 4,186	\$ 623,208	\$ (428,268)	\$ 1,588,362	\$ 1,345,052	\$ (666,255)	\$ 1,682,568	\$ (286,982)
Business-type activities	1,374,342	(524,786)	(91,031)	593,831	51,642	433,058	850,401	302,968	(254,419)	690,903
Total primary government	\$ (173,557)	\$ (4,247,558)	\$ (86,845)	\$ 1,217,039	\$ (376,626)	\$ 2,021,420	\$ 2,195,453	\$ (363,287)	\$ 1,428,149	\$ 403,921



# CITY OF GARDEN CITY, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 3,851,793	\$ 1,689,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved	6,001,695	4,088,793	-	-	-	-	-	-	-	
Nonspendable	-	-	125,386	126,443	117,959	184,289	74,493	101,190	67,198	96,362
Committed	-	-	-	-	-	-	-	-	-	1,254,973
Restricted	-	-	1,757,128	1,923,724	1,757,126	1,898,074	2,184,982	952,139	2,254,973	-
Assigned	-	-	-	533,000	-	-	-	-	-	-
Unassigned	-	-	1,321,567	1,149,729	1,464,440	2,482,404	3,022,728	2,999,503	1,941,646	1,012,469
Total General Fund	\$ 9,853,488	\$ 5,778,155	\$ 3,204,081	\$ 3,732,896	\$ 3,339,525	\$ 4,564,767	\$ 5,282,203	\$ 4,052,832	\$ 4,263,817	\$ 2,363,804
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	21,384	42,928	-	-	-	-	-	-	-	-
Capital Projects Funds	(3,411,015)	(2,478,743)	-	-	-	-	-	-	-	-
Restricted										
Special Revenue Funds	-	-	11,171	13,125	1,673	4,498	30,153	116,661	113,981	152,169
Capital Projects Fund	-	-	105,105	239,409	118,367	572,176	948,241	708,435	-	1,893,575
Assigned										
Special Revenue Funds	-	-	93,411	152,450	224,709	299,895	380,841	459,080	-	-
Unassigned										
Capital Projects fund	-	-	-	-	-	-	-	-	(227,338)	-
Total All Other Governmental Funds	\$ (3,389,631)	\$ (2,435,815)	\$ 209,687	\$ 404,984	\$ 344,749	\$ 876,569	\$ 1,359,235	\$ 1,284,176	\$ (113,357)	\$ 2,045,744



# CITY OF GARDEN CITY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 5,862,825	\$ 5,558,257	\$ 5,792,343	\$ 6,025,297	\$ 5,341,826	\$ 6,528,681	\$ 6,770,026	\$ 6,832,763	\$ 7,288,967	<b>7,695,280</b>
Licenses and permits	158,305	172,197	136,213	102,171	80,782	115,075	172,865	209,968	213,248	<b>237,735</b>
Intergovernmental	156,106	1,067,075	1,365,828	1,457,934	1,883,741	1,535,954	1,835,756	2,028,881	3,529,636	<b>2,074,001</b>
Charges for services	86,398	119,519	125,035	139,499	150,326	155,754	119,455	129,307	124,713	<b>139,032</b>
Fines and forfeitures	1,038,844	1,002,613	1,193,593	1,209,174	730,884	685,389	730,823	786,297	746,894	<b>828,933</b>
Interest Revenues	67,762	18,703	2,152	2,530	3,091	3,087	7,988	15,051	25,212	<b>41,904</b>
Other revenues	241,991	223,002	231,154	122,320	148,532	122,773	159,750	190,580	186,055	<b>203,012</b>
Total revenues	<b>7,612,231</b>	<b>8,161,366</b>	<b>8,846,318</b>	<b>9,058,925</b>	<b>8,339,182</b>	<b>9,146,713</b>	<b>9,796,663</b>	<b>10,192,847</b>	<b>12,114,725</b>	<b>11,219,897</b>
<b>Expenditures</b>										
Current:										
General government	1,778,215	1,835,903	1,527,331	1,616,657	1,565,889	1,028,023	1,216,522	1,515,878	1,497,850	<b>1,481,463</b>
Judiciary	71,619	98,187	97,289	97,000	97,160	95,500	96,250	98,450	102,750	<b>98,201</b>
Public Safety	4,106,397	4,519,181	3,577,570	3,514,410	3,474,984	3,550,513	3,862,078	4,108,536	4,123,002	<b>4,197,562</b>
Public Works	1,307,368	1,082,379	811,223	675,617	583,182	789,449	907,525	1,428,590	1,165,901	<b>1,117,805</b>
Health and Welfare	146,905	157,645	142,685	185,716	149,818	165,958	202,054	213,111	194,608	<b>178,164</b>
Culture and Recreation	745,024	744,323	570,302	775,429	817,256	619,474	734,559	859,142	829,518	<b>1,004,719</b>
Housing and Development	386,341	639,431	326,839	302,740	264,661	126,860	340,560	476,836	351,525	<b>583,402</b>
Capital outlay	8,712,346	1,875,554	-	-	948,156	115,405	635,504	1,114,765	2,908,844	<b>1,001,598</b>
Debt service:										
Principal	219,904	283,814	1,191,325	9,060,504	547,220	523,461	618,046	716,012	727,551	<b>664,182</b>
Interest	12,593	380,030	377,338	881,197	240,704	211,212	218,259	194,667	182,528	<b>168,510</b>
Intergovernmental:										
Assistance	88,646	115,134	92,821	73,816	125,564	113,432	123,245	135,944	199,259	
Total expenditures	<b>17,575,358</b>	<b>11,731,581</b>	<b>8,714,723</b>	<b>17,183,086</b>	<b>8,814,594</b>	<b>7,339,287</b>	<b>8,954,602</b>	<b>10,861,931</b>	<b>12,283,336</b>	<b>10,495,606</b>
Excess (deficiency) of revenues over expenditures	<b>(9,963,127)</b>	<b>(3,570,215)</b>	<b>131,595</b>	<b>(8,124,161)</b>	<b>(475,412)</b>	<b>1,807,426</b>	<b>842,061</b>	<b>(669,084)</b>	<b>(168,611)</b>	<b>724,291</b>



# CITY OF GARDEN CITY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing Sources (Uses)</b>										
Capital leases and Notes Payable	10,207,438	253,698	-	71,000	-	-	612,563	-	-	<b>280,465</b>
Certificate of Participation Issued	-	-	-	8,740,000	-	-	-	-	-	-
Discount on Certificates										
of Participation Issued	-	-	-	(45,580)	-	-	-	-	-	-
Sale of Surplus Property	-	-	-	39,107	-	-	-	875	-	<b>1,305,542</b>
Insurance Recoveries	-	-	-	20,546	12,607	3,394	10,855	16,753	197,123	<b>15,141</b>
Transfers In	140,885	3,327,250	3,383,109	582,482	312,115	308,434	318,245	330,943	394,259	<b>\$ 1,497,575</b>
Transfers Out	(784,908)	(3,132,250)	(3,443,276)	(559,282)	(302,917)	(362,192)	(583,622)	(983,917)	(1,150,239)	<b>(3,563,926)</b>
Total other financing sources (uses)	<u>9,563,415</u>	<u>448,698</u>	<u>(60,167)</u>	<u>8,848,273</u>	<u>21,805</u>	<u>(50,364)</u>	<u>358,041</u>	<u>(635,346)</u>	<u>(558,857)</u>	<u><b>(465,203)</b></u>
Net change in fund balances	<u>\$ (399,712)</u>	<u>\$ (3,121,517)</u>	<u>\$ 71,428</u>	<u>\$ 724,112</u>	<u>\$ (453,607)</u>	<u>\$ 1,757,062</u>	<u>\$ 1,200,102</u>	<u>\$ (1,304,430)</u>	<u>\$ (727,468)</u>	<u><b>\$ 259,088</b></u>
Debt service as a percentage of noncapital expenditures	2.62%	6.74%	18.00%	57.86%	10.02%	10.17%	10.05%	9.34%	9.71%	<b>8.77%</b>



## CITY OF GARDEN CITY, GEORGIA

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

Tax Digest Year	Real Property		Mobile Homes	Motor Vehicles	Industrial	Utility	Other Personal Property	Tax Exempt Real Property	Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Residential	Commercial							Assessed Value	Estimated Actual Value		
2009	102,612,345	153,186,452	4,716,200	28,087,370	90,569,095	7,803,677	5,138,351	(20,065,855)	372,047,635	930,119,088	40.00%	-
2010	87,583,851	152,466,687	4,606,800	26,211,060	102,262,351	8,491,300	3,344,329	(13,739,715)	371,226,663	928,066,658	40.00%	-
2011	79,077,088	144,592,269	4,519,484	25,055,760	124,301,390	10,779,351	2,332,308	(9,383,559)	381,274,091	953,185,228	40.00%	-
2012	78,084,103	147,194,157	5,492,582	26,301,130	111,412,897	10,150,904	1,153,718	(8,978,184)	370,811,307	927,028,268	40.00%	-
2013	81,535,065	156,766,825	5,965,240	27,999,510	109,871,199	10,367,321	833,057	(10,592,025)	382,746,192	956,865,480	40.00%	-
2014	81,205,784	167,938,531	5,773,080	24,858,970	100,240,147	10,872,614	1,482,241	(41,126,476)	351,244,891	878,112,228	40.00%	4.000
2015	78,385,792	175,929,590	5,646,194	16,776,140	117,435,762	12,124,157	2,301,812	(39,526,795)	369,072,652	922,681,630	40.00%	3.883
2016	75,494,899	164,296,704	5,235,004	12,951,250	133,902,014	12,417,656	2,346,749	(38,232,614)	368,411,662	921,029,155	40.00%	3.883
2017	74,573,769	174,012,279	5,377,684	9,425,160	144,196,612	13,910,288	1,604,325	(38,488,120)	384,611,997	961,529,993	40.00%	3.856
2018	75,749,466	190,423,032	5,078,804	7,470,440	168,373,906	15,339,834	3,799,046	(38,426,727)	427,807,801	1,069,519,503	40.00%	3.756

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

**Note:** The ratio of total assessed to total estimated actual value is at 40.0% by state law.

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



**CITY OF GARDEN CITY, GEORGIA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Direct</b>	<b>Overlapping Rates</b>			<b>Total</b>
	<b>City</b>	<b>School District</b>	<b>Chatham County</b>	<b>State of Georgia</b>	
2009	-	13.404	10.537	0.25	24.191
2010	-	14.131	10.537	0.25	24.918
2011	-	14.631	11.109	0.25	25.990
2012	-	14.631	11.109	0.20	25.940
2013	-	15.880	12.950	0.15	28.980
2014	4.000	15.881	12.543	0.10	32.524
2015	3.883	16.631	12.543	0.05	33.107
2016	3.883	16.631	12.543	0.00	33.057
2017	3.856	16.631	12.693	0.00	33.180
2018	3.756	18.881	12.693	0.00	35.330

**Source:** Chatham County Tax Commissioner's Office



# CITY OF GARDEN CITY, GEORGIA

## LOCAL OPTION SALES TAX HISTORY LAST TEN CALENDAR YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	\$ 344,503	\$ 273,020	\$ 250,824	\$ 270,245	\$ 256,987	\$ 198,095	\$ 215,149	\$ 179,109	227,627	\$ 220,477
February	254,327	270,843	280,818	290,586	295,748	210,564	220,986	219,773	232,054	228,153
March	221,021	294,915	279,450	326,733	237,172	240,296	243,788	251,317	266,313	298,697
April	394,481	275,134	295,415	298,087	195,103	233,610	251,283	241,114	262,598	288,365
May	249,038	285,449	293,494	313,743	224,825	238,363	247,085	240,575	258,710	278,031
June	269,339	281,520	304,670	321,629	224,100	240,984	254,619	253,815	265,626	293,667
July	284,952	280,362	318,112	310,599	215,672	247,207	253,464	242,325	265,168	286,393
August	314,377	279,326	306,235	293,763	220,673	235,973	235,624	237,427	246,540	271,498
September	263,508	265,355	301,040	310,136	216,010	230,915	199,903	238,282	237,298	263,362
October	269,220	274,202	273,984	302,928	213,307	231,495	232,030	218,906	250,960	288,230
November	245,272	261,524	268,169	288,766	205,247	232,669	230,946	244,444	261,962	274,793
December	270,655	300,901	331,240	332,013	250,943	267,433	266,323	283,077	286,383	312,870
Pro Rata Adjustment	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 3,380,693</u>	<u>\$ 3,342,551</u>	<u>\$ 3,503,451</u>	<u>\$ 3,659,228</u>	<u>\$ 2,755,787</u>	<u>\$ 2,807,604</u>	<u>\$ 2,851,200</u>	<u>\$ 2,850,164</u>	<u>\$ 3,061,237</u>	<u>\$ 3,304,536</u>

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



**CITY OF GARDEN CITY, GEORGIA**  
**SCHEDULE OF TAX REVENUES AND FRANCHISE FEES**

<b>Tax Revenue</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Local Option Sales Tax	\$ 3,380,693	\$ 3,342,551	\$ 3,503,451	\$ 3,659,228	\$ 2,755,787	\$ 2,807,604	\$ 2,851,200	\$ 2,850,164	\$ 3,061,237	\$ 3,304,536
Real and Personal										
Property Tax	-	-	-	-	-	1,174,624	1,377,255	1,479,981	1,594,366	1,687,000
Title Ad Valorem Tax	-	-	-	-	170,450	196,198	207,554	126,374	116,933	156,176
Franchise Tax - Electric	691,275	589,091	722,827	655,423	683,785	662,390	719,749	662,594	641,147	613,200
Franchise Tax - Gas	31,319	31,171	30,163	30,654	31,938	31,442	29,699	29,649	27,662	29,012
Franchise Tax -										
Television Cable	81,315	79,960	110,206	90,787	94,093	94,802	95,864	100,537	93,066	92,158
Franchise Tax - Telephone	51,511	59,272	52,654	47,615	52,818	51,156	55,648	67,922	44,734	42,189
Alcoholic Beverage										
Excise Tax	172,217	157,393	151,710	140,161	129,078	139,623	141,929	146,458	158,596	158,892
Energy Excise Tax	-	-	-	-	6,701	18,900	36,702	43,503	55,350	64,351
Local Option Mixed Drink										
Excise Tax	5,421	2,340	3,015	2,860	2,565	4,271	7,416	9,556	8,892	11,735
Business and Occupation										
Tax	642,642	524,025	570,643	714,569	709,453	623,464	466,552	461,095	475,113	570,673
Insurance Premium Tax	563,302	546,931	411,725	437,321	453,628	474,518	506,945	549,120	579,008	624,432
Financial Institution Tax	23,251	40,349	35,885	40,562	33,959	22,825	27,027	33,926	34,348	33,170
	<u>\$ 5,642,946</u>	<u>\$ 5,373,083</u>	<u>\$ 5,592,279</u>	<u>\$ 5,819,180</u>	<u>\$ 5,124,255</u>	<u>\$ 6,301,817</u>	<u>\$ 6,523,540</u>	<u>\$ 6,560,879</u>	<u>\$ 6,890,452</u>	<u>\$ 7,387,524</u>



# CITY OF GARDEN CITY, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Centerpoint Garden City LLC	\$ 25,696,876	1	6.68%			
International Paper Company	13,315,939	2	3.46%			
Georgia Power Company	10,698,389	3	2.78%			
Unite Rentals	7,162,336	4	1.86%			
GPT Dean Forest	6,917,880	5	1.80%			
Duke Realty Limited Partnership	6,352,600	6	1.65%			
Newell Recycling of Savh LLC	6,193,291	7	1.61%			
Slivka Gene R	6,265,920	8	1.63%			
Garden Lake Townhomes LLC	5,797,183	9	1.51%			
Sunbelt Rentals Inc. #018	5,809,908	10	1.51%			
Total	<u>\$ 94,210,322</u>		<u>24.49%</u>	<u>\$ -</u>		<u>0.00%</u>

**Source:** Chatham County Tax Assessor

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



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**CITY OF GARDEN CITY, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**CURRENT YEAR AND LAST FOUR FISCAL YEARS**

Calendar Year <sup>(1)</sup>	Total Tax Levy <sup>(2)</sup>	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	\$ (23,167)	\$ 1,255,526	\$ 1,009,692	78.96%	\$ 245,325	\$ 1,255,017	99.96%
2015	1,339,135	(25,762)	1,313,373	1,121,272	85.50%	191,607	1,312,879	99.96%
2016	1,352,839	14,591	1,367,430	1,174,439	86.81%	192,135	1,366,574	99.94%
2017	1,430,542	13,189	1,443,731	1,265,275	88.60%	175,938	1,441,213	99.83%
2018	1,550,460	(31,255)	1,519,205	1,306,581	84.27%	-	1,306,581	86.00%

**Source:** Chatham County Tax Commissioner

<sup>(1)</sup> Taxes are assessed for the calendar year beginning January 1.

<sup>(2)</sup> The total tax levy includes real property, industrial property, personal property and public utilities. The total tax levy is the original state approved levy after adjustments for cancelations, releases, errors and additions.

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



# CITY OF GARDEN CITY, GEORGIA

## WATER RATES LAST TEN FISCAL YEARS

Years ended December 31,	Water - Inside the City		Water - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2009 - 2010	Base *	\$8.96 per REU*	Base *	\$10.54 per REU*
	Administration Fee	1.85	Administration Fee	1.85
	<u>Gallons</u>		<u>Gallons</u>	
	up to 5,000	\$ 1.00	up to 5,000	\$ 1.50
	5,001 - 10,000	1.50	5,001 - 10,000	2.25
	10,001 - 15,000	2.00	10,001 - 15,000	3.00
	15,001 - 20,000	2.50	15,001 - 20,000	3.75
	Over 20,000	3.00	Over 20,000	4.50
2011	Base	\$10.68 per REU*	Base	\$12.26 per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$1.00	up to 2,500	\$1.50
	2,501 - 5,000	\$1.25	2,501 - 5,000	\$2.00
	5,001 - 10,000	\$1.50	5,001 - 10,000	\$2.25
	10,001 - 15,000	\$2.00	10,001 - 15,000	\$3.00
	15,001 - 20,000	\$2.50	15,001 - 20,000	\$3.75
	Over 20,000	\$3.00	Over 20,000	\$4.50
2012	Base	\$11.68 per REU*	Base	\$13.44 per REU*
2013	Base	\$12.13 per REU*	Base	\$13.95 per REU*
2014	Base	\$13.35 per REU*	Base	\$15.36 per REU*
2015	Base	\$13.55 per REU*	Base	\$15.59 per REU*



# CITY OF GARDEN CITY, GEORGIA

## WATER RATES LAST TEN FISCAL YEARS

Years ended December 31,	Water - Inside the City		Water - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2016	Base	\$14.09 per REU*	Base	\$16.20 Per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	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
2017	Base	\$14.51 per REU*	Base	\$16.69 Per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$1.36	up to 2,500	\$2.04
	2,501 - 5,000	\$1.63	2,501 - 5,000	\$2.45
	5,001 - 10,000	\$1.91	5,001 - 10,000	\$2.87
	10,001 - 15,000	\$2.44	10,001 - 15,000	\$3.66
	15,001 - 20,000	\$2.99	15,001 - 20,000	\$4.49
	Over 20,000	\$3.53	Over 20,000	\$5.30
2018	Base	\$15.4 per REU*	Base	\$17.71 Per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$1.44	up to 2,500	\$2.16
	2,501 - 5,000	\$1.73	2,501 - 5,000	\$2.60
	5,001 - 10,000	\$2.03	5,001 - 10,000	\$3.05
	10,001 - 15,000	\$2.59	10,001 - 15,000	\$3.89
	15,001 - 20,000	\$3.17	15,001 - 20,000	\$4.76
	Over 20,000	\$3.75	Over 20,000	\$5.63

\* REU - Residential Equivalent Unit



# CITY OF GARDEN CITY, GEORGIA

## SEWER RATES LAST TEN FISCAL YEARS

Years ended December 31,	Sewer - Inside the City		Sewer - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2009 - 2010	Base	\$10.00 per REU*	Base	\$12.04 per REU*
	Administration Fee	\$1.85	Administration Fee	\$1.85
	<u>Gallons</u>		<u>Gallons</u>	
	up to 5,000	\$1.30	up to 5,000	\$1.95
	5,001 - 10,000	\$1.95	5,001 - 10,000	\$2.93
	10,001 - 15,000	\$2.60	10,001 - 15,000	\$3.90
	15,001 - 20,000	\$3.25	15,001 - 20,000	\$4.88
	Over 20,000	\$3.90	Over 20,000	\$5.85
2011	Base	\$11.35 per REU*	Base	\$13.39 per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$1.30	up to 2,500	\$1.95
	2,501 - 5,000	\$1.66	2,501 - 5,000	\$2.55
	5,001 - 10,000	\$1.95	5,001 - 10,000	\$2.93
	10,001 - 15,000	\$2.60	10,001 - 15,000	\$3.90
	15,001 - 20,000	\$3.25	15,001 - 20,000	\$4.88
	Over 20,000	\$3.90	Over 20,000	\$5.85
2012	Base	\$13.35 per REU*	Base	\$15.35 per REU*
2013	Base	\$14.40 per REU*	Base	\$16.56 per REU*
2014	Base	\$15.84 per REU*	Base	\$18.21 per REU*
2015	Base	\$16.08 per REU*	Base	\$18.50 per REU*



# CITY OF GARDEN CITY, GEORGIA

## SEWER RATES LAST TEN FISCAL YEARS

Years ended December 31,	Sewer - Inside the City		Sewer - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2016	Base	\$16.29 per REU*	Base	\$18.68 per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	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	\$2.92	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
2017	Base	\$16.78 per REU*	Base	\$19.30 per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$2.08	up to 2,500	\$3.12
	2,501 - 5,000	\$2.24	2,501 - 5,000	\$3.36
	5,001 - 10,000	\$2.32	5,001 - 10,000	\$3.48
	10,001 - 15,000	\$3.01	10,001 - 15,000	\$4.52
	15,001 - 20,000	\$3.70	15,001 - 20,000	\$5.55
	Over 20,000	\$4.38	Over 20,000	\$6.57
2018	Base	\$17.80 per REU*	Base	\$20.47 per REU*
	Administration Fee	\$2.35	Administration Fee	\$2.35
	<u>Gallons</u>		<u>Gallons</u>	
	up to 2,500	\$2.20	up to 2,500	\$3.30
	2,501 - 5,000	\$2.37	2,501 - 5,000	\$3.56
	5,001 - 10,000	\$2.46	5,001 - 10,000	\$3.69
	10,001 - 15,000	\$3.19	10,001 - 15,000	\$4.79
	15,001 - 20,000	\$3.92	15,001 - 20,000	\$5.88
	Over 20,000	\$4.65	Over 20,000	\$6.98

\* REU - Residential Equivalent Unit



**CITY OF GARDEN CITY, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal 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			
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
2017	187,293	6,139,615	-	771,165	-	4,652,380	3,395,656	-	\$ 15,146,109	9.46%	1,702
2018	75,776	5,587,653	-	615,227	-	4,917,724	3,019,279	-	\$ 14,215,659	8.15%	1,585

**Notes:** 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, 2018

	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	\$ 1,410,000	3.37%	\$ 47,517
DSA Union Mission Series 2009	1,560,000	3.37%	52,572
DSA Chatham County Projects Series 2014 Refunding of 2005	7,400,000	3.37%	249,380
Chatham-Savannah School Board:			
General Obligation Bonded Debt	7,350,000	5.89%	432,915
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia	2,180,170	3.37%	73,472
Savannah-Chatham County School Board	17,217,589	5.89%	1,014,116
Subtotal, overlapping debt			1,869,972
City of Garden City direct debt			5,663,429
Total direct and overlapping debt			\$ 7,533,401



# CITY OF GARDEN CITY, GEORGIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Assessed Value	\$ 372,047,635	\$ 371,226,663	\$ 381,274,091	\$ 370,811,307	\$ 382,746,192	\$ 351,244,891	\$ 369,072,652	\$ 368,411,662	\$ 384,679,595	\$ 427,807,801
Debt Limit Percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Debt Limit-10% of Assessed Value	37,204,764	37,122,666	38,127,409	37,081,131	38,274,619	35,124,489	36,907,265	36,841,166	38,467,960	42,780,780
Debt Applicable to Debt Limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 37,204,764	\$ 37,122,666	\$ 38,127,409	\$ 37,081,131	\$ 38,274,619	\$ 35,124,489	\$ 36,907,265	\$ 36,841,166	\$ 38,467,960	\$ 42,780,780
Legal debt margin as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



# CITY OF GARDEN CITY, GEORGIA

## PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS

### Water and Sewerage System Long-Term Obligations

Year	Utility Service Charges	Less: Operating Expenses (a)	Net Available Revenue	Debt Service (b)		Coverage
				Principal	Interest	
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
2017	3,749,799	(2,263,640)	1,486,159	371,377	119,520	3.03
2018	-	-	-	551,020	-	0.00

<sup>(a)</sup> Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration and finance.

<sup>(b)</sup> 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 FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population*</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age</u>	<u>Unemployment Rate (2)</u>
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%
2017	8,900	160,102,100	17,989	32.6	5.6%
2018	8,970	174,448,560	19,448	30.9	5.5%

**Sources:**

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

<sup>(1)</sup> United States Census Bureau - Community Facts

<sup>(2)</sup> [www.city-data.com/city/garden-city-georgia.html](http://www.city-data.com/city/garden-city-georgia.html)



## CITY OF GARDEN CITY, GEORGIA

### PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Gulfstream Aerospace Corporation	10,000	1	7.31%	6,000	1	4.16%
Ft. Stewart Army Airfield	5,773	2	3.53%	5,109	2	3.84%
Savannah Chatham County Board of Education	5,654	3	2.52%	4,093	4	2.56%
Memorial Health University Medical Ctr.	4,775	4	0.59%	4,643	3	
St. Joseph's/ Candler Health System	3,400	5	0.49%	3,304	5	
City of Savannah	2,468	6	0.49%	2,500	7	
Savannah College of Art & Design	1,886	7	0.40%	1,500	9	
Chatham County	1,600	8	0.36%	1,500	10	
Georgia Ports Authority	1,080	9	0.34%			
Armstrong State University	886	10	0.33%			
Wal-Mart		-	-	2,935	6	2.27%
Momentum Resources II, Inc.		-	-	1,703	8	1.11%
Total	<u>37,522</u>		<u>16.36%</u>	<u>33,287</u>		

**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 EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

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Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	11	14	13	12	12	9	7	8	8	9
Public Safety	51	57	56	54	54	56	58	60	63	63
Public Works	13	14	11	12	12	12	12	12	12	12
Culture and Recreation	14	12	12	12	12	12	13	14	11	11
Utility Services	17	17	15	18	18	17	17	16	6	10
Total:	<u>106</u>	<u>114</u>	<u>107</u>	<u>108</u>	<u>108</u>	<u>106</u>	<u>107</u>	<u>110</u>	<u>100</u>	<u>105</u>

**Source:** City Personnel Records



**CITY OF GARDEN CITY, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Police:</b>										
Arrests	1256	1385	1259	854	842	867	845	1054	693	<b>734</b>
<b>Fire:</b>										
Number of Emergency Calls	348	379	394	362	370	357	601	2,407	2,122	<b>3,144</b>
Inspections	unav*	50	53	100	133	180	150	147	147	<b>118</b>
<b>Public Works:</b>										
Ditch Maintenance (Miles)	10.7	8.1	5.6	4.96	6.5	5.6	7.6	7.5	7.6	<b>7.58</b>
Canal Maintenance (Miles)	120	84	109	1,530	646	508	745	765	652	<b>420</b>
Dry Trash (tons)	826	848	848	150	189	38	157	168	153	<b>354.69</b>
<b>Water:</b>										
New Connections	10	8	7	12	2	6	12	5	8	<b>14</b>
Average daily consumption (millions of gallons)	1.03	1.03	0.99	0.94	0.95	0.96	0.89	0.82	0.84	<b>0.89</b>
<b>Sewer:</b>										
New Connections	6	8	7	11	2	6	8	5	6	<b>14</b>
Average daily sewage treatment (millions of gallons)	1.05	1.05	0.83	0.86	0.88	0.89	1.07	1.05	1.05	<b>1.12</b>

**Source:** City records

unav\* - This information is not available.



## CITY OF GARDEN CITY, GEORGIA

### CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles)	45	45	45	45	45	45	45	45	45	45
Parks and recreation										
Parks	4	4	4	4	4	4	4	4	4	4
Community Centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	39.9	39.9	41.9	41.9	41.9	41.9	41.9	41.9	41.9	41.9
Maximum daily capacity (millions of gallons)	1.5	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Wastewater										
Sanitary sewers (miles)	45	45	48	48	48	48	48	48	48	48
Maximum daily treatment capacity (millions of gallons)	2	2	2	2	2	2	2	2	2	2

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

unav\* - This information is not available.



