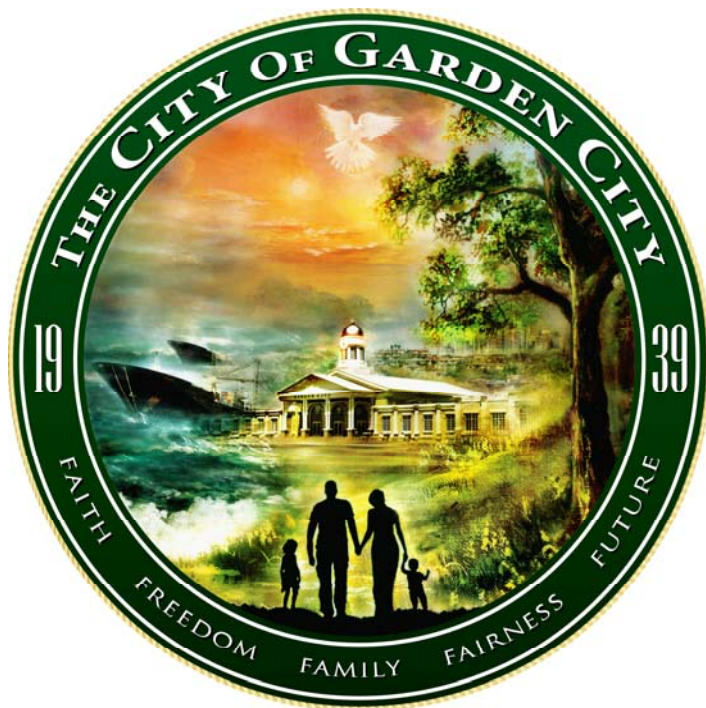


COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Garden City, Georgia

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

**PREPARED BY
FINANCE DEPARTMENT**



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





Brian L. Johnson
City Manager

Rhonda Ferrell-Bowles
Assistant to the City Manager

May 17, 2010

Mayor
Members of Council
Citizens of Garden City

We are pleased to submit the Comprehensive Annual Financial Report of the City of Garden City, Georgia for the year ended December 31, 2009 to Your Honorable Body, the Mayor and Citizens of Garden City. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups to the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included.

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

The City's primary government financial statements have been audited by Karp, Ronning, & Tindol, P.C.'s. They have issued an unqualified ("clean") opinion of the City's financial statements for the year ended December 31, 2009. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

In addition to the change in the form of government, the recent legislation also included the use of a mixed election system and a change in the composition of the City Council. Effective after the upcoming election cycle, the total number of elected officials will be reduced by one so that the City Council will ultimately consist of seven members, one being the Mayor. Five members will be elected from single-member districts with the Mayor and Mayor Pro-Tem being elected at-large. This mixed election system, combining at-large and single-member elections, will blend the city-wide perspective of the at-large council members with the local concerns and accountability of district council members and ensure that all geographic and minority populations continue to be properly represented.

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

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

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

The past fiscal year continued to show signs of slowing economic growth. In fiscal year 2009 sales tax revenues declined 12.52%. This decrease in revenue is a significant loss for the City. Sales tax revenue is a major source of income for the City in light of the fact there is not a levy for property taxes. Investment income declined significantly for the city by 79.7%. The City saw an increase of 39.7% in fines and forfeitures. Also there was a decrease in License and Permits of 57.4%.

Employment statistics reported by the Georgia Department of Labor showed that Garden City's unemployment rate is 7.5% of the civilian labor force compared to 8.3% for Chatham County. The Georgia Department of Labor indicates that the annualized average unemployment rate for Chatham County for 2008 was 5.7%.

The top employers in Garden City include Georgia Ports Authority, Savannah-Chatham School District, R B Baker Construction Inc., MCO Transport Inc., City of Garden City, Worldwide Savannah, Coasting Systems Inc, Roberts Truck Center Inc., Atlantic Container Service and Piggly Wiggly.

Prospects for the Economy

The City of Garden City recently embarked on an ambitious project to relocate its city center and build a new mixed-use downtown that will be anchored by a New City Hall. The New City Hall was completed in August, 2009. The project which recently earned praise from Georgia Governor Sonny Perdue and won a Georgia Planning Association Award, promises to breathe new life into a previously undeveloped area of the City. Upon completion, the Town Center will accommodate more than 800,000 square feet of commercial, retail and residential development, which should increase the City's population base, create new employment opportunities and serve as the new "heart and soul" of the City.

Several arterial corridors that run through Garden City represent additional opportunities for the City to increase its population base, diversity and its economy. These corridors are increasingly utilized by commuters going in and out of the central business district in Savannah and therefore have the potential to capture the commercial benefits from such traffic. Growth potential additionally lies in the unincorporated areas along these corridors and in the region southwest of the City. Annexation into Garden City is likely to be attractive to the residents of these unincorporated areas given the fact that the City levies no property taxes.

Long-Term Financial Planning

Unreserved, undesignated fund balance in the general fund fall within the policy guidelines set by Mayor and Council for budgetary and planning purposes. The City designates a portion of the fund balance in the General Fund of no less than 180 days or 50 percent of the current budget's total General Fund expenditures and any applicable budget amendments.

Awards and Acknowledgement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Garden City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the first year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the effective and dedicated services of the entire Finance Department staff.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its FY 2009 annual budget document dated December 7, 2008. In order to qualify for the Distinguished Budget Presentation Award the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We also express appreciation to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in management of the City of Garden City's finances for the year ending December 31, 2009.

Respectfully submitted,



Brian L. Johnson,
City Manager



Clara Rouse,
Finance Director

City of Garden City, Georgia

List of Principal Officials

December 31, 2009

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

Mayor.....	Tennyson Holder
City Manager.....	Brian Johnson
City Clerk.....	Rhonda Ferrell Bowles
Director of Finance	Clara Rouse
Chief of Police.....	David Lyons
Chief of Fire.....	Jimmy Crosby
Director of Public Works.....	Thomas Randall Griffin
Director of Human Resources.....	Pamela Franklin
Director of Code Enforcement.....	Nathan Mai Lombardo
Director of Recreation.....	Cliff Ducey
City Attorney.....	Jim Gerard

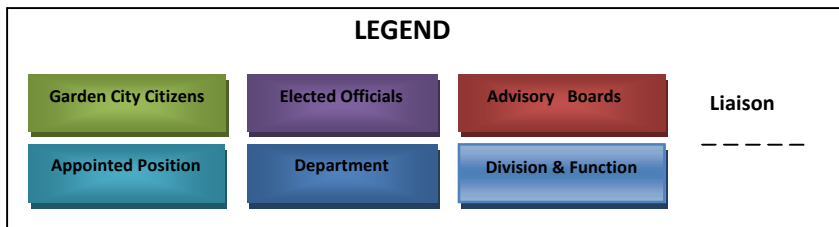
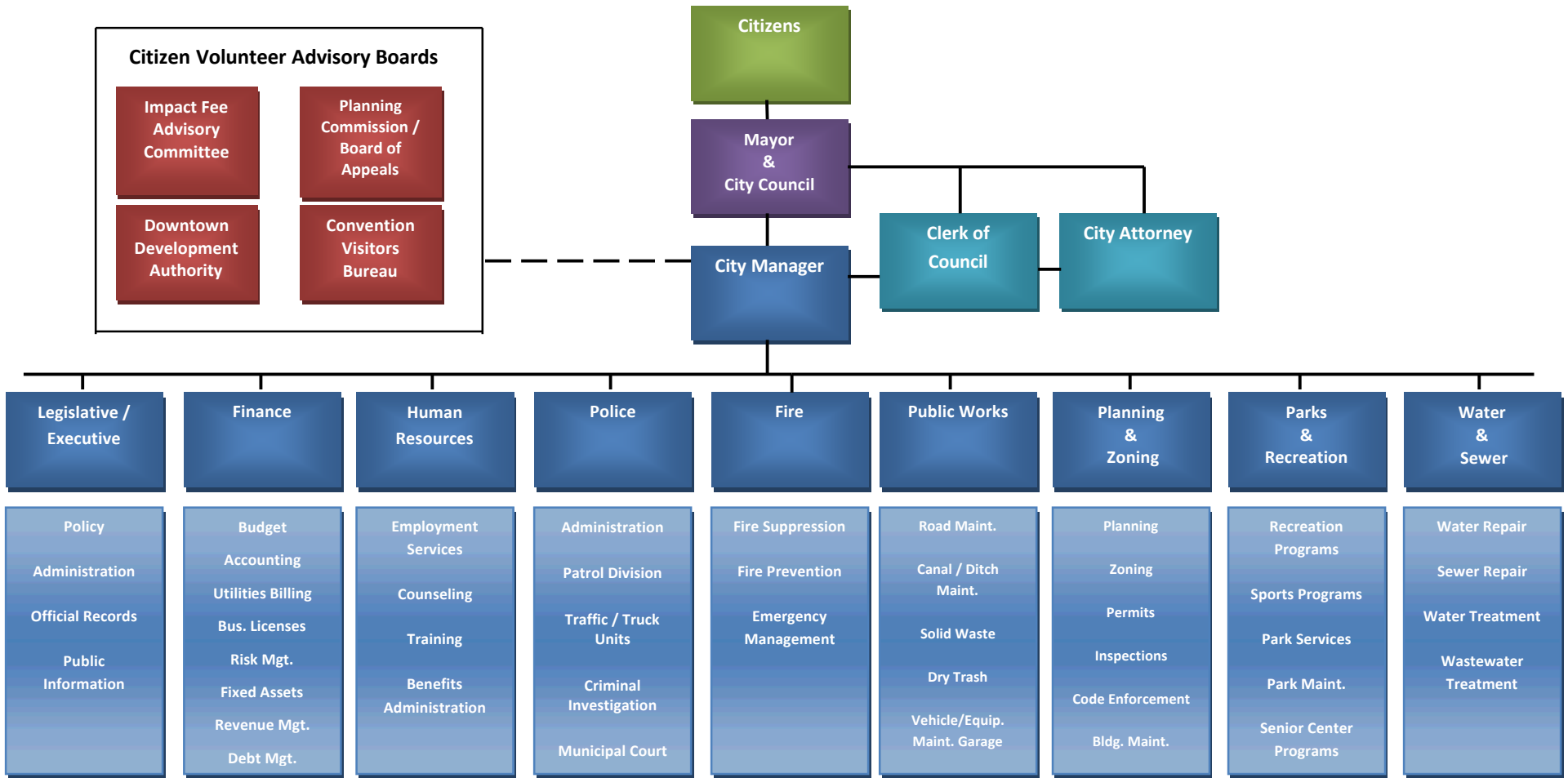
City Council Members

Judy Shuman.....	Mayor Pro - Tem
Jimmy Spilliards.....	Councilman
Gwyn Hall.....	Councilman
Bowen Jones.....	Councilman
Bessie Kicklighter.....	Councilwoman
Durward Motes.....	Councilman
Misty Selph.....	Councilwoman

CITY OF GARDEN CITY, GEORGIA

ORGANIZATION CHART

By Department / Function



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garden City
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



A stylized, handwritten signature in black ink.

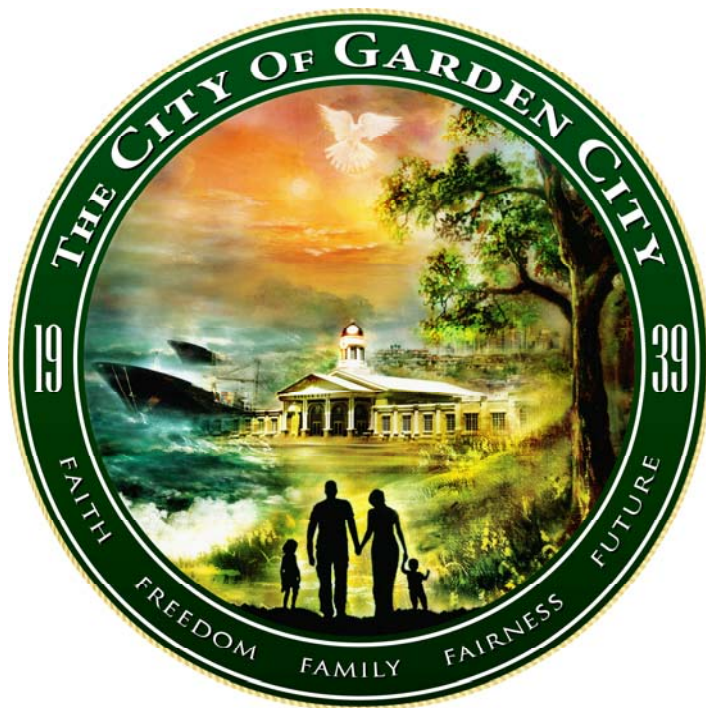
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



FINANCIAL SECTION



KARP, RONNING & TINDOL

CERTIFIED PUBLIC ACCOUNTANTS

RICHARD D. TINDOL, CPA
DERRICK A. COWART, CPA
CHRISTOPHER T. LIGHTLE, CPA
MARTIN L. KARP, CPA
DENNIS W. RONNING, CPA
A.L. KARP (1925-1969)

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BRADLEY A. LUCAS, CPA, CVA
ANDREW W. BRODMANN, CPA
FRANK A. SLOTIN, CPA
DANIEL J. MAHFET, CPA
CAROL L. DRAKE, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Required Supplementary Information

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

Supplementary Data – Combining Fund Financial Statements and Schedules

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

Introductory and Statistical Sections

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

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.

Savannah, Georgia
May 17, 2010

City of Garden City, Georgia

Management's Discussion and Analysis

As management of the City of Garden City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Garden City, Georgia for the fiscal year ended December 31, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The City's assets exceeded its liabilities by \$32,733,756 (net assets) for the fiscal year reported. Of this amount, \$8,557,514 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- Capital assets, net of related debt, of \$24,176,242 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of construction of capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,463,857, a decrease of \$399,712 in comparison with the prior year. Approximately \$2,612,064 of the unreserved fund balance is available for spending at the government's discretion.

Overview of the Financial Statements

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

Government-wide Statements

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

The two government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial health or position.

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

City of Garden City, Georgia
Management's Discussion and Analysis

Fund Financial Statements

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

The City has two kinds of funds:

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

Financial Overview

The City has combined net assets of \$32.7 million. Governmental activities comprise \$20.0 million, and business-type activities make up \$12.7 million of the total net assets. In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current assets	\$ 7,789,611	\$ 9,730,091	\$ 2,179,016	\$ 3,578,270	\$ 9,968,627	\$ 13,308,361
Capital assets	23,255,861	14,122,610	16,414,283	12,430,917	39,670,144	26,553,527
Total assets	31,045,472	23,852,701	18,593,299	16,009,187	49,638,771	39,861,888
Current liabilities	536,633	1,801,312	774,671	564,340	1,311,304	2,365,652
Long-term liabilities	10,446,181	440,832	5,147,530	4,148,091	15,593,711	4,588,923
Total liabilities	10,982,814	2,242,144	5,922,201	4,712,431	16,905,015	6,954,575
Net assets:						
Invested in capital assets - net of related debt	12,909,489	13,763,772	11,266,753	8,293,976	24,176,242	22,057,748
Unrestricted	7,156,169	7,846,785	1,404,345	3,002,780	8,560,514	10,849,565
Total net assets	\$ 20,065,658	\$ 21,610,557	\$ 12,671,098	\$ 11,296,756	\$ 32,736,756	\$ 32,907,313

The net assets decreased by \$173,557 or 0.53 percent. Governmental activities net assets decreased by \$1,547,899 or 7.0 percent, while business-type activities' net assets increased by \$1,374,342 or 12.1 percent.

City of Garden City, Georgia

Management's Discussion and Analysis

The following table shows the changes in net assets for 2009:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue						
Program revenue:						
Charges for services	\$ 1,283,547	\$ 1,227,074	\$ 3,589,799	\$ 2,967,045	\$ 4,873,346	\$ 4,194,119
Operating grants and contributions	141,953	138,576	-	-	141,953	138,576
Capital grants and contributions	2,170,273	15,983	50,200	81,741	2,220,473	97,724
General Revenue:						
Franchise taxes	761,811	884,474	-	-	761,811	884,474
Sales and use taxes	3,115,366	3,561,264	-	-	3,115,366	3,561,264
Selective sales and use taxes	346,690	353,816	-	-	346,690	353,816
Business taxes	1,229,195	1,031,132	-	-	1,229,195	1,031,132
Other taxes	47,827	12,016	-	-	47,827	12,016
Grants and contributions not restricted to specific programs	-	258,538	-	-	-	258,538
Unrestricted investment	67,762	360,975	10,155	79,611	77,917	440,586
Miscellaneous	241,991	201,026	-	-	241,991	201,026
Total revenue	9,406,415	8,044,874	3,650,154	3,128,397	13,056,569	11,173,271
Expenses						
General government	1,749,681	1,229,916	-	-	1,749,681	1,229,916
Judiciary	71,619	72,997	-	-	71,619	72,997
Public safety	4,410,216	3,984,387	-	-	4,410,216	3,984,387
Public works	1,459,347	1,523,871	-	-	1,459,347	1,523,871
Health and welfare	146,905	265,131	-	-	146,905	265,131
Culture and recreation	859,249	733,409	-	-	859,249	733,409
Housing and development	414,517	524,466	-	-	414,517	524,466
Interest on long-term debt	12,593	9,181	-	-	12,593	9,181
Water and sewer	-	-	2,879,332	2,406,423	2,879,332	2,406,423
Sanitation	-	-	461,521	384,738	461,521	384,738
Stormwater	-	-	765,146	-	765,146	-
Total expenses	9,124,127	8,343,358	4,105,999	2,791,161	13,230,126	11,134,519
Excess (deficiency) before special item and transfers	282,288	(298,484)	(455,845)	337,236	(173,557)	38,752
Special Item	-	-	-	-	-	-
Transfers	(1,830,187)	(23,613)	1,830,187	23,613	-	-
Increase in net assets	(1,547,899)	(322,097)	1,374,342	360,849	(173,557)	38,752
Net assets, beginning, restated	21,610,557	21,932,654	11,296,756	10,935,907	32,907,313	32,868,561
Net assets, ending	<u>\$ 20,062,658</u>	<u>\$ 21,610,557</u>	<u>\$ 12,671,098</u>	<u>\$ 11,296,756</u>	<u>\$ 32,733,756</u>	<u>\$ 32,907,313</u>

Governmental Activities

Revenues for governmental activities totaled \$9.3 million in 2009. Sales and use taxes account for \$3.1 million or 33.3 percent of total revenue in 2009, and reported a decrease of \$445,898 compared to 2008. Business taxes, which include the insurance premium tax, accounted for \$1.2 million or 13.2 percent of total revenue in 2009, and reported an increase of \$198,063 or 19.2 percent from 2008. Charges for services generated \$1.3 million or 13.7 percent of total revenue for 2009. Franchise taxes decreased \$122,663 or 13.8% compared to 2008. Unrestricted investment earnings decreased approximately \$293,213 or 81.3 percent from 2008. During 2009 the interest rates were significantly lower than in previous years. However management continued to invest idle cash in the Certificate of Deposit Account Registry Service (CDARS) offered by local banks.

City of Garden City, Georgia
Management's Discussion and Analysis

Business-type Activities

The City has three business-type activities. They are the water and sewer operations, solid waste collection services and stormwater fees. Revenues for business-type activities were \$3.6 million. The City operates a wastewater treatment plant which not only serves the City, but also local industry through contracts. City customers are billed monthly for water and sewer service based on water consumption. The City contracts with a third party service provider for the collection of solid waste. City customers are billed monthly for solid waste collection services. The City implemented a storm water fee at the beginning of 2009. The revenues are used to absorb the cost of repairs, maintenance and regulatory requirements for storm water projects only.

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 \$9,853,488. The total amount of unreserved fund balance for the general fund is \$6,001,695.

One measure of the general fund's liquidity is to compare its unreserved fund balance and total fund balance to total expenditures. Unreserved fund balance and total fund balance represents 72.1% and 118.3% percent of total general fund expenditures respectively.

The fund balance of the general fund decreased \$1.0 million during 2009. Key reasons for this decrease are as follows:

- Sales tax revenues were down approximately \$213,863 (5.95%) under 2008 which is indicative of the current economy.
- Investment earnings decreased \$261,533(82%) under 2008. The decrease is in large part because of the continual drop in the rate of return earned on investment. Interest rates have steadily declined during the year.
- License and Permits decreased by \$213,630 (57.44%) under 2008 due to the slowing economy.
- A supplemental appropriation in the amount of \$929,674 was approved by Mayor and Council to cover the budget deficit. The fund balance at December 31, 2009 is \$9,853,488.

Capital Projects Fund

The capital projects fund balance at December 31, 2009 is (\$3,411,015). The negative fund balance is a result of monies spent to cover a major capital project for the city, the New City Hall. The project was completed in August, 2009. A loan was approved in February 2009 to cover all expenditures associated with the project. In keeping with the purpose of having a Capital Projects fund, monies are being used for special purpose local option sales tax projects.

Proprietary Fund

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 two enterprise funds at this time in the proprietary fund financial statements, the water and sewer fund and the solid waste fund. An enterprise fund is required to account for the operations for which a fee is charged to external users for goods or services. At year-end, total net assets of the water and sewer fund amounted to \$12,671,098 as compared to \$11,296,756 at December 31, 2008. The water and sewer fund experienced a positive change in net assets and operating income increased as a result an increase in the number of customers serviced and a rate increase.

City of Garden City, Georgia
Management's Discussion and Analysis

Capital Assets

Statement of net assets presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction in progress. At year-end the City's net capital assets for both governmental activities and business-type activities totaled \$39.7 million. Capital assets include assets purchased, constructed or donated.

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

Debt Administration

The long-term liabilities at December 31, 2009 totaled \$15,593,711. Of this amount \$10,446,181 relates to governmental type activities and \$5,147,530 relates to business-type activities.

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

Current Economic Conditions, Next Year's Budget

The City adopted a general fund budget of \$8,900,925 for calendar year 2010. The City is constantly reviewing opportunities to increase revenue by using its assets more efficiently and effectively.

Increased wage and cost-of-living adjustments have been factored into the budget. The Mayor and Council have set aside a contingency to cover any unforeseen expenditures that may arise during the year.

Requests for Information

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



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Garden City, Georgia

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents.....	\$ 4,328,193	\$ 1,410,291	\$ 5,738,484
Investments.....	281,139	727,593	1,008,732
Receivables.....	1,140,300	730,226	1,870,526
Internal balances.....	1,544,570	(1,544,570)	-
Prepaid.....	157,140	23,893	181,033
Restricted assets			
Cash and cash equivalents.....	338,269	831,583	1,169,852
Capital assets			
Land and construction in progress.....	6,333,300	4,010,948	10,344,248
Other capital assets, net of depreciation.....	16,922,561	12,403,335	29,325,896
Total assets.....	<u>31,045,472</u>	<u>18,593,299</u>	<u>49,638,771</u>
LIABILITIES			
Accounts payable.....	345,685	258,077	603,762
Retainage payable.....	-	184,111	184,111
Accrued interest.....	-	25,971	25,971
Other liabilities.....	190,948	306,451	497,399
Unearned revenue.....	-	61	61
Long-term liabilities:			
Due within one year.....	318,233	272,574	590,807
Due in more than one year.....	10,127,948	4,874,956	15,002,904
Total liabilities.....	<u>10,982,814</u>	<u>5,922,201</u>	<u>16,905,015</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	12,909,489	11,266,753	24,176,242
Unrestricted.....	7,153,169	1,404,345	8,557,514
Total net assets.....	<u>\$ 20,062,658</u>	<u>\$ 12,671,098</u>	<u>\$ 32,733,756</u>

City of Garden City, Georgia

Statement of Activities

For the Year Ended December 31, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government.....	\$ 1,749,681	\$ 115,827	\$ -	\$ -
Judiciary.....	71,619	-	-	-
Public safety.....	4,410,216	1,057,234	141,953	2,170,273
Public works.....	1,459,347	450	-	-
Health and welfare.....	146,905	-	-	-
Culture and recreation.....	859,249	67,558	-	-
Housing and development.....	414,517	42,478	-	-
Interest on long-term debt.....	12,593	-	-	-
Total governmental activities.....	<u>9,124,127</u>	<u>1,283,547</u>	<u>141,953</u>	<u>2,170,273</u>
Business-type activities:				
Water and Sewer.....	2,879,332	2,503,945	-	50,200
Sanitation.....	461,521	332,131	-	-
Stormwater.....	765,146	753,723	-	-
Total business-type activities.....	<u>4,105,999</u>	<u>3,589,799</u>	<u>-</u>	<u>50,200</u>
Total.....	<u>\$ 13,230,126</u>	<u>\$ 4,873,346</u>	<u>\$ 141,953</u>	<u>\$ 2,220,473</u>
General revenues:				
Taxes:				
Franchise taxes.....				
General sales and use taxes.....				
Selective sales and use taxes.....				
Business taxes.....				
Other taxes.....				
Unrestricted investment earnings.....				
Miscellaneous.....				
Transfers.....				
Total general revenues and transfers.....				
Change in net assets.....				
Net assets - beginning.....				
Net assets - ending.....				

Changes in Net Assets		
Governmental Activities	Business- Type Activities	Total
\$ (1,633,854)		\$ (1,633,854)
(71,619)		(71,619)
(1,040,756)		(1,040,756)
(1,458,897)		(1,458,897)
(146,905)		(146,905)
(791,691)		(791,691)
(372,039)		(372,039)
(12,593)		(12,593)
<u>(5,528,354)</u>		<u>(5,528,354)</u>
-	(325,187)	(325,187)
-	(129,390)	(129,390)
-	(11,423)	(11,423)
<u>-</u>	<u>(466,000)</u>	<u>(466,000)</u>
<u>(5,528,354)</u>	<u>(466,000)</u>	<u>(5,994,354)</u>
761,811	-	761,811
3,115,366	-	3,115,366
346,690	-	346,690
1,229,195	-	1,229,195
47,827	-	47,827
67,762	10,155	77,917
241,991	-	241,991
(1,830,187)	1,830,187	-
<u>3,980,455</u>	<u>1,840,342</u>	<u>5,820,797</u>
(1,547,899)	1,374,342	(173,557)
<u>21,610,557</u>	<u>11,296,756</u>	<u>32,907,313</u>
<u>\$ 20,062,658</u>	<u>\$ 12,671,098</u>	<u>\$ 32,733,756</u>



FUND FINANCIAL STATEMENTS



City of Garden City, Georgia

Governmental Funds

Balance Sheet

December 31, 2009

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents.....	\$ 4,093,288	\$ -	\$ 234,905	\$ 4,328,193
Investments.....	281,139	-	-	281,139
Receivables.....	1,131,762	-	8,538	1,140,300
Due from other funds.....	1,672,660	92,106	2,846	1,767,612
Prepaid items.....	157,140	-	-	157,140
Advances to other funds.....	3,663,398	-	-	3,663,398
Restricted cash and cash equivalents.....	31,255	307,014	-	338,269
Total assets.....	\$ 11,030,642	\$ 399,120	\$ 246,289	\$ 11,676,051
Liabilities and fund balances				
Liabilities				
Accounts payable.....	\$ 194,652	\$ 146,737	\$ 1,863	\$ 343,252
Other accrued payables.....	193,381	-	-	193,381
Due to other funds.....	-	-	223,042	223,042
Deferred revenue.....	789,121	-	-	789,121
Advances from other funds.....	-	3,663,398	-	3,663,398
Total liabilities.....	1,177,154	3,810,135	224,905	5,212,194
Fund equity				
Fund balances:				
Reserved for:				
Prepaid items.....	157,140	-	-	157,140
Long-term advance.....	3,663,398	-	-	3,663,398
Public safety.....	31,255	-	-	31,255
Unreserved, designated - rainy day funds.....	4,164,113	-	-	4,164,113
Unreserved, undesignated reported in:				
General fund.....	1,837,582	-	-	1,837,582
Capital projects funds.....	-	(3,411,015)	-	(3,411,015)
Special revenue funds.....	-	-	21,384	21,384
Total fund balances.....	9,853,488	(3,411,015)	21,384	6,463,857
Total liabilities and fund balances.....	\$ 11,030,642	\$ 399,120	\$ 246,289	\$ 11,676,051

City of Garden City, Georgia
Reconciliation of Total Governmental Fund Balances
To Net Assets of Governmental Activities
December 31, 2009

Total Governmental Fund Balances.....		\$ 6,463,857
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets.....	\$ 28,487,689	
Less: accumulated depreciation.....	<u>(5,231,828)</u>	23,255,861
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds balance sheet.		
Intergovernmental revenue.....	85,847	
Sales taxes.....	79,176	
Franchise taxes.....	<u>624,098</u>	789,121
Long-term and related liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Notes payable	(9,950,000)	
Capital leases.....	(396,372)	
Compensated absences.....	<u>(99,809)</u>	(10,446,181)
Net Assets of Governmental Activities.....		<u><u>\$ 20,062,658</u></u>

City of Garden City, Georgia

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2009

	General	Special Purpose Local Option Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes.....	\$ 5,693,773	\$ -	\$ 169,052	\$ 5,862,825
Licenses and permits.....	158,305	-	-	158,305
Intergovernmental.....	56,106	100,000	-	156,106
Charges for services.....	86,398	-	-	86,398
Fines and forfeitures.....	1,020,966	-	17,878	1,038,844
Investment earnings.....	57,314	4,150	6,298	67,762
Miscellaneous.....	241,138	-	853	241,991
Total revenues.....	<u>7,314,000</u>	<u>104,150</u>	<u>194,081</u>	<u>7,612,231</u>
Expenditures				
Current				
General government.....	1,517,309	-	260,906	1,778,215
Judicial.....	71,619	-	-	71,619
Public safety.....	4,091,437	-	14,960	4,106,397
Public works.....	1,307,368	-	-	1,307,368
Health and welfare.....	146,905	-	-	146,905
Culture and recreation.....	745,024	-	-	745,024
Housing and development.....	386,341	-	-	386,341
Capital Outlay.....	-	8,712,346	-	8,712,346
Debt Service				
Principal.....	1,631	218,273	-	219,904
Interest.....	121	12,472	-	12,593
Intergovernmental:				
Assistance.....	60,470	-	28,176	88,646
Total expenditures.....	<u>8,328,225</u>	<u>8,943,091</u>	<u>304,042</u>	<u>17,575,358</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(1,014,225)</u>	<u>(8,838,941)</u>	<u>(109,961)</u>	<u>(9,963,127)</u>
Other financing sources (uses)				
Transfers in.....	84,551	-	56,334	140,885
Transfers out.....	-	(644,023)	(140,885)	(784,908)
Proceeds from notes and capital leases.....	-	10,207,438	-	10,207,438
Total other financing sources (uses)	<u>84,551</u>	<u>9,563,415</u>	<u>(84,551)</u>	<u>9,563,415</u>
Net changes in fund balances.....	(929,674)	724,474	(194,512)	(399,712)
Fund balances at beginning of year.....	10,783,162	(4,135,489)	215,896	6,863,569
Fund balances at end of year.....	<u>\$ 9,853,488</u>	<u>\$ (3,411,015)</u>	<u>\$ 21,384</u>	<u>\$ 6,463,857</u>

City of Garden City, Georgia

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2009

Net change in Fund Balances - Total Governmental Funds.....	\$	(399,712)
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by
which capital outlays exceeded depreciation in the current period.

Capital outlays.....	\$	9,051,019	
Depreciation expense.....		(677,122)	8,373,897

The net effect of various miscellaneous transactions involving capital assets
is to increase net assets.

Book value of assets donated to the City.....	2,070,273	
Book value of governmental capital assets transferred to the water and sewer enterprise fund	(1,186,164)	
Book value of asset disposed of by the City.....	(124,755)	759,354

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

Sales taxes, franchise taxes, and intergovernmental revenues:

Deferred at 12/31/09.....	789,121	
Deferred at 12/31/08.....	(1,065,210)	(276,089)

Governmental funds report debt proceeds as an other financing source. However,
in the statement of activities, debt proceeds are recognized as a long-term
liability.

Capital leases.....	(257,438)	
Notes.....	(9,950,000)	(10,207,438)

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
statement of net assets.

Capital leases.....		219,904
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Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported as
expenditures in governmental funds.

Compensated absences at 12/31/09.....	(99,809)	
Compensated absences at 12/31/08.....	81,994	(17,815)

Change in Net Assets of Governmental Activities.....	\$	(1,547,899)
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City of Garden City, Georgia

Proprietary Funds

Statement of Net Assets

December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Stormwater Fund	Non-major Solid Waste Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 1,410,291	\$ -	\$ -	\$ 1,410,291
Investments.....	727,593	-	-	727,593
Receivables (net of allowance).....	537,629	148,110	44,487	730,226
Due from other funds.....	-	605,613	472,365	1,077,978
Other assets.....	23,893	-	-	23,893
Restricted cash and cash equivalents.....	295,901	-	20,823	316,724
Total current assets.....	<u>2,995,307</u>	<u>753,723</u>	<u>537,675</u>	<u>4,286,705</u>
Noncurrent assets:				
Restricted cash and cash equivalents.....	514,859	-	-	514,859
Capital assets:				
Land.....	7,750	-	-	7,750
Depreciable capital assets.....	22,522,373	-	-	22,522,373
Construction in progress.....	4,003,198	-	-	4,003,198
Less accumulated depreciation.....	(10,119,038)	-	-	(10,119,038)
Total capital assets (net of accumulated depreciation)	<u>16,929,142</u>	<u>-</u>	<u>-</u>	<u>16,929,142</u>
Total noncurrent assets.....	<u>16,414,283</u>	<u>-</u>	<u>-</u>	<u>16,414,283</u>
Total assets.....	<u>19,924,449</u>	<u>753,723</u>	<u>537,675</u>	<u>21,215,847</u>
LIABILITIES				
Current liabilities:				
Accounts payable.....	206,565	17,184	34,328	258,077
Other accrued payables.....	15,775	-	-	15,775
Retainage payable.....	184,111	-	-	184,111
Due to other funds.....	1,211,007	747,962	663,579	2,622,548
Accrued interest.....	25,971	-	-	25,971
Deferred revenue.....	61	-	-	61
Notes payable.....	272,574	-	-	272,574
Current liabilities payable from restricted assets:				
Customer deposits payable.....	270,241	-	20,435	290,676
Total current liabilities.....	<u>2,186,305</u>	<u>765,146</u>	<u>718,342</u>	<u>3,669,793</u>
Noncurrent liabilities:				
Compensated absences.....	12,187	-	-	12,187
Notes payable.....	4,862,769	-	-	4,862,769
Total noncurrent liabilities.....	<u>4,874,956</u>	<u>-</u>	<u>-</u>	<u>4,874,956</u>
Total liabilities.....	<u>7,061,261</u>	<u>765,146</u>	<u>718,342</u>	<u>8,544,749</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	11,793,799	-	-	11,793,799
Unrestricted.....	1,069,389	(11,423)	(180,667)	877,299
Total net assets.....	<u>\$ 12,863,188</u>	<u>\$ (11,423)</u>	<u>\$ (180,667)</u>	<u>\$ 12,671,098</u>

City of Garden City, Georgia

Proprietary Funds

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

For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Stormwater Fund	Non-major Solid Waste Fund	Total
Operating revenues				
Charges for services.....	\$ 2,241,912	\$ 753,723	\$ 332,020	\$ 3,327,655
Other income.....	262,033	-	111	262,144
Total operating revenues.....	2,503,945	753,723	332,131	3,589,799
Operating expenses				
Personnel services.....	893,007	136,345	-	1,029,352
Purchased and contractual services.....	722,090	628,801	461,474	1,812,365
Materials and supplies.....	355,454	-	47	355,501
Depreciation.....	738,676	-	-	738,676
Total operating expenses.....	2,709,227	765,146	461,521	3,935,894
Operating income (loss).....	(205,282)	(11,423)	(129,390)	(346,095)
Nonoperating revenues (expenses)				
Investment earnings.....	10,129	-	26	10,155
Interest expense.....	(170,105)	-	-	(170,105)
Total nonoperating revenues (expenses).....	(159,976)	-	26	(159,950)
Income before capital contributions and transfers.....	(365,258)	(11,423)	(129,364)	(506,045)
Capital contributions.....	1,236,364	-	-	1,236,364
Transfers in.....	644,023	-	-	644,023
Change in net assets.....	1,515,129	(11,423)	(129,364)	1,374,342
Net assets, beginning of year.....	11,348,059	-	(51,303)	11,296,756
Net assets, end of year.....	\$ 12,863,188	\$ (11,423)	\$ (180,667)	\$ 12,671,098

City of Garden City, Georgia

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Stormwater Fund	Non-major Solid Waste Fund	Total
Cash flows from operating activities:				
Cash received from customers.....	\$ 2,458,564	\$ 747,962	\$ 429,787	\$ 3,636,313
Cash payments to suppliers for goods and services.....	(958,764)	(611,617)	(429,084)	(1,999,465)
Cash payments to employees for services.....	(893,007)	(136,345)	-	(1,029,352)
Net cash provided (used) by operating activities.....	606,793	-	703	607,496
Cash flows from noncapital financing activities:				
Interfund borrowings (repayments).....	257,383	-	-	257,383
Net cash provided (used) by noncapital financing activities.....	257,383	-	-	257,383
Cash flows from capital and related financing activities:				
Capital contributions.....	1,236,364	-	-	1,236,364
Interfund transfers.....	644,023	-	-	644,023
Acquisitions and construction of capital assets.....	(4,722,042)	-	-	(4,722,042)
GEFA loan proceeds.....	1,248,466	-	-	1,248,466
Principal payments on debt.....	(250,064)	-	-	(250,064)
Interest payments on debt.....	(179,871)	-	-	(179,871)
Net cash (used) by capital and related financing activities.....	(2,023,124)	-	-	(2,023,124)
Cash flows from investing activities:				
Interest earned on cash and investments.....	10,129	-	26	10,155
Purchase of investments.....	(3,577)	-	-	(3,577)
Net cash provided (used) by investing activities.....	10,129	-	26	10,155
Net increase (decrease) in cash and cash equivalents.....	(1,152,396)	-	729	(1,151,667)
Cash and cash equivalents, beginning of year.....	3,373,447	-	20,094	3,393,541
Cash and cash equivalents, end of year.....	\$ 2,221,051	\$ -	\$ 20,823	\$ 2,241,874
Operating income (loss).....	\$ (205,282)	\$ (11,423)	\$ (129,390)	\$ (346,095)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation.....	738,676	-	-	738,676
Change in assets and liabilities:				
Decrease (increase) in accounts receivables.....	(91,289)	(148,110)	(44,487)	(283,886)
Decrease (increase) in prepaid items.....	(6,135)	-	-	(6,135)
(Decrease) Increase in accounts payable and accrued liabilities.....	124,915	17,184	32,437	174,536
(Decrease) increase in customer deposits.....	45,908	-	690	46,598
(Decrease) increase in interfund balances.....	-	142,349	141,453	
Total adjustments.....	812,075	11,423	130,093	669,789
Net cash provided (used) by operating activities.....	\$ 606,793	\$ -	\$ 703	\$ 323,694



NOTES TO THE FINANCIAL STATEMENTS



I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Unit

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

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

Discretely Presented Component Unit

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

Membership in a Regional Development Center

Under Georgia law, the City is a member of the Coastal Georgia Regional Development Center and is required to pay annual dues thereto. During the year ended December 31, 2009, the City paid \$11,466 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from Coastal Georgia Regional Development Center, P.O. Box 1917, Brunswick, Georgia 31521.

B. Government-wide and Fund Financial Statements

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

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, occupational taxes and interest associated with the current period are all considered to be susceptible to accrual and have so been recognized as revenues of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

The Water and Sewer enterprise fund operates the sewage treatment plant, sewage pumping stations and collection systems, and the distribution of water. The operations of this fund are financed and operate in a manner similar to private business.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Stormwater enterprise fund operates the City's stormwater drainage systems. The operations of this fund are financed and operate in a manner similar to private business.

Additionally, the City reports the following fund types:

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

All investments are stated at fair value.

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

2. Receivables and Payables

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

Trade receivables are shown net of an allowance for doubtful accounts. The water and sewer fund, solid waste fund, and stormwater fund allowance for doubtful accounts were \$20,609, \$2,341, and \$7,795, respectively, at December 31, 2009.

3. Prepaid Items

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

4. Restricted Assets

Certain assets of the General Fund and the Enterprise Fund are classified as restricted assets because their use is limited by third party restrictions. When both restricted and non-restricted assets are available for use, it is the City’s policy to use restricted resources first, then non-restricted resources, as they are needed.

5. Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

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

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

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

6. Compensated Absences

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

7. Long-term Obligation

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

8. Net Assets and Fund Equity

In the government-wide financial statements and proprietary funds financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal of related debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

9. Interfund Transactions

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

10. Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

The City is in the process of constructing a new town center, which includes a new City Hall facility. This construction effort was originally approved to be funded partially with SPLOST proceeds, with additional funding provided by various notes payables, and general fund resources. Therefore, all construction costs are recorded as expenditures within the SPLOST Fund, including interfund payables and transfers from the General Fund. As a result, the SPLOST Fund displays deficit fund equity of \$3,411,015. The City plans to eliminate this deficit by receiving intergovernmental revenues within the subsequent fiscal year.

The City's Stormwater Fund displays deficit net assets of \$11,423. The City plans to eliminate this deficit by reducing expenses in the subsequent fiscal year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits:

At year end the carrying amount of the City's cash-on-hand and deposits with financial institutions was \$6,908,336 and the bank balance was \$8,091,032. The bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

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

Investments:

In its investment of public funds, the City follows state statutes and adopted investment policies. As of December 31, 2009 the investments of the City were:

<u>Investment</u>	<u>Average Credit Rating</u>	<u>Fair Value</u>	<u>Maturities in Years</u>
Georgia Fund I	Aaa	\$ 1,008,732	less than 1 year

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

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

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

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

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

Basic Financial Statements:

Cash and cash equivalents.....	\$ 5,267,264
Investments.....	1,008,732
Cash and cash equivalents - restricted.....	1,641,072
	<u> </u>
Total cash and investments.....	<u><u>\$ 7,917,068</u></u>

Notes to Financial Statements:

Deposits with financial institutions.....	\$ 6,906,982
Investments.....	1,008,732
Cash on hand.....	1,354
	<u> </u>
Total cash and investments.....	<u><u>\$ 7,917,068</u></u>

B. Receivables

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

Receivable	General	Nonmajor Governmental Funds	Water and Sewer Fund	Solid Waste Fund	Stormwater Fund	Total
Taxes.....	\$ 973,930	\$ 8,538	\$ -	\$ -	\$ -	\$ 982,468
Accounts.....	63,354	-	556,348	46,828	155,905	822,435
Intergovernmental.....	85,847	-	-	-	-	85,847
Other.....	8,631	-	-	-	-	8,631
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross receivables.....	1,131,762	8,538	556,348	46,828	155,905	1,899,381
Less: allowance for doubtful accounts.....	-	-	(18,719)	(2,341)	(7,795)	(28,855)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net total receivables.....	<u><u>\$ 1,131,762</u></u>	<u><u>\$ 8,538</u></u>	<u><u>\$ 537,629</u></u>	<u><u>\$ 44,487</u></u>	<u><u>\$ 148,110</u></u>	<u><u>\$ 1,870,526</u></u>

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

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government Activities				
Capital assets, not being depreciated				
Land.....	\$ 898,326	\$ 4,896,551	\$ -	\$ 5,794,877
Construction in progress.....	9,510,057	8,774,546	17,746,180	538,423
Total capital assets not being depreciated.....	<u>10,408,383</u>	<u>13,671,097</u>	<u>17,746,180</u>	<u>6,333,300</u>
Capital assets, being depreciated				
Buildings.....	2,625,668	11,795,678	129,000	14,292,346
Machinery and equipment.....	4,988,738	1,821,727	625,761	6,184,704
Infrastructure.....	1,284,533	392,806	-	1,677,339
Total capital assets, being depreciated.....	<u>8,898,939</u>	<u>14,010,211</u>	<u>754,761</u>	<u>22,154,389</u>
Less accumulated depreciation for:				
Buildings.....	(1,898,681)	(166,573)	(116,510)	(1,948,744)
Machinery and equipment.....	(3,118,951)	(428,451)	(513,496)	(3,033,906)
Infrastructure.....	(167,080)	(82,098)	-	(249,178)
Total accumulated depreciation.....	<u>(5,184,712)</u>	<u>(677,122)</u>	<u>(630,006)</u>	<u>(5,231,828)</u>
Total capital assets, being depreciated, net.....	<u>3,714,227</u>	<u>13,333,089</u>	<u>124,755</u>	<u>16,922,561</u>
Total governmental activities.....	<u>\$ 14,122,610</u>	<u>\$ 27,004,186</u>	<u>\$ 17,870,935</u>	<u>\$ 23,255,861</u>

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

General government.....	\$ 165,184
Public Safety.....	225,534
Public Works.....	172,179
Recreation.....	114,225
Total depreciation for governmental activities	<u>\$ 677,122</u>

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

Capital asset activity for business-type activities for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated				
Land.....	\$ 7,750	\$ -	\$ -	\$ 7,750
Construction in progress.....	3,040,589	4,601,831	3,639,222	4,003,198
Total capital assets not being depreciated.....	<u>3,048,339</u>	<u>4,601,831</u>	<u>3,639,222</u>	<u>4,010,948</u>
Capital assets, being depreciated				
Utility plant in service.....	17,391,496	-	-	17,391,496
Other equipment.....	1,371,444	120,211	-	1,491,655
Buildings and systems.....	-	3,639,222	-	3,639,222
Total capital assets, being depreciated.....	<u>18,762,940</u>	<u>3,759,433</u>	<u>-</u>	<u>22,522,373</u>
Less accumulated depreciation for:				
Utility plant in service.....	(8,626,462)	(530,774)	-	(9,157,236)
Other equipment.....	(753,900)	(133,224)	-	(887,124)
Buildings and systems.....	-	(74,678)	-	(74,678)
Total accumulated depreciation.....	<u>(9,380,362)</u>	<u>(738,676)</u>	<u>-</u>	<u>(10,119,038)</u>
Total capital assets, being depreciated, net.....	<u>9,382,578</u>	<u>3,020,757</u>	<u>-</u>	<u>12,403,335</u>
Total business-type activities.....	<u>\$ 12,430,917</u>	<u>\$ 7,622,588</u>	<u>\$ 3,639,222</u>	<u>\$ 16,414,283</u>

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2009, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 88,240
	SPLOST Capital Projects Fund	3,663,398
	Solid Waste Fund	663,579
	Stormwater Fund	747,962
	Nonmajor governmental funds	172,879
		<u>5,336,058</u>
SPLOST Capital Projects Fund	Water and Sewer Fund	44,789
	Nonmajor governmental funds	47,317
		<u>92,106</u>
Nonmajor governmental fund	Nonmajor governmental fund	<u>2,846</u>
Solid Waste Fund	Water and Sewer Fund	<u>472,365</u>
Stormwater Fund	Water and Sewer Fund	<u>605,613</u>
	Totals	<u>\$ 6,508,988</u>

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

Due To/From Other Funds

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. These balances also include the amount of capital loans made to the SPLOST fund that the general fund expects to collect in the subsequent years.

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Capital Projects Fund	\$ 3,663,398

The amount payable to the general fund relate to capital loans made to the SPLOST fund to construct the City's new town hall facility. The balance is scheduled to be collected with the subsequent fiscal years.

Interfund Transfers

		Transfers Out		
		Governmental Fund Type		
		SPLOST Capital Projects Fund	Nonmajor Funds	Total
Transfers In:				
Governmental Fund Type				
General Fund.....	\$ -	\$ 84,551	\$ 84,551	
Nonmajor Governmental Funds.....	-	56,334	56,334	
Proprietary Fund Type				
Water and Sewer Fund.....	644,023	-	644,023	
Total transfers	<u>\$ 644,023</u>	<u>\$ 140,885</u>	<u>\$ 784,908</u>	

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

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

During the fiscal year ended December 31, 2009, the City received loan proceeds to aid in the construction of the City Hall municipal building and related infrastructure. All water and sewer infrastructure, included as part of the City Hall project was recorded within the water and sewer enterprise fund. The transfer out presented in the SPLOST fund, in the amount of \$644,023, represents loan proceeds that were transferred to the water and sewer enterprise fund for the purpose of completing City Hall infrastructure.

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Capital Leases

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

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment.....	\$ 1,044,284
Less: accumulated depreciation.....	(529,232)
Total	<u>\$ 515,052</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009, were as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2010.....	\$ 218,423	\$ 12,321
2011.....	177,949	5,401
	<u>\$ 396,372</u>	<u>\$ 17,722</u>

F. Long-term Obligations

Governmental Activities

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

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

Year Ending December 31,	Principal	Interest
2010.....	\$ -	\$ 367,155
2011.....	952,213	367,155
2012.....	987,349	332,019
2013.....	1,023,783	295,585
2014.....	1,061,560	257,808
2015 - 2019.....	5,925,095	671,745
Totals	<u>\$ 9,950,000</u>	<u>\$ 2,291,467</u>

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

Business-type Activities

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

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

The following shows the details of the business-type activities long-term liabilities through December 31, 2009:

Liability Description / Purpose	Original Amount	Interest Rate	Amount
GEFA - Water and Sewer Improvements.....	\$ 978,522	5.15%	\$ 742,085
GEFA - Water and Sewer Improvements.....	2,395,602	4.45%	1,921,360
GEFA - Water and Sewer Improvements.....	255,446	3.82%	216,119
GEFA - Water and Sewer Improvements.....	496,650	4.12%	485,871
GEFA - Water and Sewer Improvements.....	393,667	4.10%	388,365
GEFA - Water and Sewer Improvements.....	1,246,132	(Construction)	1,246,132
SRF - Water and Sewer Improvements.....	1,485,120	2.00%	135,411
Total GEFA/ SRF loans payable.....			5,135,343
Less: GEFA loans in construction status.....			(1,246,132)
Long-term portion in repayment status.....			3,889,211
Less current portion.....			(272,574)
Long-term portion of GEFA/ SRF loans.....			<u>\$ 3,616,637</u>

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	GEFA Loans		SRF Loan	
	Principal	Interest	Principal	Interest
2010.....	\$ 182,751	\$ 164,743	\$ 89,823	\$ 2,037
2011.....	191,152	156,343	45,588	341
2012.....	199,933	147,562	-	-
2013.....	209,148	138,346	-	-
2014.....	218,764	128,730	-	-
2015 - 2019.....	1,254,540	482,934	-	-
2020 - 2024.....	1,218,834	176,178	-	-
2025 - 2029.....	278,678	25,693	-	-
Totals	<u>\$ 3,753,800</u>	<u>\$ 1,420,529</u>	<u>\$ 135,411</u>	<u>\$ 2,378</u>

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

Long-term liability activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Capital leases.....	\$ 358,838	\$ 257,438	\$ 219,904	\$ 396,372	\$ 218,423
Notes payable.....	-	9,950,000	-	9,950,000	-
Compensated absences.....	81,994	264,349	246,534	99,809	99,810
Total governmental activity long-term liabilities.....	<u>\$ 440,832</u>	<u>\$ 10,471,787</u>	<u>\$ 466,438</u>	<u>\$ 10,446,181</u>	<u>\$ 318,233</u>
Business-type Activities					
GEFA loans.....	\$ 3,913,483	\$ 1,248,466	\$ 162,017	\$ 4,999,932	\$ 182,751
SRF loan.....	223,458	-	88,047	135,411	89,823
Total loans payable.....	<u>4,136,941</u>	<u>1,248,466</u>	<u>250,064</u>	<u>5,135,343</u>	<u>272,574</u>
Compensated absences.....	11,150	31,361	30,324	12,187	12,187
Total business-type activity long-term liabilities.....	<u>\$ 4,148,091</u>	<u>\$ 1,279,827</u>	<u>\$ 280,388</u>	<u>\$ 5,147,530</u>	<u>\$ 284,761</u>

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

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

Reserved for prepaid items – General Fund. This reserve is used to segregate a portion of fund balance to indicate that, prepaid items do not represent “available spendable resources” even though they are a component of net current assets.

Reserved for long-term advance – General Fund. This reserve is used to segregate a portion of fund balance to indicate that, advances to other funds do not represent “available spendable resources” even though they are a component of net current assets.

Reserved for Public Safety – General Fund. This reserve represents funds to be used for purchasing law enforcement equipment and for crime prevention activities.

A summary of changes in reservations for the City at December 31, 2009 follows:

Liability Description / Purpose	Balance 12/31/2008	Change	Balance 12/31/2009
General Fund			
Reserved for prepaid items.....	\$ 75,939	\$ 81,201	\$ 157,140
Reserved for long-term advance.....	-	3,663,398	3,663,398
Reserved for public safety.....	31,255	-	31,255

City of Garden City, Georgia
Notes to the Basic Financial Statements

III. DETAILED NOTES ON ALL FUNDS (continued)

The balances of the City's restricted asset accounts at December 31, 2009 are as follows:

Description	Balance 12/31/2009
General Fund	
Local Law Enforcement Block Grant.....	\$ 31,255
Special Purpose Local Option Sales Tax (SPLOST) Fund	
SPLOST capital projects.....	\$ 307,014
Water and Sewer Fund	
Customer deposits account.....	\$ 270,241
GEFA loan account.....	25,647
Community Development Block Grant.....	13
WWTP Construction and Rehabilitation account.....	146,417
Well and Tank Rehabilitation account.....	368,442
Total Water and Sewer Fund restricted assets.....	\$ 810,760
Solid Waste Fund	
Customer deposits account.....	\$ 20,823

IV. OTHER INFORMATION

A. Risk Management

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

Risk Pools. The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims – incurred but not reported (IBNR) – is established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims, which the City is liable (up to the applicable deductible), which were outstanding and unpaid at December 31, 2009. No provisions have been made in the financial statements for any estimate of potential claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency, as management believes the likelihood for assessment is remote.

IV. OTHER INFORMATION *(continued)*

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

B. Contingent Liabilities

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

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

C. Construction Commitments

In addition to the liabilities enumerated in the balance sheet at December 31, 2009, the City has contractual commitments on uncompleted construction contracts of approximately \$1,542,655. The amount is for the construction of the public safety resource center.

D. Employee Retirement Systems and Plans

City of Garden City Retirement Plan

Plan Description. The City of Garden City Retirement Plan is a noncontributory plan covering all full-time employees. The plan is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer defined benefit plan. GMEBS handles all administrative and investment functions relative to the plan. Benefits are fully vested after 10 years of service. Participants become eligible to retire at age 65, with 5 years of participation in the plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.75% of final average earnings up to a participant's amount of covered compensation multiplied by the participant's years of total credited service. These benefit provisions and all other requirements are established by local ordinance. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to GMEBS, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Funding Policy. The City's policy is to contribute the actuarially determined amount as recommended by the actuary. Employees do not contribute to the plan. The Board of Trustees of the GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1988 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The recommended contribution under this policy for the 2009 plan year is developed below.

City of Garden City, Georgia
Notes to the Basic Financial Statements

IV. OTHER INFORMATION (continued)

	<u>2009</u>
Normal Cost:	
Plan benefits.....	\$ 177,659
Administrative expenses.....	10,069
Amortization of the unfunded actuarial accrued liability.....	38,483
Interest.....	7,844
Recommended contribution.....	333,108
Covered payroll.....	3,321,119
Recommended contribution as a percentage of covered payroll.....	10.0%

The above contribution exceeds the estimated minimum annual contribution under Public Retirement Systems Standards Law (Georgia Code Section 47-20-10)

Annual Pension Cost. The City's annual pension cost of \$298,763 equaled the City's actuarial required and actual contribution. The required contribution was determined as a part of the January 1, 2009 and 2008 actuarial valuations, respectively, using the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets as described in the tables of Significant Actuarial Assumptions and Actuarial Assumptions and Methods. The period, and related method, for amortizing the initial unfunded actuarial accrued liability over 30 years from 1988 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for the plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar. These amortization periods, if applicable, are open for this plan year.

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

Schedule of Employer Contributions

<u>Fiscal Year Funding</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/2007	\$ 163,786	100%	\$ -
12/31/2008	196,099	100%	-
12/31/2009	298,763	100%	-

Fund Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the plan was 68.3% funded. The actuarial accrued liability for benefits was \$3,353,501 and the actuarial value of assets was \$2,290,042. The covered payroll (annual payroll of active employees covered by the plan) was \$3,321,119. The unfunded accrued actuarial liability (UAAL) was \$1,063,459 and the ratio of the UAAL to the covered payroll was 32%.

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

City of Garden City, Georgia
Notes to the Basic Financial Statements

IV. OTHER INFORMATION (continued)

Significant Actuarial Assumptions. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

Actuarial Assumptions and Methods

Economic Assumptions

Interest rate	8.0%
Annual rates of increase in salaries	5.5%
Future Social Security wage bases	5.5%
Inflation rate	0.0%

Demographic Assumptions

Mortality		
On-going plan basis	1983 GAM Table	
Plan termination basis	1994 GAR Unisex Table	
Termination	Age	Rate
	20	0.2580
	30	0.1560
	40	0.0945
	50	0.0585
	60	-

Disability	50% of 1975 SSA study
Retirement	Employees: 65 with 5 years of service Officials and MLOs: 65
Form of payment	Life annuity

Actuarial Methods

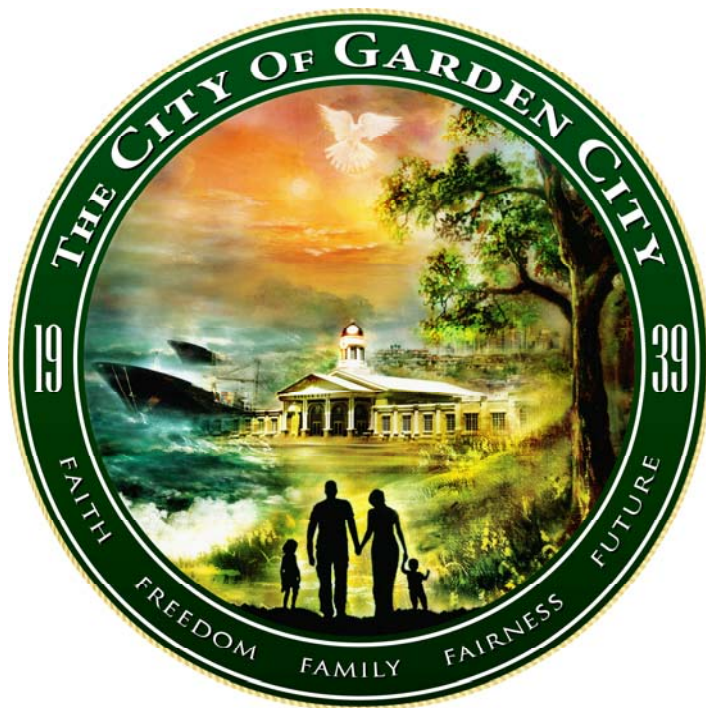
Normal Cost and Actuarial Accrued Liability	Projected Unit Credit
Actuarial Value of Assets	Sum of actuarial value at beginning of year and the increase in cost value during year excluding realized appreciation or losses. This value is adjusted by 10% of the amount that it exceeds or is less than the market value at end of year. Additionally, the actuarial value is adjusted so that the final actuarial value is within a 20% corridor of the market value.

Optional Defined Contribution Retirement Plan

Plan Description and Funding Requirements. The City of Garden City participates in a defined contribution plan administered by ICMA –RC to provide retirement benefits for employees. The plan is identified as a 457 retirement plan. At December 31, 2009 there were 59 employees participating in the plan. All full-time employees are eligible to participate in the plan and all plan members are allowed to make voluntary contributions. The City contributes, on behalf of each participant, 50% of the contribution made by the participant for the plan year (not including participant contributions exceeding 6% of earnings). Total contributions for the year ended December 31, 2009, were \$114,037 by the employees and \$62,245 by the government.



**REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MANAGEMENT'S DISCUSSION & ANALYSIS**



City of Garden City, Georgia
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes.....	\$ 5,907,792	\$ 5,847,638	\$ 5,693,773	\$ (153,865)
Licenses and permits.....	490,150	151,500	158,305	6,805
Intergovernmental revenues.....	140,000	134,700	56,106	(78,594)
Charges for services.....	935,258	419,722	86,398	(333,324)
Fines and forfeitures.....	878,558	1,100,160	1,020,966	(79,194)
Investment income.....	100,000	75,951	57,314	(18,637)
Other revenues.....	372,410	371,900	241,138	(130,762)
Total revenues.....	<u>8,824,168</u>	<u>8,101,571</u>	<u>7,314,000</u>	<u>(787,571)</u>
Expenditures:				
Current:				
General governmental:				
Council.....	61,700	27,800	26,278	1,522
City administrator.....	504,348	968,230	938,298	29,932
General administration.....	620,378	549,750	552,733	(2,983)
Judicial:				
Municipal court.....	75,950	75,950	71,619	4,331
Public safety:				
Police.....	3,307,170	3,505,116	3,571,697	(66,581)
Fire.....	469,303	513,715	519,740	(6,025)
Public works:				
Public works administration.....	1,802,116	1,153,325	1,177,036	(23,711)
Maintenance and shop.....	159,807	133,738	130,332	3,406
Health and welfare:				
Senior Citizens Center.....	148,795	143,025	146,905	(3,880)
Culture and recreation:				
Recreation.....	708,619	749,339	734,245	15,094
Parks.....	14,500	12,500	10,779	1,721
Housing and development:				
Planning and zoning.....	800,179	382,228	386,341	(4,113)
Total current.....	<u>8,672,865</u>	<u>8,214,716</u>	<u>8,266,003</u>	<u>(51,287)</u>
Debt service:				
Principal.....	66,630	1,740	1,631	109
Interest.....	9,170	121	121	-
Total debt service.....	<u>75,800</u>	<u>1,861</u>	<u>1,752</u>	<u>109</u>
Intergovernmental:				
Assistance.....	72,000	61,000	60,470	530
Total intergovernmental.....	<u>72,000</u>	<u>61,000</u>	<u>60,470</u>	<u>530</u>
Total expenditures.....	<u>8,820,665</u>	<u>8,277,577</u>	<u>8,328,225</u>	<u>(50,648)</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>3,503</u>	<u>(176,006)</u>	<u>(1,014,225)</u>	<u>(838,219)</u>
Other financing sources (uses):				
Transfers in.....	110,000	110,000	84,551	(25,449)
Total other financing sources (uses).....	<u>110,000</u>	<u>110,000</u>	<u>84,551</u>	<u>(25,449)</u>
Net change in fund balance.....	113,503	(66,006)	(929,674)	(863,668)
Fund balance, beginning of year.....	10,783,162	10,783,162	10,783,162	-
Fund balance, end of year.....	<u>\$ 10,896,665</u>	<u>\$ 10,717,156</u>	<u>\$ 9,853,488</u>	<u>\$ (863,668)</u>

City of Garden City, Georgia
Notes to Required Supplementary Information
December 31, 2009

I. Budgetary Information

A. Budgets and Budgetary Accounting

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

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

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

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended December 31, 2009, the following supplemental and decrease in appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>	<u>Supplemental Decreases</u>	<u>Final Appropriation</u>
General Fund.....	\$ 8,820,665	\$ 746,960	\$ 1,290,048	\$ 8,277,577
Special Revenue.....	719,062	5,000	-	724,062

B. Excess of Expenditures Over Appropriation in Individual Funds

General Fund:

General administrative.....	\$ 2,983
Police.....	66,581
Fire.....	6,025
Public works administration.....	23,711
Senior citizens center.....	3,880
Planning and zoning.....	4,113

City of Garden City, Georgia
Required Supplementary Information – Schedule of Funding Progress
December 31, 2009

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability [AAL] Entry Age (b)	Unfunded AAL [UAAL] (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Funding Excess) As a Percentage of Covered Payroll ((b-a)/c)
1/1/2007	\$ 2,440,558	\$ 2,717,884	\$ 277,326	89.8%	\$ 2,058,221	13.5%
1/1/2008	2,642,835	2,985,082	342,247	88.5%	2,407,703	14.2%
1/1/2009	2,290,042	3,353,501	1,063,459	68.3%	3,321,119	32.0%



SUPPLEMENTARY DATA
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES



Nonmajor Governmental Funds

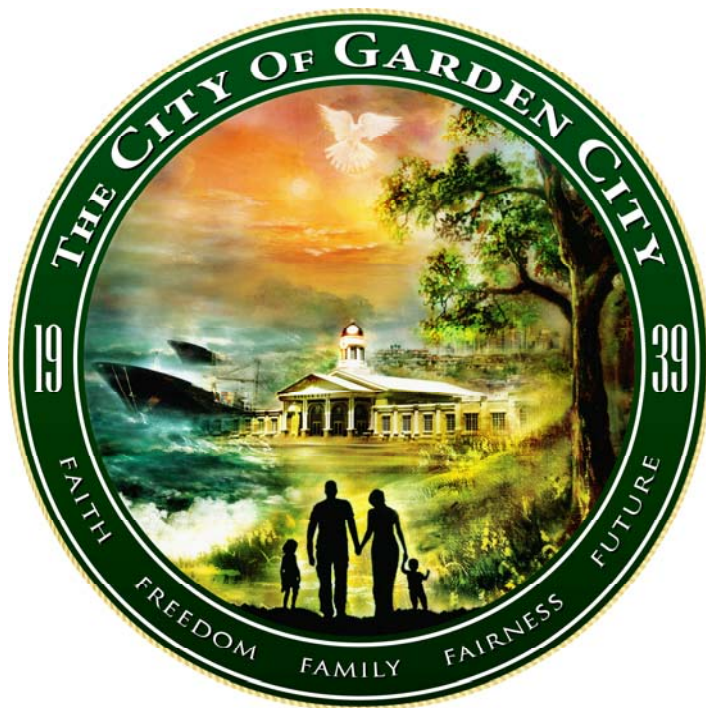
Special Revenue Funds:

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

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

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

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



City of Garden City, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Special Revenue Funds			
	Hotel - Motel	Confiscated Assets	Tourism Board	Total
Assets				
Cash and cash equivalents.....	\$ 24,293	\$ 13,229	\$ 197,383	\$ 234,905
Taxes receivable.....	8,538	-	-	8,538
Due from other funds.....	-	-	2,846	2,846
Total assets.....	<u>\$ 32,831</u>	<u>\$ 13,229</u>	<u>\$ 200,229</u>	<u>\$ 246,289</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable.....	\$ 1,423	\$ -	\$ 440	\$ 1,863
Due to other funds.....	31,408	1,042	190,592	223,042
Total liabilities.....	<u>32,831</u>	<u>1,042</u>	<u>191,032</u>	<u>224,905</u>
Fund balance:				
Unreserved reported in:				
Special revenue funds.....	-	12,187	9,197	21,384
Total fund balance.....	<u>-</u>	<u>12,187</u>	<u>9,197</u>	<u>21,384</u>
Total liabilities and fund balance.....	<u>\$ 32,831</u>	<u>\$ 13,229</u>	<u>\$ 200,229</u>	<u>\$ 246,289</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, 2009

	Special Revenue Funds			
	Hotel - Motel	Confiscated Assets	Tourism Board	Total
Revenues:				
Taxes.....	\$ 169,052	\$ -	\$ -	\$ 169,052
Fines and forfeitures.....	-	17,878	-	17,878
Investment earnings.....	9	-	6,289	6,298
Miscellaneous.....	-	-	853	853
Total revenues.....	169,061	17,878	7,142	194,081
Expenditures:				
Current:				
General government.....	-	-	260,906	260,906
Public safety.....	-	14,960	-	14,960
Intergovernmental:				
Assistance.....	28,176	-	-	28,176
Total expenditures.....	28,176	14,960	260,906	304,042
Excess (deficiency) of revenues over (under) expenditures.....	140,885	2,918	(253,764)	(109,961)
Other financing sources (uses):				
Transfers in.....	-	-	56,334	56,334
Transfers out.....	(140,885)	-	-	(140,885)
Total other financing sources (uses)	(140,885)	-	56,334	(84,551)
Net change in fund balance.....	-	2,918	(197,430)	(194,512)
Fund balance, beginning of year.....	-	9,269	206,627	215,896
Fund balance, end of year.....	\$ -	\$ 12,187	\$ 9,197	\$ 21,384

City of Garden City, Georgia
Hotel – Motel Tax Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes.....	\$ 220,000	\$ 220,000	\$ 169,052	\$ (50,948)
Investment income.....	-	-	9	9
Total revenues.....	220,000	220,000	169,061	(50,939)
Expenditures:				
Intergovernmental:				
Assistance.....	35,935	35,935	28,176	7,759
Total intergovernmental.....	35,935	35,935	28,176	7,759
Excess (deficiency) of revenues over (under) expenditures.....	184,065	184,065	140,885	(43,180)
Other financing sources (uses):				
Transfers out.....	(184,065)	(184,065)	(140,885)	43,180
Total other financing sources (uses).....	(184,065)	(184,065)	(140,885)	43,180
Net change in fund balance.....	-	-	-	-
Fund balance, beginning of year.....	-	-	-	-
Fund balance, end of year.....	\$ -	\$ -	\$ -	\$ -

City of Garden City, Georgia
Confiscated Assets Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeitures.....	\$ 10,000	\$ 15,000	\$ 17,878	\$ 2,878
Total revenues.....	10,000	15,000	17,878	2,878
Expenditures:				
Current:				
Public safety.....	10,000	15,000	14,960	40
Total expenditures.....	10,000	15,000	14,960	40
Excess (deficiency) of revenues over (under) expenditures.....	-	-	2,918	2,918
Net change in fund balance.....	-	-	2,918	2,918
Fund balance, beginning of year.....	9,269	9,269	9,269	-
Fund balance, end of year.....	\$ 9,269	\$ 9,269	\$ 12,187	\$ 2,918

City of Garden City, Georgia
Tourism Board Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income.....	\$ 5,400	\$ 5,400	\$ 6,289	\$ 889
Miscellaneous.....	595,000	595,000	853	(594,147)
Total revenues.....	600,400	600,400	7,142	(593,258)
Expenditures:				
Current:				
General government.....	42,000	265,000	260,906	4,094
Capital outlay.....	625,727	402,727	-	402,727
Total expenditures.....	673,127	673,127	260,906	406,821
Excess (deficiency) of revenues over (under) expenditures.....	(72,727)	(72,727)	(253,764)	(186,437)
Other financing sources (uses):				
Transfers in.....	70,700	70,700	56,334	(14,366)
Total other financing sources (uses).....	70,700	70,700	56,334	(14,366)
Net change in fund balance.....	(2,027)	(2,027)	(197,430)	(200,803)
Fund balance, beginning of year.....	206,627	206,627	206,627	-
Fund balance, end of year.....	\$ 204,600	\$ 204,600	\$ 9,197	\$ (200,803)

City of Garden City, Georgia
Schedule of Cash Receipts and Disbursements
Volunteer Fire Department
For the Year Ended December 31, 2009

	<u>2009</u>
Cash receipts:	
Donations.....	\$ 15,236
Transfer from Garden City.....	21,483
	<u>36,719</u>
Total receipts.....	<u>36,719</u>
Cash disbursements:	
Fire station - equipment and supplies.....	2,148
Fire trucks - supplies and maintenance.....	547
Training, education and conferences.....	2,543
Office equipment and supplies.....	19,416
Clothing and safety equipment.....	6,412
Food and beverage.....	4,534
Flowers, gifts and awards.....	561
Dues and subscriptions.....	2,407
	<u>38,568</u>
Total disbursements.....	<u>38,568</u>
Excess (deficiency) of receipts over disbursements.....	(1,849)
Cash balance, beginning of year.....	16,078
	<u>14,229</u>
Cash balance, end of year.....	<u>\$ 14,229</u>

City of Garden City, Georgia
Schedule of Projects Constructed With
Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2009

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
<u>1998 - 2003 SPLOST Referendum</u>					
Drainage.....	\$ 2,000,000	\$ 1,199,500	\$ 1,532,760	\$ -	\$ 1,532,760
Other capital outlay:	458,703				
Pineland Avenue Paving		71,000	74,099	-	74,099
Pineland Avenue Sidewalk		69,000	84,250	-	84,250
Volunteer Park Tree Buffer		8,017	3,101	-	3,101
Highway 21 Beautification		40,000	17,996	-	17,996
Bike Path		89,500	85,296	-	85,296
Lift station upgrade		17,500	17,041	-	17,041
Security system well and tank		8,000	7,812	-	7,812
Stadium upgrade		20,000	19,709	-	19,709
Open Space:					
Sharon Park		45,002	45,456	-	45,456
Public Safety:					
Debt service - Fire Truck	266,667	218,010	218,010	-	218,010
Total 1998 - 2003 SPLOST expenditures	<u>2,725,370</u>	<u>1,785,529</u>	<u>2,105,530</u>	<u>-</u>	<u>2,105,530</u>
<u>2003 - 2008 SPLOST Referendum</u>					
Other capital outlay:	4,013,159				
Sewer rehabilitation projects		50,000	782,428	84,282	866,710
Rossinol Hill Fire and Water Systems		100,000	85,957	-	85,957
Lift station upgrade		152,500	185,930	-	185,930
Security system well and tank		27,000	9,373	-	9,373
Stadium upgrade		280,000	70,853	-	70,853
Computer equipment		30,000	620,810	-	620,810
Financial accounting software		55,000	86,919	-	86,919
Highway 21 Beautification		60,000	125,655	11,376	137,031
Concession stand at Bazemore Park		30,000	22,854	-	22,854
Sharon Park improvements		35,000	30,715	-	30,715
Fire station building 2		10,000	2,819	-	2,819
Administrative equipment		12,000	35,383	-	35,383
Public safety equipment		136,870	1,077,807	-	1,077,807
Public works equipment		99,000	783,890	12,008	795,898
Recreation equipment			103,602	-	103,602
Housing and development equipment			16,525	-	16,525
Water and sewer equipment		269,500	340,671	-	340,671
City Hall project			8,453,355	-	8,453,355
Street improvements			186,374	-	186,374
Rommel Avenue water tank			156,164	-	156,164
Senior citizen project			25,940	-	25,940
Public works facility			69,992	-	69,992
Public Safety:					
Debt service - Fire Truck		224,990	190,987	-	190,987
Total 2003 - 2008 SPLOST expenditures	<u>4,013,159</u>	<u>1,571,860</u>	<u>13,465,003</u>	<u>107,666</u>	<u>13,572,669</u>
Grand total SPLOST expenditures.....	<u>\$ 6,738,529</u>	<u>\$ 3,357,389</u>	<u>\$ 15,570,533</u>	<u>\$ 107,666</u>	<u>\$ 15,678,199</u>

Note 1:

Amounts expended for various projects includes sales tax proceeds and local governmental funding over the life of the projects.

Note 2:

Expenditures presented within the SPLOST schedule do not agree with the fund financial statements. Long-term notes payable and capital lease proceeds were used to fund a significant portion of SPLOST projects and therefore are not presented within the schedule above. However, the financial statements include expenditures for notes payable and capital leases.

City of Garden City, Georgia
Schedule of Required Expenditures
Generated by the Hotel – Motel Tax
For the Year Ended December 31, 2009

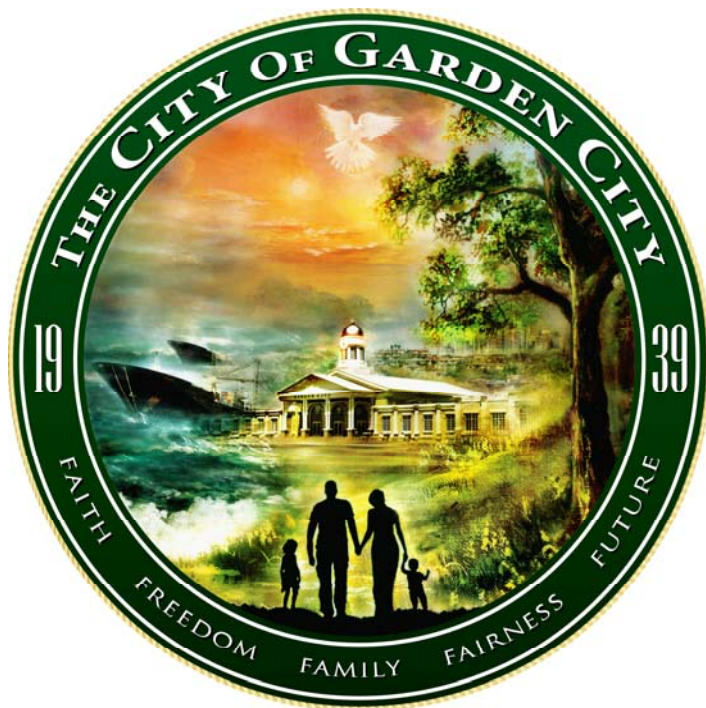
Revenue:	
Hotel / Motel taxes.....	\$ <u>169,052</u>
Expenditures:	
Tourism expenditures.....	\$ <u>84,526</u>
Percentage of expenditures to revenues.....	<u>50%</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends.....	G -2
These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	
Revenue Capacity.....	G -7
These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue sources, the property tax and the sales tax.	
Debt Capacity.....	G -14
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Economic and Demographic Information.....	G -18
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information.....	G -21
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

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



City of Garden City, Georgia

Net Assets by Component Last Six Calendar Years

	2004	2005	2006	2007	2008	2009
Governmental activities						
Invested in capital assets, net of related debt.....	\$ 3,927,136	\$ 4,005,261	\$ 4,147,765	\$ 4,691,714	\$ 13,763,772	\$ 12,909,489
Restricted.....	2,215,719	2,407,751	2,239,292	1,772,604	-	-
Unrestricted.....	7,035,381	8,096,822	10,132,572	15,468,336	7,846,785	7,153,169
Total governmental activities net assets.....	<u>\$ 13,178,236</u>	<u>\$ 14,509,834</u>	<u>\$ 16,519,629</u>	<u>\$ 21,932,654</u>	<u>\$ 21,610,557</u>	<u>\$ 20,062,658</u>
Business-type activities						
Invested in capital assets, net of related debt.....	\$ 7,148,230	\$ 6,500,230	\$ 6,876,834	\$ 7,688,460	\$ 8,293,976	\$ 11,266,753
Restricted.....	-	-	-	-	-	-
Unrestricted.....	1,096,835	2,386,991	3,005,025	3,247,446	3,002,780	1,404,345
Total business-type activities net assets.....	<u>\$ 8,245,065</u>	<u>\$ 8,887,221</u>	<u>\$ 9,881,859</u>	<u>\$ 10,935,906</u>	<u>\$ 11,296,756</u>	<u>\$ 12,671,098</u>
Primary Government						
Invested in capital assets, net of related debt.....	\$ 11,075,366	\$ 10,505,491	\$ 11,024,599	\$ 12,380,174	\$ 22,057,748	\$ 24,176,242
Restricted.....	2,215,719	2,407,751	2,239,292	1,772,604	-	-
Unrestricted.....	8,132,216	10,483,813	13,137,597	18,715,782	10,849,565	8,557,514
Total primary government net assets.....	<u>\$ 21,423,301</u>	<u>\$ 23,397,055</u>	<u>\$ 26,401,488</u>	<u>\$ 32,868,560</u>	<u>\$ 32,907,313</u>	<u>\$ 32,733,756</u>

The City of Garden City implemented GASB 34 for the calendar year ended December 31, 2004.

Information prior to the implementation of GASB 34 is not available.

City of Garden City, Georgia

Change in Net Assets Last Six Calendar Years

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government.....	\$ 570,118	\$ 685,370	\$ 585,223	\$ 1,035,750
Judiciary.....	37,127	52,312	54,283	71,619
Public safety.....	2,825,929	3,078,641	3,133,517	3,341,151
Public works.....	950,435	732,921	1,119,824	1,349,616
Health and welfare.....	101,966	111,975	132,714	137,767
Culture and recreation.....	582,559	694,767	597,490	743,384
Housing and development.....	152,745	219,277	266,430	310,464
Interest on long-term debt.....	12,206	10,876	9,133	7,321
Total governmental activities expenses.....	5,233,085	5,586,139	5,898,614	6,997,072
Business-type activities:				
Water and sewer.....	1,578,828	1,685,828	1,828,024	1,866,494
Sanitation.....	317,130	349,368	305,683	383,870
Stormwater.....	-	-	-	-
Total business-type activities expense.....	1,895,958	2,035,196	2,133,707	2,250,364
Total primary government expenses.....	\$ 7,129,043	\$ 7,621,335	\$ 8,032,321	\$ 9,247,436
Program Revenues				
Governmental activities:				
Charges for services:				
General government.....	\$ 44,026	\$ 45,512	\$ 47,217	\$ 69,245
Public safety.....	358,491	553,876	588,548	628,232
Public works.....	1,735	3,280	621	-
Culture and recreation.....	52,380	69,225	61,581	80,133
Housing and recreation.....	67,706	78,032	247,837	230,177
Operating grants and contributions.....	113,517	94,020	185,678	66,925
Capital grants and contributions.....	320,523	55,503	64,087	63,251
Total governmental activities program revenues.....	958,378	899,448	1,195,569	1,137,963
Business-type activities:				
Charges for services.....	2,216,687	2,173,562	2,298,727	2,215,695
Capital grants and contributions.....	11,650	78,374	21,150	441,774
Total business type activities program revenues.....	2,228,337	2,251,936	2,319,877	2,657,469
Total primary government program revenues.....	\$ 3,186,715	\$ 3,151,384	\$ 3,515,446	\$ 3,795,432
Net (Expense)/Revenue				
Governmental activities.....	\$ (4,274,707)	\$ (4,686,691)	\$ (4,703,045)	\$ (5,859,109)
Business-type activities.....	332,379	216,740	186,170	407,105
Total primary government net expense.....	\$ (3,942,328)	\$ (4,469,951)	\$ (4,516,875)	\$ (5,452,004)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes.....	\$ 5,143,963	\$ 5,104,172	\$ 5,771,657	\$ 5,846,673
Grants and contributions not restricted to specific programs.....	606,310	899,037	1,036,458	1,038,544
Unrestricted investment earnings.....	136,328	323,205	528,454	737,279
Miscellaneous.....	67,108	71,155	80,276	125,786
Special Item - Gain on sale of municipal complex.....	17,775	-	-	3,184,212
Transfers.....	(85,792)	(379,280)	(704,006)	(486,703)
Total governmental activities.....	5,885,692	6,018,289	6,712,839	10,445,791
Business-type activities - water and sewer:				
Unrestricted investment earnings.....	8,366	46,136	104,462	160,239
Transfers.....	85,792	379,280	704,006	486,703
Total business-type activities.....	94,158	425,416	808,468	646,942
Total primary government.....	\$ 5,979,850	\$ 6,443,705	\$ 7,521,307	\$ 11,092,733
Change in Net Assets				
Governmental activities.....	\$ 1,610,985	\$ 1,331,598	\$ 2,009,794	\$ 4,586,682
Business-type activities.....	426,537	642,156	994,638	1,054,047
Total primary government.....	\$ 2,037,522	\$ 1,973,754	\$ 3,004,432	\$ 5,640,729

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

<u>2008</u>	<u>2009</u>
\$ 1,229,916	\$ 1,749,681
72,997	71,619
3,984,387	4,410,216
1,523,871	1,459,347
265,131	146,905
733,409	859,249
524,466	414,517
9,181	12,593
<u>8,343,358</u>	<u>9,124,127</u>
2,406,423	2,879,332
384,738	461,521
-	765,146
<u>2,791,161</u>	<u>4,105,999</u>
<u>\$ 11,134,519</u>	<u>\$ 13,230,126</u>
\$ 286,287	\$ 115,827
765,113	1,057,234
600	450
89,426	67,558
85,648	42,478
138,576	141,953
15,983	2,170,273
<u>1,381,633</u>	<u>3,595,773</u>
2,967,045	3,589,799
81,741	50,200
<u>3,048,786</u>	<u>3,639,999</u>
<u>\$ 4,430,419</u>	<u>\$ 7,235,772</u>
\$ (6,961,725)	\$ (5,528,354)
257,625	(466,000)
<u>\$ (6,704,100)</u>	<u>\$ (5,994,354)</u>
\$ 5,842,702	\$ 5,500,889
258,538	-
360,975	67,762
201,026	241,991
-	-
(23,613)	(1,830,187)
<u>6,639,628</u>	<u>3,980,455</u>
79,611	10,155
23,613	1,830,187
<u>103,224</u>	<u>1,840,342</u>
<u>\$ 6,742,852</u>	<u>\$ 5,820,797</u>
\$ (322,097)	\$ (1,547,899)
360,849	1,374,342
<u>\$ 38,752</u>	<u>\$ (173,557)</u>

City of Garden City, Georgia

Fund Balances, Governmental Funds
Last Six Calendar Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund						
Reserved	\$ 257,454	\$ 182,844	\$ 134,708	\$ 189,626	\$ 107,194	\$ 3,851,793
Unreserved	<u>6,257,691</u>	<u>7,447,373</u>	<u>9,480,603</u>	<u>14,190,311</u>	<u>10,675,968</u>	<u>6,001,695</u>
Total general fund	<u><u>\$ 6,515,145</u></u>	<u><u>\$ 7,630,217</u></u>	<u><u>\$ 9,615,311</u></u>	<u><u>\$ 14,379,937</u></u>	<u><u>\$ 10,783,162</u></u>	<u><u>\$ 9,853,488</u></u>
 All Other Governmental Funds						
Reserved	\$ 13,453	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	(2,694)	(46)	276,499	215,896	21,384
Capital projects fund	<u>2,201,801</u>	<u>2,407,751</u>	<u>2,239,292</u>	<u>1,772,604</u>	<u>(4,135,489)</u>	<u>(3,411,015)</u>
Total all other governmental funds	<u><u>\$ 2,215,254</u></u>	<u><u>\$ 2,405,057</u></u>	<u><u>\$ 2,239,246</u></u>	<u><u>\$ 2,049,103</u></u>	<u><u>\$ (3,919,593)</u></u>	<u><u>\$ (3,389,631)</u></u>

Note: Information prior to fiscal year December 31, 2004 was not readily available.

City of Garden City, Georgia
Changes in Fund Balances, Governmental Funds
Last Six Calendar Years

	2004	2005	2006	2007	2008	2009
Revenues						
Taxes.....	\$ 4,652,726	\$ 5,068,396	\$ 5,720,070	\$ 6,067,002	\$ 5,681,166	\$ 5,862,825
Licenses and permits.....	111,732	123,444	295,054	299,322	371,935	158,305
Intergovernmental.....	1,038,753	1,047,311	1,286,398	1,168,720	413,097	156,106
Charges for services.....	74,361	89,633	82,295	107,577	111,948	86,398
Fines and fees.....	338,245	536,847	568,651	600,888	743,191	1,038,844
Interest revenues.....	136,328	323,205	528,454	737,279	360,975	67,762
Other revenues.....	68,705	72,407	79,905	125,786	238,684	241,991
Total revenue.....	6,420,850	7,261,243	8,560,827	9,106,574	7,920,996	7,612,231
Expenditures						
Current:						
General government.....	605,242	560,226	550,094	993,290	1,258,805	1,778,215
Judiciary.....	37,127	52,312	54,283	71,619	72,997	71,619
Public safety.....	2,709,450	2,577,763	2,859,653	3,016,062	3,636,442	4,106,397
Public works.....	899,259	1,025,822	991,831	1,111,409	1,314,486	1,307,368
Health and welfare.....	101,966	111,975	132,714	137,767	148,852	146,905
Culture and recreation.....	503,029	500,379	468,847	626,069	733,409	745,024
Housing and development.....	152,745	136,957	164,571	417,853	495,843	386,341
Capital outlay.....	413,349	424,722	612,620	1,219,135	9,910,821	8,712,346
Debt service:						
Principal.....	43,367	46,801	47,810	51,213	142,763	219,904
Interest and other charges.....	12,206	10,876	9,133	7,321	9,181	12,593
Intergovernmental:						
Assistance.....	-	129,256	145,983	91,150	100,573	88,646
Total expenditures.....	5,477,740	5,577,089	6,037,539	7,742,888	17,824,172	17,575,358
Excess (Deficiency) of revenues over (under) expenditures.....	943,110	1,684,154	2,523,288	1,363,686	(9,903,176)	(9,963,127)
Other Financing sources (uses)						
Capital leases and notes payable.....	31,528	-	-	-	361,318	10,207,438
Sale of surplus property.....	163,000	-	-	-	-	-
Transfers in.....	174,488	100,735	131,637	205,415	3,646,975	140,885
Transfers out.....	(260,280)	(480,014)	(835,643)	(692,118)	(3,670,588)	(784,908)
Total other financing sources (uses).....	108,736	(379,279)	(704,006)	(486,703)	337,705	9,563,415
Special Item						
Proceeds from sale of municipal complex...	-	-	-	3,389,558	-	-
Net change in fund balances.....	\$ 1,051,846	\$ 1,304,875	\$ 1,819,282	\$ 4,266,541	\$ (9,565,471)	\$ (399,712)
Debt service as a percentage of noncapital expenditures.....	1.15%	1.13%	1.04%	0.89%	1.92%	2.73%

Source: City records

Notes: Noncapital expenditures are total expenditures less capital outlay.

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

City of Garden City, Georgia
Assessed and Actual Value of Taxable Property
Last Ten Calendar Years

Tax	Real Property		Mobile	Motor		
Digest Year	Residential	Commercial	Homes	Vehicles	Industrial	Utility
2000 ⁽¹⁾	\$ 54,219,390	\$ 83,088,599	\$ 1,555,400	\$ 21,035,226	\$ 55,590,064	\$ 4,448,016
2001 ⁽¹⁾	55,525,748	80,788,426	5,715,400	25,275,300	59,534,892	4,356,752
2002 ⁽¹⁾	61,075,859	92,628,582	5,564,000	23,642,060	56,495,758	4,704,447
2003 ⁽¹⁾	65,904,992	95,725,418	5,656,200	25,925,020	59,960,735	4,603,446
2004 ⁽¹⁾	68,875,016	104,117,748	5,456,200	25,104,120	64,172,410	5,202,046
2005 ⁽¹⁾	73,296,670	108,812,133	5,557,200	24,129,680	74,199,818	5,278,878
2006 ⁽¹⁾	84,959,176	121,928,390	5,979,000	24,656,400	78,110,613	5,700,133
2007 ⁽¹⁾	96,315,222	139,038,044	4,837,800	25,821,260	88,079,178	5,144,188
2008 ⁽¹⁾	102,002,998	148,130,329	4,879,800	27,855,530	93,924,012	8,489,551
2009 ⁽¹⁾	102,612,345	153,186,452	4,716,200	28,087,370	90,569,095	7,803,677

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

⁽¹⁾ Source: Georgia Department of Revenue Property Tax Division Consolidation Summary

Other Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 312,200	\$ (53,217)	\$ 220,195,678	-	\$ 550,489,195	40%
1,685,625	(1,138,776)	231,743,367	-	579,358,418	40%
1,249,663	(238,353)	245,122,016	-	612,805,040	40%
1,138,307	(7,365,039)	251,549,079	-	628,872,698	40%
865,208	(1,281,761)	272,510,987	-	681,277,468	40%
838,182	(1,343,261)	290,769,300	-	726,923,250	40%
2,031,356	(2,257,518)	321,107,550	-	802,768,875	40%
3,795,220	(2,882,988)	360,147,924	-	900,369,810	40%
3,869,741	(2,888,131)	386,263,830	-	965,659,575	40%
5,138,351	(2,854,961)	389,258,529	-	973,146,323	40%

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

Tax Year	Direct	Overlapping Rates			Total
	City	School District	County	State	
2000	-	18.840	10.439	0.250	29.529
2001	-	18.576	10.367	0.250	29.193
2002	-	17.550	10.367	0.250	28.167
2003	-	17.768	10.367	0.250	28.385
2004	-	17.600	10.367	0.250	28.217
2005	-	17.277	11.037	0.250	28.564
2006	-	15.817	10.837	0.250	26.904
2007	-	13.795	10.537	0.250	24.582
2008	-	13.404	10.537	0.250	24.191
2009	-	13.404	10.537	0.250	24.191

Source: Chatham County Commission - Board Minutes

City of Garden City, Georgia

**Local Option Sales Tax History
Last Six Calendar Years**

	2004	2005	2006	2007	2008	2009
January	\$ 198,128	\$ 235,358	\$ 246,946	\$ 280,728	\$ 293,311	\$ 344,503
February	230,384	282,882	307,070	324,874	327,143	254,327
March	249,036	261,209	299,409	274,918	228,148	221,021
April	227,733	213,716	296,109	282,938	301,310	394,481
May	248,480	267,321	296,695	302,503	317,991	249,038
June	280,535	264,636	340,138	323,734	301,614	269,339
July	260,412	270,665	302,035	320,618	328,109	284,952
August	244,729	269,740	332,151	288,609	304,379	314,377
September	248,004	264,241	361,600	335,186	306,294	263,508
October	229,447	290,402	306,450	314,916	278,989	269,220
November	232,499	280,142	389,374	329,570	334,426	245,272
December	234,688	245,283	210,042	599,365	272,842	270,655
Pro Rata Adjustment	-	5,679	14,582	7,315	-	-
Total	<u>\$ 2,884,075</u>	<u>\$ 3,151,274</u>	<u>\$ 3,702,601</u>	<u>\$ 3,985,274</u>	<u>\$ 3,594,556</u>	<u>\$ 3,380,693</u>

Note:

Sales tax information prior to fiscal year 2004 was not readily available.

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

City of Garden City, Georgia
Schedule of Tax Revenues and Franchise Fees
Last Six Calendar Years

Tax Revenue	2004	2005	2006	2007	2008	2009
Local Option Sales Taxes	\$ 2,884,065	\$ 3,151,274	\$ 3,702,601	\$ 3,985,274	\$ 3,443,904	\$ 3,380,693
Franchise Taxes - Electric	380,759	408,724	474,867	471,962	527,708	691,275
Franchise Taxes - Gas	41,374	36,936	27,697	43,142	33,479	31,319
Franchise Taxes - Television Cable	66,367	68,090	68,507	73,286	81,123	81,315
Franchise Taxes - Telephone	81,424	81,586	81,393	79,419	97,988	51,511
Alcoholic Beverage Excise	199,541	192,778	191,367	185,202	172,002	172,217
Local Option Mixed Drink Excise Tax	-	-	987	4,312	5,436	5,421
Business and Occupation Taxes	362,873	402,987	400,033	425,807	440,543	642,642
Insurance Premium Taxes	472,965	508,848	532,383	558,647	568,637	563,302
Financial Institution Taxes	30,589	30,400	30,310	24,561	21,952	23,251

Source: City records

Note:

Information prior to calendar year 2004 was not readily available.

City of Garden City, Georgia

Water Rates Last Ten Calendar Years

Fiscal Years ended December 31,	<u>Water - Inside the City</u>		<u>Water - Outside the City</u>	
	Type of Charge	Charge	Type of Charge	Charge
2000-2003	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 300	\$5.00	Up to 500	\$16.50
	Over 300, per 1,000	\$7.00	Over 500, per 1,000	\$12.45
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$11.00		
	Over 500, per 1,000	\$8.30		
2003	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 300	\$6.75	Up to 500	\$22.28
	Over 300, per 1,000	\$9.45	Over 500, per 1,000	\$16.80
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$14.85		
	Over 500, per 1,000	\$11.20		
2004-2005	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$7.42	Up to 500	\$24.50
	Over 500, per 1,000	\$10.39	Over 500, per 1,000	\$18.48
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$16.33		
	Over 500, per 1,000	\$12.32		
2006	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$8.17	Up to 500	\$26.96
	Over 500, per 1,000	\$11.43	Over 500, per 1,000	\$20.34
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$17.97		
	Over 500, per 1,000	\$13.56		
2007	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$8.58	Up to 500	\$28.31
	Over 500, per 1,000	\$12.00	Over 500, per 1,000	\$21.36
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$18.87		
	Over 500, per 1,000	\$14.24		
2008 - 2009	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

Source: City Records

* REU - Residential Equivalent Unit

City of Garden City, Georgia

Sewer Rates Last Ten Calendar Years

Fiscal Years ended December 31,	Sewer - Inside the City		Sewer - Outside the City	
	Type of Charge	Charge	Type of Charge	Charge
2000-2003	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 300	\$7.50	Up to 500	\$21.00
	Over 300, per 1,000	\$7.00	Over 500, per 1,000	\$12.45
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$14.00		
	Over 500, per 1,000	\$8.30		
2003	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 300	\$10.12	Up to 500	\$28.35
	Over 300, per 1,000	\$9.45	Over 500, per 1,000	\$16.80
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$18.90		
	Over 500, per 1,000	\$11.20		
2004-2005	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$11.13	Up to 500	\$31.19
	Over 500, per 1,000	\$10.39	Over 500, per 1,000	\$18.48
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$20.79		
	Over 500, per 1,000	\$12.32		
2006	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$12.25	Up to 500	\$34.31
	Over 500, per 1,000	\$11.43	Over 500, per 1,000	\$20.34
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$22.87		
	Over 500, per 1,000	\$13.56		
2007	<u>Cubic Feet- Residential</u>		<u>Cubic Feet</u>	
	Up to 500	\$12.86	Up to 500	\$36.02
	Over 500, per 1,000	\$12.00	Over 500, per 1,000	\$21.36
	<u>Cubic Feet- Commercial</u>			
	Up to 500	\$24.01		
	Over 500, per 1,000	\$14.24		
2008 - 2009	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

Source: City Records

* REU - Residential Equivalent Unit

City of Garden City

Ratios of Outstanding Debt by Type Last Ten Calendar Years

Calendar Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	Water Credits	Capital Leases	Note Payable	SRF Loan	GEFA Loans	Capital Leases			
2000	28,700	66,842	-	894,413	530,664	38,433	1,559,052	0.98%	138
2001	25,415	31,187	-	773,978	1,148,207	-	1,978,787	1.18%	172
2002	20,313	-	-	697,023	978,522	-	1,695,858	0.97%	145
2003	12,856	285,090	-	638,290	2,722,323	-	3,658,559	2.00%	306
2004	9,936	276,171	-	558,601	2,650,403	-	3,495,111	1.83%	287
2005	6,665	232,641	-	477,306	3,425,365	-	4,141,977	2.07%	334
2006	4,128	187,368	-	394,373	3,298,113	-	3,883,982	1.88%	308
2007	-	140,283	-	309,768	3,164,919	-	3,614,970	1.69%	282
2008	-	358,838	-	223,458	3,913,483	-	4,495,779	2.03%	345
2009	-	396,372	9,950,000	135,411	4,999,932	-	15,481,715	6.66%	1,130

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

^(a) *These ratios are calculated using personal income and population for the prior calendar year*

City of Garden City, Georgia

Direct and Overlapping Governmental Activities Debt As of December 31, 2009

	Debt Outstanding	Estimated Percentage Applicable ^(a)	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes:			
Chatham County, Georgia:			
DSA Chatham County Projects Series 2005.....	\$ 18,265,000	3.44%	\$ 628,316
Chatham County Public Health Facilities Projects.....	785,000	3.44%	27,004
DSA Chatham County Projects Series 1999.....	430,000	3.44%	14,792
DSA Chatham County Projects Series 2005A.....	5,975,000	3.44%	205,540
Mosquito Control.....	4,166,343	3.44%	143,322
Chatham-Savannah School Board:			
General Obligation Bonded Debt.....	87,885,000	3.44%	3,023,244
DSA (Improvement Project).....	3,250,000	3.44%	111,800
Overlapping other debt:			
Capital leases:			
Chatham County, Georgia.....	2,518,310	5.40%	136,008
Savannah-Chatham County School Board.....	10,095,788	7.89%	796,558
Subtotal, overlapping debt.....			5,086,584
City of Garden City direct debt.....			396,372
Total direct and overlapping debt.....			<u>\$ 5,482,956</u>

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

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

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

City of Garden City, Georgia

Legal Debt Margin Information Last Ten Calendar Years

	2000	2001	2002	2003	2004
Total assessed value of taxable property.....	\$ 220,195,678	\$ 231,743,367	\$ 245,122,016	\$ 251,549,079	\$ 272,510,987
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	<u>\$ 220,195,678</u>	<u>\$ 231,743,367</u>	<u>\$ 245,122,016</u>	<u>\$ 251,549,079</u>	<u>\$ 272,510,987</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 22,019,568	\$ 23,174,337	\$ 24,512,202	\$ 25,154,908	\$ 27,251,099
Total net debt applicable to limit: General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 22,019,568</u>	<u>\$ 23,174,337</u>	<u>\$ 24,512,202</u>	<u>\$ 25,154,908</u>	<u>\$ 27,251,099</u>
Total net debt applicable to the limit as a percentage of debt limit.....	0.00%	0.00%	0.00%	0.00%	0.00%

	2005	2006	2007	2008	2009
Total assessed value of taxable property.....	\$ 290,769,300	\$ 321,107,550	\$ 360,147,924	\$ 386,263,830	\$ 389,258,529
Less exemptions for bond purposes.....	-	-	-	-	-
Net assessed value for bond purposes.....	<u>\$ 290,769,300</u>	<u>\$ 321,107,550</u>	<u>\$ 360,147,924</u>	<u>\$ 386,263,830</u>	<u>\$ 389,258,529</u>
Debt limit percentage.....	10%	10%	10%	10%	10%
Debt limit.....	\$ 29,076,930	\$ 32,110,755	\$ 36,014,792	\$ 38,626,383	\$ 38,925,853
Total net debt applicable to limit: General obligation bonds (net of set aside).....	-	-	-	-	-
Legal debt margin.....	<u>\$ 29,076,930</u>	<u>\$ 32,110,755</u>	<u>\$ 36,014,792</u>	<u>\$ 38,626,383</u>	<u>\$ 38,925,853</u>
Total net debt applicable to the limit as a percentage of debt limit.....	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

City of Garden City, Georgia

Pledged Revenue Coverage
Last Ten Calendar Years

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ^(a)	Net Available Revenue	Debt Service ^(b)		Coverage
				Principal	Interest	
2000	\$ 1,306,178	\$ 719,875	\$ 586,303	\$ 171,664	\$ 57,738	2.56
2001	1,338,347	810,617	527,730	172,751	42,838	2.45
2002	1,351,311	844,229	507,082	246,640	97,644	1.47
2003	1,765,317	981,516	783,801	87,551	68,352	5.03
2004	1,912,863	936,757	976,106	166,864	185,704	2.77
2005	1,871,854	940,158	931,696	169,508	169,386	2.75
2006	1,963,331	1,039,575	923,756	210,185	173,908	2.41
2007	1,907,805	1,070,148	837,657	217,799	160,339	2.22
2008	2,633,654	1,618,935	1,014,719	225,729	132,173	2.84
2009	2,503,945	1,970,551	533,394	250,064	170,105	1.27

^(a) Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration & finance.

^(b) Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Garden City, Georgia
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population*</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age</u>	<u>Unemployment Rate (3)</u>
2000	11,289	\$ 159,615,171	\$ 14,139	32	2.8%
2001	11,509	167,299,428	14,536	32	2.8%
2002	11,728	175,143,606	14,934	32	3.3%
2003	11,948	183,177,178	15,331	32	3.4%
2004	12,168	191,385,605	15,729	32	3.4%
2005	12,387	199,752,762	16,126	32	5.7%
2006	12,607	206,888,434	16,411	32	4.9%
2007	12,826	214,132,635	16,695	32	5.0%
2008	13,046	221,518,471	16,980	32	7.6%
2009	13,698	232,594,394	16,980	32	7.5%

Sources:

- (1) *Personal income has been estimated based upon the municipal population and per capita personal income presented.*
- (2) *2000 Census Bureau*
- (3) *State Department of Labor*

City of Garden City, Georgia
Principal Employers
Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Georgia Ports Authority	821	1	0.60%	N/A	N/A	N/A
Savannah - Chatham School District	615	2	0.45%	N/A	N/A	N/A
R B Baker Construction Inc	321	3	0.23%	N/A	N/A	N/A
Mco Transport Inc	150	4	0.11%	N/A	N/A	N/A
City of Garden City	136	5	0.10%	N/A	N/A	N/A
Worldwide Savannah	120	6	0.09%	N/A	N/A	N/A
Coating Systems Inc	105	7	0.08%	N/A	N/A	N/A
Roberts Truck Center, Inc.	100	8	0.07%	N/A	N/A	N/A
Atlantic Container Service	75	9	0.05%	N/A	N/A	N/A
Piggly Wiggly	70	10	0.05%	N/A	N/A	N/A
Total	<u>2,513</u>		<u>1.83%</u>	<u>N/A</u>		<u>N/A</u>

Source: Reference USA.

Note: Employer information for fiscal year 2000 was not readily available.

City of Garden City, Georgia

Demographic Profile Census 2000

	<u>City of Garden City</u>	<u>Chatham County</u>	<u>State of Georgia</u>	<u>United States</u>
Population, 2000	11,289	232,048	8,186,453	281,421,906
Population, 1990	7,410	216,935	6,478,149	248,709,873
Population change 1990-2000, %	52	7	26	13
Persons under 5 years old, %	7.2	6.7	7.3	6.8
Persons under 18 years old, %	23.7	25	26.5	25.7
Persons 65 years old and older, %	9.9	12.8	9.6	12.4
Median age	32	34	33	35
Female persons, %	45.5	51.8	50.8	50.9
White persons, %	54.2	55.3	65.1	75.1
Black or African American persons, %	40	40.5	28.7	12.3
American Indian and Alaska Native persons, %	0.5	0.2	0.3	0.9
Asian persons, %	0.9	1.7	2.1	3.6
Native Hawaiian and Other Pacific Islander, %	0	0.1	0.1	0.1
Persons reporting some other race, %	2.3	0.9	2.4	5.5
Persons reporting two or more races, %	2.1	1.3	1.4	2.4
High school graduates, % of persons age 25+	35.4	80.2	78.6	80.4
Bachelors degree or higher, % of persons age 25+	5.7	25	24.3	24.4
Households	3,981		3,006,369	105,480,101
Persons per household	2.56	2.49	2.65	2.59
Median household income	\$29,718	\$37,752	\$42,433	\$41,994
Per capita income	\$14,139	\$21,152	\$21,154	\$21,587
Total housing units	4,413	99,683	3,281,737	115,904,641
Median value of owner occupied housing units	\$77,700	\$95,000	\$111,200	\$119,600
Land area 2000 (square miles)	14.6	632.0	57,906.1	3,537,438.4

Source: Year 2000 U.S. Census Report

City of Garden City, Georgia
Full Time City Employees by Function/Program
Last Ten Calendar Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Function/Program</u>					
General government.....	11	11	12	15	14
Public safety.....	39	40	39	43	43
Public works.....	13	14	15	17	13
Culture and recreation.....	6	10	11	11	12
Utility services.....	8	12	12	12	12
Total.....	<u>77</u>	<u>87</u>	<u>89</u>	<u>98</u>	<u>94</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Function/Program</u>					
General government.....	13	15	17	19	19
Public safety.....	41	49	70	63	57
Public works.....	22	19	21	13	14
Culture and recreation.....	12	12	22	26	29
Water and sewer services.....	11	11	13	16	17
Total.....	<u>99</u>	<u>106</u>	<u>143</u>	<u>137</u>	<u>136</u>

Source: City Personnel Records

City of Garden City, Georgia
Operating Indicators by Function
Last Ten Calendar Years

	2000	2001	2002	2003	2004
Police:					
Arrests.....	unav	3296	2525	1796	1211
Fire:					
Number of emergency calls.....	294	324	308	210	262
Inspections.....	unav	unav	unav	unav	unav
Public works:					
Street resurfacing (miles).....	unav	unav	unav	unav	unav
Dry trash (tons).....	unav	unav	unav	unav	unav
Water:					
New connections.....	unav	unav	unav	unav	unav
Average daily consumption (millions of gallons).....	unav	unav	unav	unav	1.3
Sewer:					
New connections.....	unav	unav	unav	unav	unav
Average daily sewage treatment (millions of gallons).....	unav	unav	unav	unav	1.04

	2005	2006	2007	2008	2009
Police:					
Arrests.....	1859	1897	2375	2149	1256
Fire:					
Number of emergency calls.....	261	334	366	390	348
Inspections.....	unav	unav	unav	315	315
Public works:					
Street resurfacing (miles).....	unav	1.156	1.321	1.521	1.521
Dry trash (tons).....	unav	900	1100	1000	826
Water:					
New connections.....	unav	unav	unav	unav	10
Average daily consumption (millions of gallons).....	1.2	1.2	1.2	1.1	1.03
Sewer:					
New connections.....	unav	unav	unav	unav	6
Average daily sewage treatment (millions of gallons).....	1.09	0.97	0.98	0.96	1.05

Sources: City records

unav - This information is not available.

City of Garden City, Georgia
Capital Asset Statistics by Function
Last Ten Calendar Years

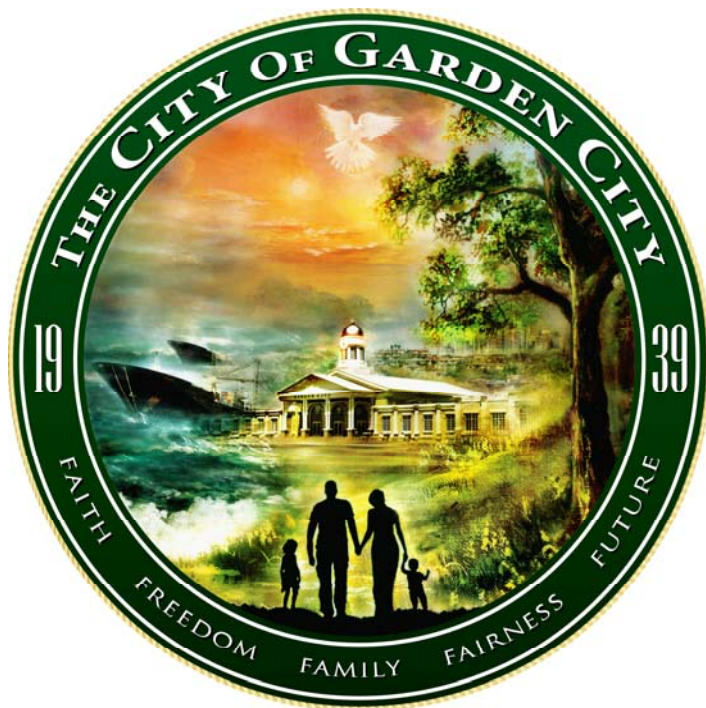
	2000	2001	2002	2003	2004
Police:					
Stations.....	1	1	1	1	1
Fire:					
Fire stations.....	2	2	2	2	2
Public works:					
Streets (miles).....	unav	unav	unav	unav	unav
Parks and recreation:					
Parks.....	3	3	4	4	4
Community centers.....	3	3	3	3	3
Water:					
Water mains (miles).....	unav	unav	unav	unav	unav
Maximum daily capacity (millions of gallons).....	1.5	1.5	1.5	1.5	1.5
Wastewater:					
Sanitary sewers (miles).....	unav	unav	unav	unav	unav
Maximum daily treatment capacity (millions of gallons).....	2.0	2.0	2.0	2.0	2.0

	2005	2006	2007	2008	2009
Police:					
Stations.....	1	1	1	1	1
Fire:					
Fire stations.....	2	2	2	2	2
Public works:					
Streets (miles).....	unav	unav	unav	60	60
Parks and recreation:					
Parks.....	4	4	4	4	4
Community centers.....	3	3	3	3	3
Water:					
Water mains (miles).....	unav	unav	unav	39.9	39.9
Maximum daily capacity (millions of gallons).....	1.5	1.5	1.5	1.5	1.5
Wastewater:					
Sanitary sewers (miles).....	unav	unav	unav	45	45
Maximum daily treatment capacity (millions of gallons).....	2.0	2.0	2.0	2.0	2.0

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

unav - This information is not available.

COMPLIANCE SECTION



KARP, RONNING & TINDOL

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Garden City, Georgia (City), as of and for the year ended December 31, 2009, and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 17, 2010.

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

Karp, Ronning & Tindol, P.C.

Karp, Ronning & Tindol, P.C.

Savannah, Georgia
May 17, 2010

City of Garden City, Georgia

Schedule of Findings
December 31, 2009

Section I – Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?	_____ yes	<u> X </u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

There was not an audit of major federal awards programs as of December 31, 2009 due to the total amount expended being less than \$500,000.

Section II – Federal Award Findings and Questioned Costs

Not Applicable

Section III – Status of Prior Year Finding

Finding 2008-01

Condition - Under current professional standards, the City is responsible for the internal control process which includes preparation of year-end financial statements in accordance with generally accepted accounting principles. During the audit process adjustments and corrections were made to the governmental fund and government-wide financial statements. The amounts involved were material to the financial statements.

Status - Corrected