



**CITY OF GRIFFIN, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2015**

Prepared by:  
Griffin Finance Department

# CITY OF GRIFFIN, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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# CITY OF GRIFFIN, GEORGIA

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# **INTRODUCTORY SECTION**



Office of the City Manager  
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Honorable Members of the Board of Commissioners  
Citizens of the City of Griffin  
City of Griffin, Georgia 30223

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Griffin, Georgia for the fiscal year ended June 30, 2015, is submitted herewith. In doing so, the City complies with State of Georgia, [O.C.G.A. § 36-81-7](#), that requires the governing authority of each unit of local government having a population in excess of 1,500 persons according to the latest estimate of population by the United States Bureau of the Census or its successor agency or expenditures of \$300,000.00 or more shall provide for and cause to be made an annual audit of the financial affairs and transactions of all funds and activities of the local government for each fiscal year of the local government.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the City. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activities of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial activities have been included.

Mauldin & Jenkins, Certified Public Accountants, LLC, have issued an unmodified opinion on the City of Griffin's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

The City of Griffin receives financial assistance through various federal grant programs. As required by the Single Audit Act of 1984, P.L. 98-502 and amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, audits of programs receiving federal grants have been performed for the fiscal year ended June 30, 2015. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under the Compliance Section.

The City of Griffin has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board (GASB), and in conformity with Generally Accepted Accounting Principles (GAAP).

**Growing, TOGETHER**

Board Of Commissioners: Cynthia Ward • Cora Flowers • Ryan McLemore • Joanne Todd • Dick Morrow • Rodney McCord • Doug Hollberg, Chairman



### *Formal Transmittal*

This report consists of management's representations concerning the finances and policies of the City of Griffin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information contained in this report. To provide a reasonable basis for making these representations, management of the City of Griffin has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Griffin's financial statements in conformity with GAAP.

### *Profile of the Government*

- *Population* – The City of Griffin is a municipal corporation created and existing under the laws of the State of Georgia and has as its formal name the “City of Griffin”. The City is located in the central portion of the State of Georgia approximately 40 miles south of the City of Atlanta. Griffin is centrally located in and is the county seat of Spalding County. The City was originally chartered in 1843. The City presently has a land area of approximately 14 square miles, is situated at approximately 943 feet above sea level, and has a population of 23,643.
- *General structure* – The City of Griffin is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by the State to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing Board.

The City's form of government is commission-manager. In accordance with the City's Code of Ordinances, [Part I, Article I. and II.](#), and Charter, all legislative powers are vested in a Board of Commissioners composed of seven members. The City is divided into six single-member election districts and one at-large election district. Six commissioners are elected by the registered voters residing within each respective single-member district, and one commissioner is elected by all registered voters of the City. Each candidate for commissioner must be a citizen of the State of Georgia and a resident of the City for at least twelve months, must have attained the age of 18 years, must be a qualified elector, must be a resident of the election district from which he or she offers as a candidate on the date of qualifying, must not have been convicted of a felony involving moral turpitude (unless such person's civil rights have been restored and at least ten years have elapsed from the date of the completion of the sentence without a subsequent conviction of another felony involving moral turpitude), and must not be the holder of public funds illegally. Members of the Board of Commissioners serve four-year terms of office. The Board is elected on a non-partisan basis, and serves staggered terms. Elections are held every two years with three Commissioners on one cycle and four Commissioners on the next cycle.

The Board of Commissioners elects one of their members to serve as Chairman of the Board of Commissioners for a term of office of one year. No Commissioner is eligible to succeed him/herself as Chairman. The Chairman holds the position of Honorary Mayor. The



Chairman presides at all meetings of the Board of Commissioners which he/she attends and is entitled to vote on all questions, motions, or matters brought to the Board of Commissioners for action.

Under the City's Charter, a full-time City Manager is employed by and serves at the pleasure of the Board of Commissioners. The City Manager is the Chief Operating Officer of the City government and is responsible for the efficient administration and day-to-day operations of all departments.

- *Types and levels of services* – The City of Griffin is a “full service” municipality that offers: water, waste water, electricity, sanitation, and public safety. This includes police and fire protection; the construction and maintenance of streets, and other infrastructure; recreational and cultural activities including an eighteen-hole golf course. Each of the service areas function as a department of the City and therefore have been included as an integral part of the City's financial statements.
- *Component units* – Component units are functions of the City that are legally separate entities. These entities are in substance part of the City's operations and therefore financial data from these is presented in the CAFR.
  - *City of Griffin Main Street Program (Main Street)*: The Main Street program serves as a “community-driven” initiative focused on revitalizing older and more traditional business districts. The underlying premise of the Main Street concept is to encourage and foster economic development within the context of historic preservation in ways that are appropriate for today's marketplace.
  - *City of Griffin Downtown Development Authority (DDA)*: The DDA is responsible for the revitalization strategy for Downtown Griffin. The DDA's mission is to encourage economic activity in Griffin's central business district by attracting businesses, residents, and visitors. The DDA works closely with the City's Planning and Development Department and Main Street program in assisting new businesses through the permitting process.
  - *City of Griffin Business and Tourism Association (Association)*: As a 501-(c) 3, not-for-profit organization, the Association's purpose is to promote business, tourism, trade and conventions for the City. The Association has provided tourism initiatives, brochures and other marketing materials and paid for training and conference registrations to increase awareness of the City of Griffin for both tourism and economic development purposes. The Association is solely devoted to economic development through business attraction and retention; tourism; redevelopment; and other special events and projects to promote the City of Griffin.
  - *City of Griffin – Spalding County Airport Authority*: The Airport Authority, formed in 2012 under an Intergovernmental Agreement (IGA) with the City of Griffin and Spalding County to provide financial support for airport operations. The City and County are working in partnership on a \$60 million dollar economic development





project to relocate and expand the existing Griffin-Spalding County Municipal Airport.

The current airport, constructed in 1939, is landlocked and expansion at the existing location is cost prohibitive. In 2009 the City and County completed a Site Selection Study that selected a site north of Georgia Highway 16 near the new industrial park “The Lakes at Green Valley”. Proximity to interstate 75 is ideal to attract business and industry and to further enhance local economics with “halo” effects from supply chains for parts, manufacturing, consumer goods and services to hospitality, food and beverage, and professional services.

The Federal Aviation Administration (FAA) will fund this project at 90 percent with FAA Airport Improvement Program (AIP) Trust Fund dollars and the City and County will jointly fund the remaining 10 percent in local matching funds, depending on the amount of Georgia Department of Transportation (GDOT) participation.

Airports, roadways, railways and water ways, are gateways to the community. Communities that invest in their gateways are the communities on the forefront of growth and development when the opportunities present themselves. Private, non-commercial aviation is a growing industry in which flexibility, speed, and ease of access are the trends in which industrial/business entities are depending upon more and more as they become efficient and global. The project is estimated to take approximately 6 to 7 years to complete.

*Progress update:* In 2012, the Airport Authority under FAA requirement, commenced an Environmental Assessment that concluded in March 2013 with no significant findings. In FAA official terms, Finding No Significant Impact (FONSI).

Then, in 2014, in conjunction with GDOT, the Airport Authority submitted and received the defined airport property development area with final approval granted in 2015.

Recently, the Airport Authority completed a Supplemental Environmental Assessment (SEA), an Airport Land Acquisition Phasing Plan (ALAPP), and Airport Layout Plan (ALP), and sent all plans to GDOT for approval. Documents were pending final approval, as of the date of this report.

- *Budget process* – In accordance with the State of Georgia, [O.C.G.A. § 36-81-3](#), the City’s annual budget serves as the foundation for the City of Griffin’s financial planning, control and professional management of City resources. The budget provides for setting priorities, and an orderly means of controlling cash flows and disbursements. All departments of the City of Griffin are required to submit requests for appropriations to the City Manager on or about March 1. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents the proposed budget to the Board of Commissioners for review, prior to May 15. The Board of Commissioners is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30; (the close of the City’s fiscal year).



- *Governmental funds with an annual appropriated budget* – The annual budget is prepared by fund, function, and department; for example: General Fund, Public Safety, Police, etc... Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget and actual comparisons for all governmental funds are presented in the other Required Supplementary Information (RSI) section of the financial statements.
- *Legal level of budgetary control* – The legal level of budgetary control is at the fund and department level. Department directors are allowed to make transfers within appropriated categories within the operational division. The Board of Commissioners approve appropriations budget revisions between departments. Budgetary control is maintained with monthly reviews of actual results compared to budget and with budget confirmation prior to the issuance of a purchase order.

### *City of Griffin's Economic Condition*

- *Local economy* – During the past seven years, the City experienced and withstood nominal fluctuations in the housing market, the shifting of businesses in and out of City limits, and transition towards more food and beverage establishments. The latest real estate tax digest continues to show reductions in overall market value. Through conservative planning and foresight, the City's Board of Commissioners seized the opportunity to lower the City's property tax millage rate to 7.889 (down 0.511 mills), while surrounding communities raised their millage rates.

Diversified revenues come from two sources of activities: governmental and business-type activities. Governmental activities (or program revenues) include revenues from property taxes, sales taxes, charges for services, fines and forfeitures, and donations. Business-type activities (enterprise) are those functions that the City provides and operates for profit generation geared for reinvestment into infrastructure. Examples of infrastructure investment are electrical supply (power lines), water distribution (underground pipes), solid waste services (environmental cleanup), and a municipal airport.

The City of Griffin has an historic downtown filled with architecture and hometown feel. Driven by the service industry, this area provides small town charm with contemporary amenities and services. The greater region has a varied manufacturing and industrial base. As a region, the area has seen a 2.0 point drop in unemployment rate compared to one year ago ([Three Rivers Region Unemployment Rate](#)). Major industries with corporate headquarters or divisions located within or near the City include medical, manufacturing, automotive parts, materials and packaging, retail (with specialty shops), and real estate development. Private investment approximated \$21.3 million for the fiscal year.

To facilitate the relocation of businesses within the City of Griffin, the Board of Commissioners has adopted numerous incentive programs such as the Opportunity Zone, Enterprise Zone, Tax Allocation District, and Utility Incentive Program. Each of these

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programs would provide a business looking to expand or relocate job tax credit, property tax abatement, infrastructure bonding and utility rate reductions. The economic future in Griffin is bright and getting brighter.

- *Long-term financial planning* – The City, as of October 2014, updated and adopted the [2014-2034 Comprehensive Plan](#) (PLAN). The PLAN can be found on the City’s website at [www.cityofgriffin.com](http://www.cityofgriffin.com) under Planning & Development. For more information and assistance, please contact Mr. Toussaint Kirk, Department Director at 770-233-4130. The PLAN provides a rational basis for municipal decision-making on matters that relate to the City’s future. Matters range from protecting community values and guiding growth to providing adequate community services. This document provides for economic development, land use, housing, and transportation. The intent of the PLAN is to guide and encourage the location, amount, type and timing of future development, supporting facilities, and securing the fiscal resources sufficient to address the needs.
- *Relevant financial policies* – In developing and evaluating the City’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits required estimates and judgments by management.

All internal control evaluations occur within the framework as mentioned above. We believe the City’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City operates under and maintains its Financial Management Program (FMP) policies. The FMP sets fiscal policies and guidelines, for example: investments, such as income generation, target rate of return, time horizon, asset allocation, restrictions, and maximum amounts per any one instrument. The Cash Receipts policy governs how the City receipts cash throughout operations and by what means.

The objective of the City’s budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Under State law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed appropriations at either the departmental or fund levels. Unutilized encumbrances (unexpended funds) lapse at the fiscal year end. Multi-year capital funds (or projects) may show a reservation of fund balance.

- *Defined Contribution Plan, Retirement Plan, and Other Post Employment Benefits* – On August 10, 2010, the City adopted its current 457(B) defined contribution plan and 401(A) defined contribution matching, open to all regular and full-time employees. In addition the City is also a participant in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The day-to-day management of those assets and activities is handled by internal staff and the



Georgia Municipal Employees Benefits System. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary.

The City also provides Other Post-Employment Benefits (OPEB) for health care to retirees on a pay-as-you-go basis. The OPEB plan provides a subsidy for medical and dental insurance benefits to eligible retirees. Benefit provisions and contribution requirements are established and may be amended by the City Commission. Additional information on the City's pension plan and its funding progress can be found under note 16, in the notes to the financial statements.

- *Major initiatives* –
  - *Housing Revitalization* – Redevelopment/Revitalization is one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions that act as a barrier to new investment by private enterprise. Through redevelopment, a target area will receive focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, and gain active participation and investment by citizens which would not otherwise engage in community involvement. The City envisions a plan to spur economic growth, creating new housing and improving the quality of life and general welfare of the people who live and work in and around redevelopment areas. The following areas within the City of Griffin show signs of deterioration and economic decline: 1) Meriwether Street; 2) Ellis Crossing and Expressway Village Commercial Area; 3) North Hill Street; and 4) Thomaston Mills.
  - *Blight Removal* – The goal is to enhance neighborhood vitality through removing debris and over grown vegetation, securing structurally sound buildings, and demolish those that are not sound. A cleaner neighborhood will instill pride and foster reinvestment! We continue to work with the Citizens Service Center in an effort to address complaints using sound judgment and resources provided by the U.S. Housing and Urban Development through its Community Development Block Grant and Neighborhood Initiative programs to ensure safe, quality, long-term affordable housing for all residents. Demolishing a minimum of thirty-five (35) houses per year through the City's Nuisance Abatement Program; the City has partnered with the Griffin Housing Authority and the Land Bank Authority to establish affordable housing opportunities for residents, and established a housing rehabilitation program that assists low-income homeowners with repairs and substandard housing conditions.
  - *Community Development Block Grants* – The City has been awarded over \$3.5 million in Community Development Block Grants (CDBG) in the past seven years. The purpose of these grants is to assist the City in accomplishing multi-infrastructure improvements. Specifically, CDBG funds have helped replace or rehabilitate 7.1 miles of water mains, 2.3 miles of sewer lines, replace 53 sewer manholes, renew 497 water services lines, and install 42 new fire hydrants.



- *Water and Wastewater Infrastructure* – The City is investing \$8.275 million in upgrades to and replacement of the Flint River Pump Station that was originally installed in 1929. The Still Branch Reservoir Water Treatment Plant is receiving an upgrade to increase capacity to 12 million gallons per day (MGD) from 8 MGD. In addition the treatment plant will install a Dissolved Air Flootation device (DAF), the first ever in the State of Georgia for water treatment. DAF is used for the flocculation (removal) of sediment from raw water. The Potato Creek Wastewater Treatment Plant is also receiving upgrades to remove nitrogen, phosphorus and copper. Expansion will increase capacity to 3 MGD from 2 MGD. Project cost is estimated at \$19.2 million with funding for the expansion coming from contributions from the Industrial Development Authority and from low interest financing available from the Georgia Environmental Finance Authority (GEFA) through Clean Water State Revolving Fund (CWSRF) for wastewater infrastructure and Drinking Water State Revolving Fund (DWSRF) for drinking water infrastructure.
- *Multimodal Transportation Planning* – The city and county are working collaboratively to complete a Joint City of Griffin-Spalding County Comprehensive Transportation Plan Update. The City of Griffin and Spalding County, in cooperation with the Atlanta Regional Commission (ARC), Three Rivers Regional Commission (TRRC), Georgia Department of Transportation (GDOT), and other stakeholders, will conduct a planning study that will result in a joint long-range Comprehensive Transportation Plan (CTP). The City of Griffin and Spalding County seek to increase the use of alternatives to driving alone by developing a comprehensive transportation planning program that identifies specific transportation projects and other programs to improve mobility, system connectivity, expand mixed-uses, support further development and increase alternative modes of travel.
- *Incentives* – The City offers numerous incentive programs, in addition to Opportunity and Enterprise Zones, such as Tax Allocation Districts (or Tax Increment Financing), property tax abatements, job tax credits, and infrastructure bonding.

### *Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Griffin, Georgia for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 11<sup>th</sup> consecutive year that the City of Griffin has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

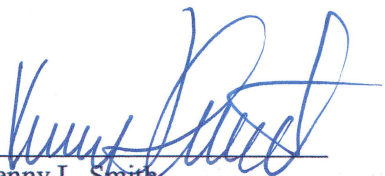


*Acknowledgements*

The timely preparation and publication of this Comprehensive Annual Financial Report represents significant effort of the Accounting and Finance Divisions of the Department of Administrative Services as well as the excellent cooperation and assistance of City of Griffin employees and independent auditors, Mauldin & Jenkins, Certified Public Accountants, LLC, who contributed to its preparation. In particular we wish to express our appreciation to the Accounting and Finance staff who were responsible for assimilating and compiling the data comprising this report.

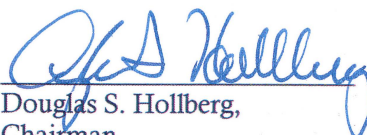
Sincere appreciation is also expressed to the Commissioners, City Manager, and Department Directors for their assistance and leadership throughout the year in matters pertaining to the financial affairs of this great City.

Respectfully submitted,



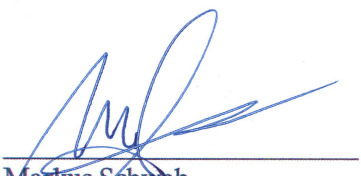
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Kenny L. Smith,  
City Manager



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Douglas S. Hollberg,  
Chairman

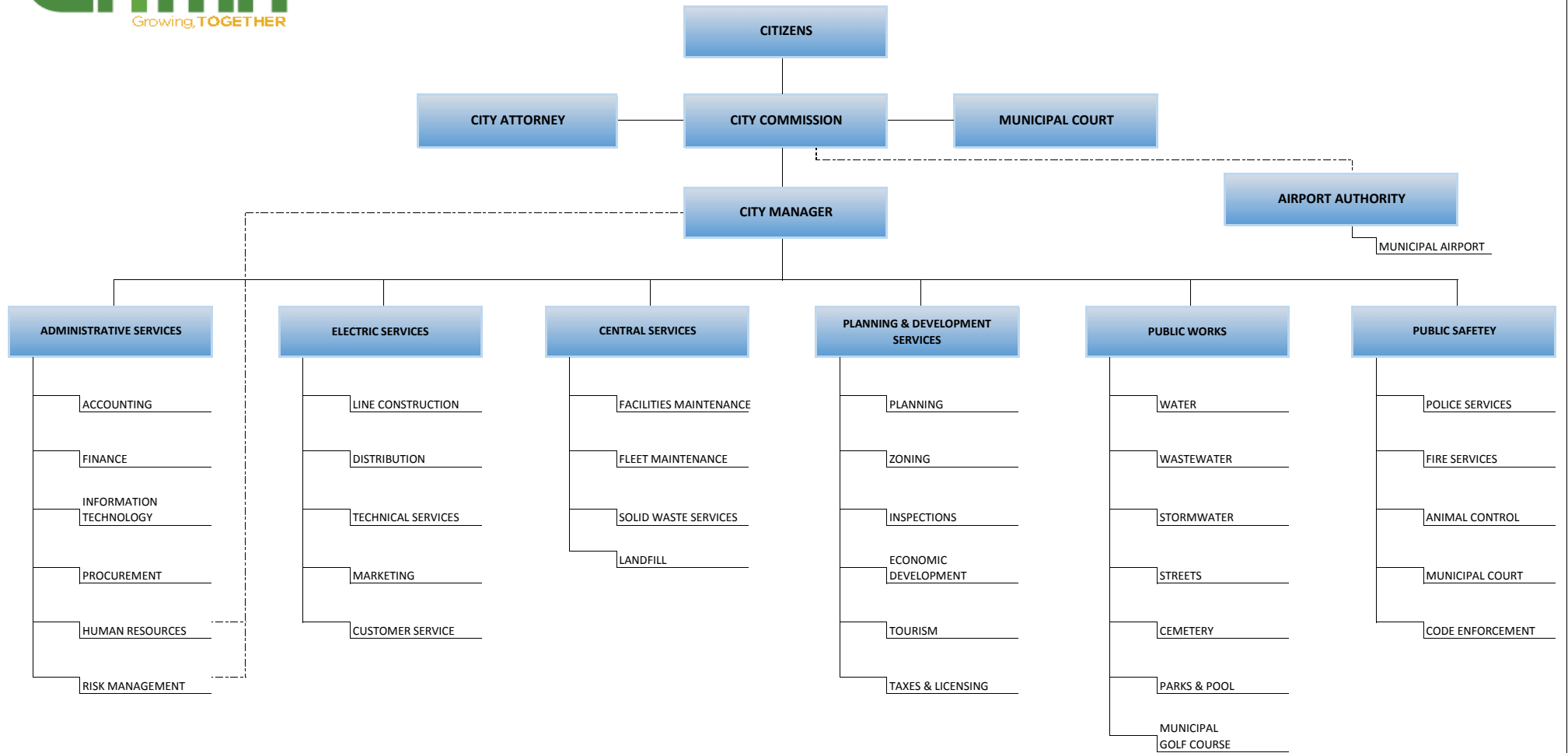


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Markus Schwab,  
CPA/CITP/CGMA,  
Chief Financial Officer



# CITY OF GRIFFIN ORGANIZATION CHART



# CITY OF GRIFFIN, GEORGIA

## LIST OF PRINCIPAL OFFICIALS JUNE 30, 2015

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### Commission Chairman

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Douglas S. Hollberg

### Commissioners

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District I	Cynthia Reid Ward
District II	Cora Flowers
District III	Ryan McLemore
District IV	Joanne Todd
District V	Dick Morrow
District VI	Rodney McCord
At Large	Douglas S Hollberg

### Appointed Officials

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City Manager	Kenny Smith
City Attorney	Andrew Whalen, Esq.
Municipal Court Judge	William G Johnston, III
Municipal Court Solicitor	Jessica W. O'Connor

### Directors

---

Administrative Services	Markus Schwab, CPA/CITP/CGMA
Central Services	Phill Francis
Planning and Development Services	Toussaint Kirk, MURP
Electric	Bill Bosch
Public Safety	Frank Strickland
Water/Wastewater	Brant Keller, PhD





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Griffin  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Mayor and Members  
of the City Commission  
Griffin, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Griffin, Georgia** (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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**Opinions**

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Note 18, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Funding Progress (on page 74), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 72), and the Schedule of City Contributions (on page 73) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City.

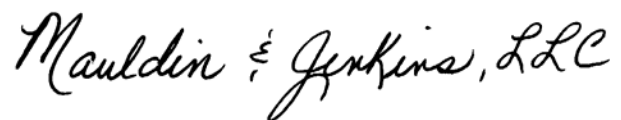
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The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia  
November 9, 2015

# CITY OF GRIFFIN, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the City of Griffin, Georgia (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Griffin, Georgia for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City including deferred outflows exceeded its liabilities at the close of the most recent fiscal year by \$116,819,376 (*net position*). Of this amount, \$29,686,690 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,046,600 during the year. However, due to the implementation of GASB 68 and 71, which requires the City to record their portion of the net pension liability, beginning net position was restated to reflect a decrease of \$17,750,005.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$18,904,206, an increase of \$2,036,399 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was \$10,301,295 or 41.8% of total General Fund expenditures.
- The City's total long term liabilities increased by \$14,090,669 during the current fiscal year. This included the City's Net Pension Liability of \$17,353,522.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Griffin's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Griffin's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judicial, public safety, public works, parks and recreation, and housing and development. The business-type activities of the City include water and wastewater, electric, solid waste, stormwater, welcome center operations, and golf course operations.

The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund only, because it is considered to be a major fund. Data from the other 21 governmental funds (15 special revenue funds, four capital projects funds, and two permanent funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 and 16 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Proprietary funds.** The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water/Wastewater Utility Fund, Electric Utility Fund, Solid Waste Fund, Stormwater Utility Fund, Airport Fund, Welcome Center Fund, and the Golf Course Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally across the City's various functions. The City uses an internal service fund to account for its motor vehicle fleet. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water/Wastewater Utility Fund, Electric Utility Fund, and Solid Waste Fund, all of which are considered to be major funds of the City. Conversely, the nonmajor enterprise funds and the internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 - 27 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 – 71 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 75 – 100 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$116,819,376 at the close of the most recent fiscal year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the City's net position (64.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Griffin's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 25,404,370	\$ 23,417,293	\$ 45,235,048	\$ 47,839,141	\$ 70,639,418	\$ 71,256,434
Capital assets	23,061,057	21,765,471	117,010,647	113,297,982	140,071,704	135,063,453
Total assets	<u>48,465,427</u>	<u>45,182,764</u>	<u>162,245,695</u>	<u>161,137,123</u>	<u>210,711,122</u>	<u>206,319,887</u>
Deferred outflows of resources	1,835,998	1,171,568	3,035,216	2,795,643	4,871,214	3,967,211
Other liabilities	1,115,162	1,395,445	9,560,752	9,759,385	10,675,914	11,154,830
Long-term liabilities outstanding	15,093,608	15,927,952	71,574,366	74,428,540	86,667,974	90,356,492
Total liabilities	<u>16,208,770</u>	<u>17,323,397</u>	<u>81,135,118</u>	<u>84,187,925</u>	<u>97,343,888</u>	<u>101,511,322</u>
Deferred inflows of resources	832,924	-	586,148	-	1,419,072	-
Net position:						
Net investment in capital assets	19,658,120	18,088,118	55,349,624	49,188,045	75,007,744	67,276,163
Restricted	6,166,773	6,227,266	4,017,589	5,982,820	10,184,362	12,210,086
Unrestricted	7,434,838	4,715,551	24,192,432	24,573,976	31,627,270	29,289,527
Total net position, as restated	<u>\$ 33,259,731</u>	<u>\$ 29,030,935</u>	<u>\$ 83,559,645</u>	<u>\$ 79,744,841</u>	<u>\$ 116,819,376</u>	<u>\$ 108,775,776</u>

A portion of the City's net position (10.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$29,686,690) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities, with the exception of the 2012 CDBG Fund, the 2014 CDBG Fund, and the Solid Waste Fund. The 2012 CDBG Fund's deficit fund balance of (\$449) and the 2014 CDBG Fund's deficit fund balance of (\$2,498) is the result of timing differences and will be reduced through intergovernmental revenues and general fund transfers. The Solid Waste Fund's deficit net position of (\$909,012) is the result of the implementation of GASB 68 and 71, and will be reduced through charges for services.

**Governmental activities.** Governmental activities during the fiscal year ended June 30, 2015, increased the City of Griffin's net position by \$4,228,796. Business-type activities during the same period increased net position by \$3,814,804 for a total increase in net position of \$8,043,600. Key elements of this increase are as follows:

## MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Griffin's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 7,085,671	\$ 6,888,767	\$ 76,432,181	\$ 74,467,212	\$ 83,517,852	\$ 81,355,979
Operating grants and contributions	373,085	615,471	-	104,962	373,085	720,433
Capital grants and contributions	1,235,013	2,629,373	12,000	21,758	1,247,013	2,651,131
<b>General revenues:</b>						
Property taxes	4,412,356	4,986,729	-	-	4,412,356	4,986,729
Sales taxes	3,467,609	3,345,800	-	-	3,467,609	3,345,800
Insurance premium tax	1,274,964	1,219,600	-	-	1,274,964	1,219,600
Other taxes	1,478,438	1,325,796	-	-	1,478,438	1,325,796
Franchise taxes	526,376	535,272	-	-	526,376	535,272
Unrestricted investment earnings	127,873	445,337	660,532	1,256,518	788,405	1,701,855
Gain on sale of capital assets	31,644	5,341	-	207,091	31,644	212,432
<b>Total revenues</b>	<b>20,013,029</b>	<b>21,997,486</b>	<b>77,104,713</b>	<b>76,057,541</b>	<b>97,117,742</b>	<b>98,055,027</b>
<b>Expenses:</b>						
General government	4,814,301	5,019,496	-	-	4,814,301	5,019,496
Judicial	220,967	187,201	-	-	220,967	187,201
Public safety	14,095,194	14,770,642	-	-	14,095,194	14,770,642
Public works	4,450,304	4,838,560	-	-	4,450,304	4,838,560
Parks and recreation	341,114	331,053	-	-	341,114	331,053
Housing and development	1,198,472	1,285,090	-	-	1,198,472	1,285,090
Interest on long-term debt	194,435	206,286	-	-	194,435	206,286
Water and wastewater	-	-	15,250,310	15,142,670	15,250,310	15,142,670
Electric	-	-	38,889,023	37,555,182	38,889,023	37,555,182
Solid Waste	-	-	6,869,383	6,460,663	6,869,383	6,460,663
Stormwater	-	-	1,981,286	1,765,224	1,981,286	1,765,224
Welcome Center	-	-	106,913	122,901	106,913	122,901
Golf Course	-	-	662,440	637,841	662,440	637,841
<b>Total expenses</b>	<b>25,314,787</b>	<b>26,638,328</b>	<b>63,759,355</b>	<b>61,684,481</b>	<b>89,074,142</b>	<b>88,322,809</b>
Change in net position before transfers and special item	(5,301,758)	(4,640,842)	13,345,358	14,373,060	8,043,600	9,732,218
Special item	-	-	-	(3,152,966)	-	(3,152,966)
Transfers	9,530,554	7,847,411	(9,530,554)	(7,847,411)	-	-
Change in net position	4,228,796	3,206,569	3,814,804	3,372,683	8,043,600	6,579,252
Prior period adjustment	-	(11,032,960)	-	(6,717,045)	-	(17,750,005)
Net position, beginning, as restated	29,030,935	36,857,326	79,744,841	83,089,203	108,775,776	119,946,529
<b>Net position, ending</b>	<b>\$ 33,259,731</b>	<b>\$ 29,030,935</b>	<b>\$ 83,559,645</b>	<b>\$ 79,744,841</b>	<b>\$ 116,819,376</b>	<b>\$ 108,775,776</b>

As can be seen above, the governmental activities show a deficit of revenues over expenses before transfers of \$5,301,758 and \$4,640,842 for 2015 and 2014, respectively. These deficiencies are normal and consistent throughout all fiscal years. This decrease in revenues was primarily due to fewer capital grants in fiscal year 2015 as compared to fiscal year 2014. The City relies on the superior earnings of the enterprise funds (specifically the Water/Wastewater and Electric Funds) to subsidize the operations of the General Fund. The transfer from those funds can be thought of as dividends paid to stockholders or return of equity to the owners of a business, and they can be used for whatever purpose the City Commission decides is best for the City.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Traditionally, the City has relied upon those transfers to maintain the ad valorem tax rates at a reasonable level. In the absence of those transfers, the City would either have to raise the shortfall in revenues through increases in user fees or taxes, or to cut back the level of services it provides to the citizens.

**Business-type activities.** The City's business-type activities which include the Water/Wastewater Fund, Electric Utility Fund, Solid Waste Fund, and three non-major funds increased net position by \$3,814,804 in 2015 and increased net position by \$3,372,683 in 2014.

### City of Griffin Enterprise Net Operating Income (Loss) Nonoperating Revenues (Expenses) and Transfers (Fund level)

	2015	2014
Net operating income (loss):		
Water / Wastewater Fund	\$ 5,945,068	\$ 5,814,057
Electric Utility Fund	9,714,585	9,581,271
Solid Waste Fund	(123,877)	12,139
Nonmajor Enterprise Funds	(276,253)	19,864
Total net operating income	15,259,523	15,427,331
Nonoperating expenses and capital contributions	(1,482,149)	(592,544)
Income before transfers and special item	13,777,374	14,834,787
Special item	-	(3,152,966)
Net transfers out	(9,530,554)	(7,847,411)
Changes in net position	\$ 4,246,820	\$ 3,834,410

### Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2015 and 2014, the combined ending fund balances of the City's governmental funds were a positive \$18,904,206 and a positive \$16,867,807, respectively. This increase was due to continued spending constraints and significant transfers in from the City's enterprise funds. A positive \$10,025,668 at June 30, 2015 of the ending fund balance consists of unassigned fund balance, which is available as working capital for current spending in accordance with the purposes of the specific funds. A portion of the fund balance at June 30, 2015, \$2,736,416 is termed non-spendable to indicate that it is not available for new spending because it is not in spendable form (i.e., prepaid items, assets held for resale and permanent fund principle). The remainder of \$6,142,122 is restricted for law enforcement needs, cemetery maintenance, and other capital projects.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Griffin has only one major governmental fund which is the General Fund. The General Fund is the primary operating fund of the City. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, and administration. At the end of 2015, the General Fund had a positive fund balance of \$10,301,295. This is an increase of \$2,036,036 from the beginning fund balance. This is primarily due to the expenditures in the General Fund coming in \$2,219,174 under budget and revenues \$382,545 over budget. Specifically, public safety came in under budget due to staffing vacancies and delay of equipment purchases, public works came in under budget due to projects being pushed back to the next fiscal year, and administrative services delayed computer purchases.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the City's enterprise funds increased by \$4,246,820 in 2015 and by \$3,834,410 in 2014. This increase is primarily a result of revenues exceeding expenses before transfers of \$13,777,374 in 2015 and \$14,373,060 in 2014.

### Capital Asset and Debt Administration

**Capital Assets.** At the end of the fiscal year ending June 30, 2015, governmental activities and business-type activities had capital assets of \$140,071,704 (net of accumulated depreciation) invested in land, buildings, system improvements, infrastructure, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 0.037% (a 0.060% increase for governmental activities and a 0.033% increase for business-type activities). The total increase in capital assets was due mostly to various construction projects in the SPLOST and Electric funds.

#### City of Griffin's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,574,126	\$ 1,568,712	\$ 7,575,221	\$ 7,575,221	\$ 9,149,347	\$ 9,143,933
Land improvements	-	-	748,587	853,531	748,587	853,531
Buildings and improvements	5,672,814	5,836,143	18,454,292	19,277,263	24,127,106	25,113,406
Improvements other than buildings	-	-	72,066,342	73,241,254	72,066,342	73,241,254
Machinery and equipment	2,032,839	2,073,722	4,991,729	5,006,904	7,024,568	7,080,626
Infrastructure	11,374,780	9,823,257	-	-	11,374,780	9,823,257
Construction in progress	2,406,498	2,463,637	13,174,476	7,343,809	15,580,974	9,807,446
<b>Total</b>	<b>\$ 23,061,057</b>	<b>\$ 21,765,471</b>	<b>\$ 117,010,647</b>	<b>\$ 113,297,982</b>	<b>\$ 140,071,704</b>	<b>\$ 135,063,453</b>

Additional information on the City's capital assets can be found in Note 5 on pages 46 - 49 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Debt Administration.** At the end of June 30, 2015, the City had \$15,093,608 of outstanding long-term liabilities related to governmental activities and \$71,574,366 of long-term liabilities related to business-type activities for a total of \$86,667,974 compared to the previous year's total of \$72,098,389. This is an increase of \$14,569,585 due mostly to the implementation of GASB 68 and 71. At the end of 2015, the City had total revenue bonded debt outstanding of \$59,751,915 as compared to \$62,440,082 in 2014. The debt is secured solely by specified revenue sources (i.e., revenue bonds). The majority of the bonded debt outstanding is from the refunding of the issuance of \$64,385,000 of Combined Public Utility Revenue Refunding and Improvement Bonds (Series 2002) in 2012. These bonds, along with other available funds were used to refund \$6,210,000 of the Series 1993A bonds, initially fund approximately 33 months of interest on the Series 2002 bonds, and construct improvements and a new regional water supply system for the Water and Wastewater Fund. The issuance of the series 2012 refunding bonds allowed for a net savings to the City of approximately \$8.2 million. The City received a rating from Moody's on this issuance of Aa3 and a rating from Standard & Poor's of AA-.

Additional information on the City's debt can be found in Note 6 on pages 49 - 56 of this report.

### **Currently Known Conditions Affecting Future Operations**

We are expecting the tax digest to decrease this year. There is a backlog of tax appeals in the appraisers' office. The effect on the City is a reduction of approximately \$200,000 of general fund tax revenue. This along with the downturn in the economy will affect the City's operations in the area of reduced sales tax receipts and other general fund revenues. We will be monitoring this closely and amending our forecasts accordingly.

### **Factors Affecting the FY 2015-16 Budget**

The Commission of the City of Griffin considered many factors when approving the City's 2015 budget and are very aware of present economic conditions and their effect on its citizens. The Commission chose to continue to use transfers from the business-type activities to the governmental activities instead of increasing taxes or rates within the governmental activities. There were no contemplated increases to the rates of the business-type activities.

Annually, the City Manager submits to the Commission a proposed operating budget for the coming fiscal year which is required to be approved prior to June 30. Public hearings are held prior to adoption to allow citizens the opportunity to comment on the proposed budget.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Budgets are adopted for the General Fund, all special revenue funds, all capital projects funds, and the City's enterprise funds. Budgets for the enterprise funds are prepared for planning and control purposes only. The legal level of budgetary control is the department level, with the Commissioners being the only body authorized to make amendments to the budget. During the year, there were no significant increases in appropriations between the original budget and the final amended budget for the City's General Fund.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Griffin's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Kenny Smith, City Manager, at the City of Griffin, P.O. Box T, Griffin, Georgia 30224.

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF NET POSITION  
JUNE 30, 2015**

ASSETS	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association	Griffin-Spalding County Airport Authority
Cash and cash equivalents	\$ 9,496,927	\$ 5,186,332	\$ 14,683,259	\$ 31,651	\$ 107,388	\$ 1,039	\$ 7,454,567
Investments	3,579,679	24,481,815	28,061,494	-	-	-	-
Taxes receivable	877,732	-	877,732	-	-	-	-
Accounts receivable, net of allowances	59,219	9,201,368	9,260,587	49	-	-	280,107
Due from other governments	178,875	-	178,875	-	-	-	-
Due from component units	3,591	648,813	652,404	-	-	-	-
Due from primary government	-	-	-	-	16,605	21,903	55
Internal balances	10,554,916	(10,554,916)	-	-	-	-	-
Inventories	228,308	2,525,820	2,754,128	-	-	-	45,918
Prepaid expenses	190,714	619,132	809,846	85	85	-	10,174
Restricted assets:							
Cash and cash equivalents	-	4,530,660	4,530,660	-	-	-	-
Investments	-	8,596,024	8,596,024	-	-	-	-
Assets held for resale	234,409	-	234,409	-	-	-	-
Capital assets:							
Nondepreciable	3,980,624	20,749,697	24,730,321	-	250	-	581,152
Depreciable, net	19,080,433	96,260,950	115,341,383	3,249	-	-	2,401,109
Total assets	<u>48,465,427</u>	<u>162,245,695</u>	<u>210,711,122</u>	<u>35,034</u>	<u>124,328</u>	<u>22,942</u>	<u>10,773,082</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension	1,835,998	1,292,031	3,128,029	-	-	-	25,016
Deferred charges on refundings	-	1,743,185	1,743,185	-	-	-	-
Total deferred outflows or resources	<u>1,835,998</u>	<u>3,035,216</u>	<u>4,871,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,016</u>
<b>LIABILITIES</b>							
Accounts payable	641,325	5,733,212	6,374,537	2,285	-	-	34,053
Accrued liabilities	435,329	949,846	1,385,175	3,424	6,762	-	72,205
Due to primary government	-	-	-	26,488	-	448	625,468
Due to component unit	38,508	55	38,563	-	-	-	-
Customer deposits payable	-	2,877,639	2,877,639	-	-	-	-
Other noncurrent liability - OPEB	-	66,610	66,610	-	-	-	-
Capital leases due within one year	283,554	80,517	364,071	-	-	-	-
Capital leases due in more than one year	3,119,383	144,356	3,263,739	-	-	-	-
Notes payable due within one year	-	165,721	165,721	-	-	-	-
Notes payable due in more than one year	-	1,518,514	1,518,514	-	-	-	-
Bonds payable due within one year	8,150	2,419,000	2,427,150	-	-	-	80,000
Bonds payable due in more than one year	842,876	57,332,915	58,175,791	-	-	-	7,098,510
Compensated absences due within one year	555,890	340,885	896,775	-	-	-	9,574
Compensated absences due in more than one year	98,098	60,156	158,254	-	-	-	1,689
Net pension liability	10,185,657	7,167,865	17,353,522	-	-	-	138,785
Landfill postclosure care costs due within one year	-	94,410	94,410	-	-	-	-
Landfill postclosure care costs due in more than one year	-	2,183,417	2,183,417	-	-	-	-
Total liabilities	<u>16,208,770</u>	<u>81,135,118</u>	<u>97,343,888</u>	<u>32,197</u>	<u>6,762</u>	<u>448</u>	<u>8,060,284</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension	832,924	586,148	1,419,072	-	-	-	11,349
<b>NET POSITION</b>							
Net investment in capital assets	19,658,120	55,349,624	75,007,744	3,249	250	-	2,805,540
Restricted for debt service	-	1,491,800	1,491,800	-	-	-	-
Restricted for law enforcement	384,093	-	384,093	-	-	-	-
Restricted for cemetery maintenance	802,444	-	802,444	-	-	-	-
Restricted for capital projects	4,980,236	2,525,789	7,506,025	-	-	-	-
Unrestricted	7,434,838	24,192,432	31,627,270	(412)	117,316	22,494	(79,075)
Total net position	<u>\$ 33,259,731</u>	<u>\$ 83,559,645</u>	<u>\$ 116,819,376</u>	<u>\$ 2,837</u>	<u>\$ 117,566</u>	<u>\$ 22,494</u>	<u>\$ 2,726,465</u>

The accompanying notes are an integral part of these financial statements

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association	Griffin-Spalding County Airport Authority
<b>Primary government:</b>											
Governmental activities:											
General government	\$ 4,814,301	\$ 5,559,215	\$ -	\$ -	\$ 744,914	\$ -	\$ 744,914	\$ -	\$ -	\$ -	\$ -
Judicial	220,967	-	-	-	(220,967)	-	(220,967)	-	-	-	-
Public safety	14,095,194	888,437	350,208	-	(12,856,549)	-	(12,856,549)	-	-	-	-
Public works	4,450,304	187,224	22,877	1,235,013	(3,005,190)	-	(3,005,190)	-	-	-	-
Parks and recreation	341,114	215,779	-	-	(125,335)	-	(125,335)	-	-	-	-
Housing and economic development	1,198,472	235,016	-	-	(963,456)	-	(963,456)	-	-	-	-
Interest on long-term debt	194,435	-	-	-	(194,435)	-	(194,435)	-	-	-	-
Total governmental activities	<u>25,314,787</u>	<u>7,085,671</u>	<u>373,085</u>	<u>1,235,013</u>	<u>(16,621,018)</u>	<u>-</u>	<u>(16,621,018)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:											
Water and Wastewater	15,250,310	19,028,788	-	12,000	-	3,790,478	3,790,478	-	-	-	-
Electric	38,889,023	48,554,415	-	-	-	9,665,392	9,665,392	-	-	-	-
Solid Waste	6,869,383	6,454,229	-	-	-	(415,154)	(415,154)	-	-	-	-
Stormwater	1,981,286	2,147,621	-	-	-	166,335	166,335	-	-	-	-
Welcome Center	106,913	11,575	-	-	-	(95,338)	(95,338)	-	-	-	-
Golf Course	662,440	235,553	-	-	-	(426,887)	(426,887)	-	-	-	-
Total business-type activities	<u>63,759,355</u>	<u>76,432,181</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>12,684,826</u>	<u>12,684,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 89,074,142</u>	<u>\$ 83,517,852</u>	<u>\$ 373,085</u>	<u>\$ 1,247,013</u>	<u>(16,621,018)</u>	<u>12,684,826</u>	<u>(3,936,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Component units:</b>											
Griffin Main Street	\$ 107,724	\$ -	\$ 108,504	\$ -	-	-	-	780	-	-	-
Griffin Downtown Development Authority	145,702	-	167,758	-	-	-	-	-	22,056	-	-
Griffin Business and Tourism Association	44,840	-	46,081	-	-	-	-	-	-	1,241	-
Griffin-Spalding County Airport Authority	1,036,735	495,041	105,400	157,750	-	-	-	-	-	-	(278,544)
Total component units	<u>\$ 1,335,001</u>	<u>\$ 495,041</u>	<u>\$ 427,743</u>	<u>\$ 157,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780</u>	<u>22,056</u>	<u>1,241</u>	<u>(278,544)</u>
General revenues:											
Property taxes					4,412,356	-	4,412,356	-	-	-	-
Sales taxes					3,467,609	-	3,467,609	-	-	-	-
Insurance premium tax					1,274,964	-	1,274,964	-	-	-	-
Alcoholic beverage taxes					647,763	-	647,763	-	-	-	-
Business occupational taxes					431,498	-	431,498	-	-	-	-
Franchise taxes					526,376	-	526,376	-	-	-	-
Other taxes					399,177	-	399,177	-	-	-	-
Unrestricted investment earnings					127,873	660,532	788,405	-	107	-	500
Gain on sale of capital assets					31,644	-	31,644	-	-	-	-
Transfers					9,530,554	(9,530,554)	-	-	-	-	-
Total general revenues and transfers					<u>20,849,814</u>	<u>(8,870,022)</u>	<u>11,979,792</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>500</u>
Change in net position					4,228,796	3,814,804	8,043,600	780	22,163	1,241	(278,044)
Net position, beginning of year, as restated					29,030,935	79,744,841	108,775,776	2,057	95,403	21,253	3,004,509
Net position, end of year					<u>\$ 33,259,731</u>	<u>\$ 83,559,645</u>	<u>\$ 116,819,376</u>	<u>\$ 2,837</u>	<u>\$ 117,566</u>	<u>\$ 22,494</u>	<u>\$ 2,726,465</u>

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



**CITY OF GRIFFIN, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

ASSETS	Other		Totals
	General	Governmental Funds	Governmental Funds
Cash and cash equivalents	\$ 1,729,897	\$ 6,838,569	\$ 8,568,466
Investments	1,435,129	2,144,550	3,579,679
Taxes receivable, net	872,393	5,339	877,732
Accounts receivable, net	59,169	50	59,219
Due from other governments	168,735	10,140	178,875
Due from other funds	7,236,194	193,669	7,429,863
Inventories	1,615	-	1,615
Prepaid expenditures	186,359	-	186,359
Assets held for resale	-	234,409	234,409
Total assets	<u>\$ 11,689,491</u>	<u>\$ 9,426,726</u>	<u>\$ 21,116,217</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 576,732	\$ 19,193	\$ 595,925
Accrued liabilities	378,136	-	378,136
Due to other funds	113,095	804,430	917,525
Due to component units	38,316	192	38,508
Total liabilities	<u>1,106,279</u>	<u>823,815</u>	<u>1,930,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	281,917	-	281,917
Total deferred inflows of resources	<u>281,917</u>	<u>-</u>	<u>281,917</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	1,615	-	1,615
Prepaid expenditures	186,359	-	186,359
Assets held for resale	-	234,409	234,409
Permanent fund principal	-	2,314,033	2,314,033
Restricted for:			
Law enforcement	-	384,093	384,093
Cemetery maintenance	-	802,444	802,444
Other capital projects	109,357	4,870,879	4,980,236
Unassigned	10,003,964	(2,947)	10,001,017
Total fund balances	<u>10,301,295</u>	<u>8,602,911</u>	<u>18,904,206</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,689,491</u>	<u>\$ 9,426,726</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,436,991
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	281,917
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes and contributions.	1,835,998
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,759,771
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.	(832,924)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(15,126,228)
Net position of governmental activities	<u>\$ 33,259,731</u>

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

**CITY OF GRIFFIN, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 4,576,229	\$ -	\$ 4,576,229
Other taxes	5,936,961	284,050	6,221,011
Charges for services	5,513,254	45,192	5,558,446
Licenses and permits	388,918	-	388,918
Intergovernmental	350,208	1,257,813	1,608,021
Franchise taxes	526,376	-	526,376
Fines and forfeitures	704,678	141,736	846,414
Interest revenue	5,923	122,027	127,950
Rental income	207,623	-	207,623
Contributions and donations	24,075	2,526	26,601
Other revenues	18,192	39,477	57,669
Total revenues	<u>18,252,437</u>	<u>1,892,821</u>	<u>20,145,258</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,594,427	-	4,594,427
Judicial	221,222	-	221,222
Public safety	13,966,610	131,674	14,098,284
Public works	3,796,197	1,395,429	5,191,626
Parks and recreation	489,016	-	489,016
Housing and economic development	1,170,306	16,394	1,186,700
Capital outlay	-	752,512	752,512
Debt service:			
Principal	274,416	7,836	282,252
Interest	160,224	34,354	194,578
Total expenditures	<u>24,672,418</u>	<u>2,338,199</u>	<u>27,010,617</u>
Deficiency of revenues under expenditures	<u>(6,419,981)</u>	<u>(445,378)</u>	<u>(6,865,359)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	9,737,051	530,097	10,267,148
Transfers out	(1,312,678)	(84,356)	(1,397,034)
Proceeds from the sale of capital assets	31,644	-	31,644
Total other financing sources (uses)	<u>8,456,017</u>	<u>445,741</u>	<u>8,901,758</u>
Net change in fund balances	2,036,036	363	2,036,399
<b>Fund balances, beginning of year</b>	<u>8,265,259</u>	<u>8,602,548</u>	<u>16,867,807</u>
<b>Fund balances, end of year</b>	<u>\$ 10,301,295</u>	<u>\$ 8,602,911</u>	<u>\$ 18,904,206</u>

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

**CITY OF GRIFFIN, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,036,399
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,303,538
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(163,873)
Contributions to the pension plan in the current fiscal year are not included in the statement of activities.	1,163,839
Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.	384,910
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	282,252
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.	<u>(778,269)</u>
	<u>\$ 4,228,796</u>

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

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 4,393,000	\$ 4,393,000	\$ 4,576,229	\$ 183,229
Other taxes	5,764,000	5,764,000	5,936,961	172,961
Charges for services	5,542,167	5,542,167	5,513,254	(28,913)
Licenses and permits	307,600	307,600	388,918	81,318
Intergovernmental	123,477	356,188	350,208	(5,980)
Franchise fees	615,000	615,000	526,376	(88,624)
Fines and forfeitures	662,000	662,000	704,678	42,678
Interest revenue	6,500	6,500	5,923	(577)
Rental income	190,100	198,500	207,623	9,123
Contributions and donations	-	22,937	24,075	1,138
Other revenues	2,000	2,000	18,192	16,192
Total revenues	<u>17,605,844</u>	<u>17,869,892</u>	<u>18,252,437</u>	<u>382,545</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
Legislative	526,446	462,762	348,910	113,852
Executive	338,928	336,928	293,132	43,796
Elections	500	500	161	339
Administrative services	3,887,701	3,887,239	3,155,817	731,422
Central services	581,714	620,230	677,958	(57,728)
Legal	112,000	112,000	118,449	(6,449)
Total general government	<u>5,447,289</u>	<u>5,419,659</u>	<u>4,594,427</u>	<u>825,232</u>
<b>Judicial</b>	<u>223,646</u>	<u>224,126</u>	<u>221,222</u>	<u>2,904</u>
<b>Public safety:</b>				
Police	8,889,392	9,154,863	8,468,839	686,024
Fire	5,166,809	5,380,749	5,139,406	241,343
Code enforcement	263,894	262,749	225,031	37,718
Other protection	138,000	135,662	133,334	2,328
Total public safety	<u>14,458,095</u>	<u>14,934,023</u>	<u>13,966,610</u>	<u>967,413</u>
<b>Public works:</b>				
Highways and streets	3,905,943	3,656,093	3,381,266	274,827
Cemetery	464,117	464,597	414,931	49,666
Total public works	<u>4,370,060</u>	<u>4,120,690</u>	<u>3,796,197</u>	<u>324,493</u>
<b>Parks and recreation:</b>				
Recreation	81,148	123,688	117,824	5,864
Parks	331,334	409,378	371,192	38,186
Total parks and recreation	<u>412,482</u>	<u>533,066</u>	<u>489,016</u>	<u>44,050</u>

(Continued)

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures: (Continued)</b>				
<b>Current: (Continued)</b>				
<b>Housing and economic development:</b>				
Protective inspection	\$ 845,921	\$ 855,996	\$ 800,934	\$ 55,062
Griffin-Spalding County Airport Authority	79,878	105,400	105,400	-
Griffin Business and Tourism Association	29,688	29,688	29,688	-
Downtown development	140,424	150,758	150,758	-
Main Street	83,526	83,526	83,526	-
Total housing and economic development	<u>1,179,437</u>	<u>1,225,368</u>	<u>1,170,306</u>	<u>55,062</u>
<b>Debt service</b>	<u>434,660</u>	<u>434,660</u>	<u>434,640</u>	<u>20</u>
Total expenditures	<u>26,525,669</u>	<u>26,891,592</u>	<u>24,672,418</u>	<u>2,219,174</u>
Deficiency of revenues under expenditures	<u>(8,919,825)</u>	<u>(9,021,700)</u>	<u>(6,419,981)</u>	<u>2,601,719</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,010,828	10,022,526	9,737,051	(285,475)
Transfers out	(1,114,003)	(1,310,838)	(1,312,678)	(1,840)
Proceeds from the sale of capital assets	23,000	23,000	31,644	8,644
Total other financing sources (uses)	<u>8,919,825</u>	<u>8,734,688</u>	<u>8,456,017</u>	<u>(278,671)</u>
Net change in fund balances	-	(287,012)	2,036,036	2,323,048
<b>Fund balances, beginning of year</b>	<u>8,265,259</u>	<u>8,265,259</u>	<u>8,265,259</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 8,265,259</u>	<u>\$ 7,978,247</u>	<u>\$ 10,301,295</u>	<u>\$ 2,323,048</u>

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

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015**

	<u>Water/ Wastewater Utility Fund</u>	<u>Electric Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Enterprise Funds</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 233,684	\$ 3,218,215	\$ 421,529	\$ 1,312,904
Investments	-	19,187,419	-	-
Restricted assets, cash	4,317,435	96,789	8,868	107,568
Accounts receivable, net of allowances	192,530	9,004,611	-	4,227
Due from component units	495	648,318	-	-
Due from other funds	5,057,346	994,146	802,071	3,689,317
Inventories	810,712	1,688,058	-	27,050
Prepaid expenses	547,479	29,545	27,377	14,731
Total current assets	<u>11,159,681</u>	<u>34,867,101</u>	<u>1,259,845</u>	<u>5,155,797</u>
<b>NONCURRENT ASSETS</b>				
Investments	-	5,294,396	-	-
Restricted assets, investments	4,793,785	3,524,831	277,408	-
Capital assets:				
Nondepreciable	14,314,578	3,803,454	-	2,631,665
Depreciable, net of accumulated depreciation	65,240,206	21,542,355	1,949,156	7,529,233
Total noncurrent assets	<u>84,348,569</u>	<u>34,165,036</u>	<u>2,226,564</u>	<u>10,160,898</u>
Total assets	<u>95,508,250</u>	<u>69,032,137</u>	<u>3,486,409</u>	<u>15,316,695</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	452,724	515,602	220,925	102,780
Deferred charges on refundings	1,743,185	-	-	-
Total deferred outflows of resources	<u>2,195,909</u>	<u>515,602</u>	<u>220,925</u>	<u>102,780</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	1,041,381	4,128,363	495,109	68,359
Accrued liabilities	85,027	774,699	59,490	30,630
Current portion - compensated absences	154,876	110,260	53,849	21,900
Current portion - notes payable	-	-	-	165,721
Current portion - capital leases payable	-	-	80,517	-
Current portion - landfill closure / postclosure care costs	-	-	94,410	-
Customer deposits payable	24,667	2,852,972	-	-
Due to component units	-	-	-	55
Due to other funds	89,434	15,761,657	169,830	185,753
Payable from restricted assets:				
Revenue bonds payable, current portion	2,419,000	-	-	-
Total current liabilities	<u>3,814,385</u>	<u>23,627,951</u>	<u>953,205</u>	<u>472,418</u>
<b>NONCURRENT LIABILITIES</b>				
Compensated absences, net of current portion	27,331	19,458	9,503	3,864
Revenue bonds payable, net of current portion	57,332,915	-	-	-
Capital leases payable, net of current portion	-	-	144,356	-
Notes payable, net of current portion	-	-	-	1,518,514
Net pension liability	2,511,597	2,860,431	1,225,639	570,198
Net OPEB liability	-	66,610	-	-
Landfill closure / postclosure care costs	-	-	2,183,417	-
Total noncurrent liabilities	<u>59,871,843</u>	<u>2,946,499</u>	<u>3,562,915</u>	<u>2,092,576</u>
Total liabilities	<u>63,686,228</u>	<u>26,574,450</u>	<u>4,516,120</u>	<u>2,564,994</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	205,384	233,910	100,226	46,628
<b>NET POSITION</b>				
Net investment in capital assets	19,802,869	25,345,809	1,724,283	8,476,663
Restricted for debt service	1,491,800	-	-	-
Restricted for capital outlay	2,525,789	-	-	-
Unrestricted	9,992,089	17,393,570	(2,633,295)	4,331,190
Total net position	<u>\$ 33,812,547</u>	<u>\$ 42,739,379</u>	<u>\$ (909,012)</u>	<u>\$ 12,807,853</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.  
Net position of business-type activities

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

<u>Totals</u>	<u>Governmental Activities Internal Service Fund - Motor Pool</u>
\$ 5,186,332	\$ 928,461
19,187,419	-
4,530,660	-
9,201,368	-
648,813	3,591
10,542,880	191,483
2,525,820	226,693
619,132	4,355
<u>52,442,424</u>	<u>1,354,583</u>
5,294,396	-
8,596,024	-
20,749,697	-
<u>96,260,950</u>	<u>624,066</u>
<u>130,901,067</u>	<u>624,066</u>
<u>183,343,491</u>	<u>1,978,649</u>
1,292,031	-
<u>1,743,185</u>	<u>-</u>
<u>3,035,216</u>	<u>-</u>
5,733,212	45,400
949,846	10,363
340,885	12,079
165,721	-
80,517	-
94,410	-
2,877,639	-
55	-
16,206,674	1,040,027
2,419,000	-
<u>28,867,959</u>	<u>1,107,869</u>
60,156	2,131
57,332,915	-
144,356	-
1,518,514	-
7,167,865	-
66,610	-
2,183,417	-
<u>68,473,833</u>	<u>2,131</u>
<u>97,341,792</u>	<u>1,110,000</u>
586,148	-
55,349,624	624,066
1,491,800	-
2,525,789	-
29,083,554	244,583
<u>88,450,767</u>	<u>\$ 868,649</u>
(4,891,122)	
<u>\$ 83,559,645</u>	

**CITY OF GRIFFIN, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 18,643,983	\$ 45,513,186	\$ 6,453,159	\$ 2,391,853
Tap and capacity recovery fees	133,708	-	-	-
Other services	251,097	3,041,229	1,070	2,896
Total operating revenues	<u>19,028,788</u>	<u>48,554,415</u>	<u>6,454,229</u>	<u>2,394,749</u>
<b>OPERATING EXPENSES</b>				
Personal services	3,528,859	3,529,924	1,718,382	911,190
Purchased or contracted services	4,097,265	2,312,499	3,919,197	820,745
Purchased power	-	31,328,849	-	-
Supplies	1,827,820	111,907	51,177	239,149
Miscellaneous	562,305	475,463	543,728	241,678
Depreciation	3,067,471	1,081,188	345,622	458,240
Total operating expenses	<u>13,083,720</u>	<u>38,839,830</u>	<u>6,578,106</u>	<u>2,671,002</u>
Operating income (loss)	<u>5,945,068</u>	<u>9,714,585</u>	<u>(123,877)</u>	<u>(276,253)</u>
<b>NONOPERATING INCOME (EXPENSES)</b>				
Intergovernmental	12,000	-	-	-
Interest income	130,708	521,604	8,220	-
Interest expense	(2,093,686)	-	(4,656)	(56,339)
Total nonoperating income (expenses)	<u>(1,950,978)</u>	<u>521,604</u>	<u>3,564</u>	<u>(56,339)</u>
Income (loss) before transfers	<u>3,994,090</u>	<u>10,236,189</u>	<u>(120,313)</u>	<u>(332,592)</u>
<b>TRANSFERS</b>				
Transfers out	(2,100,510)	(9,000,000)	-	-
Transfers in	-	-	-	1,569,956
Total transfers	<u>(2,100,510)</u>	<u>(9,000,000)</u>	<u>-</u>	<u>1,569,956</u>
Change in net position	1,893,580	1,236,189	(120,313)	1,237,364
<b>NET POSITION, beginning of year, as restated</b>	<u>31,918,967</u>	<u>41,503,190</u>	<u>(788,699)</u>	<u>11,570,489</u>
<b>NET POSITION, end of year</b>	<u>\$ 33,812,547</u>	<u>\$ 42,739,379</u>	<u>\$ (909,012)</u>	<u>\$ 12,807,853</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.  
Change in net position of business-type activities

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



<u>Totals</u>	<b>Governmental Activities Internal Service Fund - Motor Pool</b>
\$ 73,002,181	\$ 762,741
133,708	-
<u>3,296,292</u>	<u>36,518</u>
<u>76,432,181</u>	<u>799,259</u>
9,688,355	556,751
11,149,706	238,041
31,328,849	-
2,230,053	611,819
1,823,174	42,541
<u>4,952,521</u>	<u>57,653</u>
<u>61,172,658</u>	<u>1,506,805</u>
<u>15,259,523</u>	<u>(707,546)</u>
12,000	-
660,532	-
<u>(2,154,681)</u>	<u>-</u>
<u>(1,482,149)</u>	<u>-</u>
<u>13,777,374</u>	<u>(707,546)</u>
(11,100,510)	-
<u>1,569,956</u>	<u>660,440</u>
<u>(9,530,554)</u>	<u>660,440</u>
4,246,820	(47,106)
	<u>915,755</u>
	<u>\$ 868,649</u>
<u>(432,016)</u>	
<u>\$ 3,814,804</u>	

**CITY OF GRIFFIN, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 17,431,370	\$ 54,873,037	\$ 6,297,290	\$ 1,016,699
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(6,837,832)	(34,115,549)	(4,137,396)	(1,580,640)
Payments to employees	(3,627,707)	(3,683,240)	(1,776,787)	(925,580)
Net cash provided by (used in) operating activities	<u>6,965,831</u>	<u>17,074,248</u>	<u>383,107</u>	<u>(1,489,521)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(2,100,510)	(9,000,000)	-	-
Transfers in	-	-	-	1,569,956
Net cash provided by (used in) noncapital financing activities	<u>(2,100,510)</u>	<u>(9,000,000)</u>	<u>-</u>	<u>1,569,956</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(2,615,661)	(5,096,809)	(342,623)	(610,093)
Intergovernmental grant	12,000	-	-	-
Proceeds from capital leases payable	-	-	-	487,247
Principal paid on bonds	(2,354,000)	-	-	-
Principal paid on notes payable and capital leases	-	-	(79,113)	(168,881)
Principal paid on agreement due to Pike County	(46,729)	-	-	-
Interest paid	(2,199,852)	-	(4,714)	(55,933)
Net cash used in capital and related financing activities	<u>(7,204,242)</u>	<u>(5,096,809)</u>	<u>(426,450)</u>	<u>(347,660)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(172,557)	(2,443,624)	(26,412)	-
Interest and dividends received	215,373	599,291	12,011	-
Net cash provided by (used in) investing activities	<u>42,816</u>	<u>(1,844,333)</u>	<u>(14,401)</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	<u>(2,296,105)</u>	<u>1,133,106</u>	<u>(57,744)</u>	<u>(267,225)</u>
Cash and cash equivalents:				
Beginning of year	<u>6,847,224</u>	<u>2,181,898</u>	<u>488,141</u>	<u>1,687,697</u>
End of year	<u>\$ 4,551,119</u>	<u>\$ 3,315,004</u>	<u>\$ 430,397</u>	<u>\$ 1,420,472</u>
<b>Classified as:</b>				
Cash and cash equivalents	\$ 233,684	\$ 3,218,215	\$ 421,529	\$ 1,312,904
Restricted assets, cash	4,317,435	96,789	8,868	107,568
	<u>\$ 4,551,119</u>	<u>\$ 3,315,004</u>	<u>\$ 430,397</u>	<u>\$ 1,420,472</u>

(Continued)

		<b>Governmental Activities Internal Service Fund - Motor Pool</b>	
<u>Totals</u>			
\$ 79,618,396	\$	-	
-		723,492	
(46,671,417)		(993,943)	
(10,013,314)		(554,683)	
<u>22,933,665</u>		<u>(825,134)</u>	
(11,100,510)		-	
<u>1,569,956</u>		<u>660,440</u>	
<u>(9,530,554)</u>		<u>660,440</u>	
(8,665,186)		(49,701)	
12,000		-	
487,247		-	
(2,354,000)		-	
(247,994)		-	
(46,729)		-	
<u>(2,260,499)</u>		<u>-</u>	
<u>(13,075,161)</u>		<u>(49,701)</u>	
(2,642,593)		-	
<u>826,675</u>		<u>-</u>	
<u>(1,815,918)</u>		<u>-</u>	
<u>(1,487,968)</u>		<u>(214,395)</u>	
<u>11,204,960</u>		<u>1,142,856</u>	
<u>\$ 9,716,992</u>	<u>\$</u>	<u>928,461</u>	
\$ 5,186,332	\$	928,461	
4,530,660		-	
<u>\$ 9,716,992</u>	<u>\$</u>	<u>928,461</u>	

**CITY OF GRIFFIN, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 5,945,068	\$ 9,714,585	\$ (123,877)	\$ (276,253)
Adjustments to reconcile operating income (loss) to net cash provided (used in) by operating activities:				
Depreciation	3,067,471	1,081,188	345,622	458,240
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(137,248)	(346,587)	-	133,269
Decrease in due from other governments	-	1,246	-	12,420
(Increase) decrease in inventories	(78,277)	60,992	-	3,693
(Increase) decrease in due from other funds	413,399	246,121	430,443	(1,175,802)
Increase in due from component units	(253)	(28,099)	-	-
(Increase) decrease in prepaids and other assets	17,749	(116,070)	(5,387)	(2,784)
Increase in deferred outflows of resources	(163,837)	(186,591)	(79,950)	(37,195)
Increase (decrease) in accounts payable	(304,304)	215,983	194,372	(298,371)
Increase (decrease) in accrued liabilities	4,916	(99,266)	(17,122)	8,424
Increase in customer deposits	-	25,792	-	-
Decrease in net pension liability	(130,921)	(149,105)	(63,889)	(29,723)
Increase in landfill closure / postclosure care costs	-	-	190,051	-
Increase (decrease) in due to other funds	(1,873,316)	6,420,149	(587,382)	(332,067)
Increase in deferred inflows of resources	205,384	233,910	100,226	46,628
Net cash provided by (used in) operating activities	<u>\$ 6,965,831</u>	<u>\$ 17,074,248</u>	<u>\$ 383,107</u>	<u>\$ (1,489,521)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Unrealized loss on investments	\$ (84,665)	\$ (77,687)	\$ (3,791)	\$ -
Net noncash investing, capital, and financing activities	<u>\$ (84,665)</u>	<u>\$ (77,687)</u>	<u>\$ (3,791)</u>	<u>\$ -</u>

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

<u>Totals</u>	<u>Governmental Activities Internal Service Fund - Motor Pool</u>
\$ 15,259,523	\$ (707,546)
4,952,521	57,653
(350,566)	500
13,666	-
(13,592)	1,737
(85,839)	(80,662)
(28,352)	-
(106,492)	(1,025)
(467,573)	-
(192,320)	(102,254)
(103,048)	2,068
25,792	-
(373,638)	-
190,051	-
3,627,384	4,395
586,148	-
<u>\$ 22,933,665</u>	<u>\$ (825,134)</u>
\$ (166,143)	\$ -
<u>\$ (166,143)</u>	<u>\$ -</u>

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2015**

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	<u>Municipal Court</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 52,046
Total assets	<u>52,046</u>
<b>LIABILITIES</b>	
Due to others	52,046
Total liabilities	<u>\$ 52,046</u>

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

# **NOTES TO THE FINANCIAL STATEMENTS**

# CITY OF GRIFFIN, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. The Financial Reporting Entity

The City was chartered in 1843 and operates under a Commission – City Manager form of government. The City Manager is the head of the administrative branch of government. As such, he is responsible for the day-to-day operations of city government. The legislative authority of the City is vested in a seven (7) member Commission including an elected Chairperson and an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; parks and recreation; housing and development; and public utilities (water, sewer, stormwater, electric, and solid waste). As required by accounting principles generally accepted in the United States of America, these financial statements include the accounts of all City operations and all activities of the City.

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

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards (the “GASB”) No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the component units’ financial statements have been included as either blended or discretely presented. All of the City’s component units have a June 30 year-end. As of June 30, 2015, the City does not have any blended component units.

#### Discretely Presented Component Units

**The City of Griffin Main Street Association (the “Main Street”)** - The City Commission appoints several positions of Main Street’s board with additional positions being appointed by various organizations. There are 12 members plus two ex-officio officers. Budget requests for Main Street are submitted to the City Commission for approval, with the City Commission possessing the authority to amend the budget. The City provides approximately 80 percent of Main Street’s annual operating budget. Separate financial statements for Main Street are not prepared.



## NOTES TO FINANCIAL STATEMENTS

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

#### A. The Financial Reporting Entity (Continued)

##### Discretely Presented Component Units (Continued)

**The City of Griffin Downtown Development Authority (the “DDA”)** - The City Commission appoints all seven members of the DDA’s board (one of which is an elected member of the City Commission). Budget requests for the DDA are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. The City also provides for a substantial portion of the DDA’s annual budget. Separate financial statements for the DDA are not prepared.

**The City of Griffin Business and Tourism Association (the “Association”)** - The City Commission appoints all of the members of the Association’s board. The Board members consist of the City Commission Chairman, the City Manager, the City Attorney, and the City Finance Director. Budget requests for the Association are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. The City also provides for approximately 100% of the Association’s annual budget. Separate financial statements for the Association are not prepared.

**The Griffin-Spalding County Airport Authority (the “Airport Authority”)** - The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. The City Commission appoints five of the nine member Airport Authority board. The City and the County have mutually agreed to fund one-half of the annual shortfall in revenues required to fund the Airport Authority’s budget in future years. Due to these factors and due to the City maintaining the administrative functions of the Authority, the City has elected to include the Airport Authority operations as a component unit of the City. Separate financial statements for the Airport Authority are not prepared.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. *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.

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Government-wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

## NOTES TO FINANCIAL STATEMENTS

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

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

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 general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The **Water/Wastewater Utility Fund** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **Electric Utility Fund** accounts for the provision of electrical services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **Solid Waste Fund** accounts for the activities of the City's solid waste management operations. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

The **Capital Projects Fund** accounts for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

The **Permanent Funds** are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting of the City's programs.

The **Internal Service Fund** is used to account for the rental of motor vehicles and equipment to other departments and related costs of the City, on a cost reimbursement basis.

The **Agency Fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other governments and individuals.

## NOTES TO FINANCIAL STATEMENTS

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *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 proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Budgets and Budgetary Accounting

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

1. Budget requests are completed in April.
2. Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Commission in May.
3. Public hearings on the proposed budget are held in May and June.
4. The budget is legally adopted by the Mayor and City Commission prior to June 30.

## NOTES TO FINANCIAL STATEMENTS

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

#### D. Budgets and Budgetary Accounting (Continued)

5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of \$5,000 between departments requires the approval of the City Commission. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any department or fund must be approved by the City Commission. The City Commission made several immaterial supplemental budget appropriations during the year.
6. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all the following funds: (General, all special revenue funds, and the enterprise funds). Budgets for the enterprise funds are prepared for planning and control purposes only.
7. Budgets for the governmental funds and the enterprise funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
8. Revenues and expenditures of the capital projects funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

#### E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

#### F. Deposits and Investments

For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

## NOTES TO FINANCIAL STATEMENTS

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

#### F. Deposits and Investments (Continued)

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loans which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Georgia Fund 1 was created under OCGA 36-83-8 and 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 pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). Net position value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The fair value of the City's position in the pool is the same as the value of pool shares (\$1 per share value). The pool is regulated by the Georgia Office of State Treasurer.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

#### G. Inventory and Prepaid Items

Inventory in the proprietary funds is valued at the lower of cost or market using the weighted average method. The City accounts for inventory on the purchase basis. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

#### H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as "advances". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## NOTES TO FINANCIAL STATEMENTS

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

#### I. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

#### J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended June 30, 2015, no amounts were capitalized.

## NOTES TO FINANCIAL STATEMENTS

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

#### J. Capital Assets (Continued)

Depreciation is provided on the straight-line method over the following estimated useful lives:

##### Governmental Assets

Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 10 years
Infrastructure	25 - 30 years

##### Business-type Assets

Buildings and improvements	10 - 50 years
Utility system	5 - 50 years
Equipment	5 - 20 years

#### K. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as deferred charges, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### L. Compensated Absences

All employees, except shift firefighters, accrue vacation as follows: 1.54 hours per week of vacation with under 10 years of service; 2.3 hours per week of vacation with greater than 10 years and less than 20 years of service; and 3.07 hours per week of vacation with greater than 20 years of service. Shift firefighters accrue vacation as follows: 3.23 hours per week of vacation with under 10 years of service; 4.62 hours per week of vacation with greater than 10 years and less than 20 years of service; and 6.46 hours per week of vacation with greater than 20 years of service. Vacation time must be taken as time off and will not be paid-out except that any unused vacation will be paid at an employee's termination of employment.



## NOTES TO FINANCIAL STATEMENTS

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

#### L. Compensated Absences (Continued)

All City employees, except shift firefighters, accrue sick leave at 1.85 hours per week. Shift firefighters accrue sick leave at 5.54 hours per week. Sick leave, however, is not paid upon an employee's termination except to employees who were eligible to retire between January 2, 2005 and January 1, 2010. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### M. Defined Contribution Plan

The City offers its employees a defined contribution plan (the City of Griffin Deferred Compensation Plan) which is administered by MetLife Resources. The Plan is a combined 457 plan and 401A plan. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional and requires the City to match the employees' deferrals up to a maximum of 1% of annual compensation. Employer's contributions are fully vested at the time of contribution. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions and contributions are established and may be amended by the City Council. During the year ended June 30, 2015, the City contributed \$198,580 and employees contributed \$428,836.

Pursuant to the Statement No. 32 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not have a fiduciary relationship with the plan. Accordingly, the balances and transactions of the City's plan are not reported in the City's financial statements.

#### N. Fund Equity

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### N. Fund Equity (Continued)

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City's Chief Financial Officer, Finance Director, or Director of Administrative Services to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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

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

## NOTES TO FINANCIAL STATEMENTS

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

#### O. Restricted Assets

The Water/Wastewater Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

#### P. Use of Estimates

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

#### Q. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has four items that qualify for reporting in this category. One item is the deferred charge on refunding, which is reported in the government-wide and proprietary fund Statements of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other three items relate to the City's Retirement Plan and are reported in the government-wide and proprietary fund Statements of Net Position. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

## NOTES TO FINANCIAL STATEMENTS

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

#### Q. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the City's Retirement Plan and is reported in the government-wide and proprietary fund Statements of Net Position. The differences between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred inflow of resources.

#### R. Pensions

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

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

#### A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “certain liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position (Continued)

Capital leases payable	\$	3,402,937
Bonds payable		851,026
Net pension liability		10,185,657
Compensated absences		639,778
Accrued interest		46,830
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	15,126,228

#### B. Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$	2,750,630
Depreciation expense		(1,447,092)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	1,303,538

Another element of that reconciliation explains that “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.” The details of this difference are as follows:

Compensated absences	\$	22,977
Pension expense		(801,389)
Accrued interest		143
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	(778,269)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2015, are summarized as follows:

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	\$ 14,683,259
Investments	28,061,494
Restricted cash and cash equivalents	4,530,660
Restricted investments	8,596,024
Amounts as presented on the fiduciary statement of net position:	
Cash and cash equivalents - Agency Fund	52,046
Component Units - cash and cash equivalents	<u>7,594,645</u>
Total	<u>\$ 63,518,128</u>
Cash deposited with financial institutions	\$ 29,342,142
Cash deposited with Georgia Fund 1	1,435,129
Investments in the Municipal Competitive Trust	19,304,383
Investments in governmental bonds	12,112,295
Investments in corporate bonds	2,323
Investments in equities and various other securities	<u>1,321,856</u>
Total	<u>\$ 63,518,128</u>

**Credit risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of June 30, 2015, the City's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's. The City's investment in the Municipal Competitive Trust was not rated. All other City investments were rated as noted on the following table.

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized loss of \$84,665 reflected as interest income in the Water & Sewer Fund, an unrealized loss of \$77,687 reflected as interest income in the Electric Utility Fund, and an unrealized gain of \$41,133 reflected as interest income in the Cemetery Trust Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2015, the City had the following investments:

Investment	Rating	Fair Value	Investment Maturities (in Years)					
			Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	> 20
Georgia Fund 1		\$ 1,435,129	\$ 1,435,129	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit		2,481,532	791,447	1,447,659	242,426	-	-	-
Municipal Competitive Trust		19,304,383	19,304,383	-	-	-	-	-
Equities and various other non-maturing securities		1,321,856	NA	-	-	-	-	-
Governmental bonds	BBB-	22,672	-	22,672	-	-	-	-
Governmental bonds	BBB	127,311	-	-	-	16,326	51,128	59,857
Governmental bonds	BBB+	5,390	-	-	-	-	5,390	-
Governmental bonds	A-	1,114,932	-	-	173,054	399,244	390,911	151,723
Governmental bonds	A	225,735	-	110,233	66,046	21,110	28,346	-
Governmental bonds	A+	299,120	-	-	28,710	182,730	65,379	22,301
Governmental bonds	AA-	1,956,800	-	337,410	652,829	596,195	188,013	182,353
Governmental bonds	AA	4,204,610	-	280,453	800,827	1,375,017	1,168,099	580,214
Governmental bonds	AA+	2,312,798	-	310,350	368,792	714,339	834,020	85,297
Governmental bonds	AAA	1,842,927	30,728	255,844	989,247	218,800	287,566	60,742
Corporate bonds	A+	2,323	-	-	-	-	2,323	-
<b>Total</b>		<b>\$ 36,657,518</b>	<b>\$ 21,561,687</b>	<b>\$ 2,764,621</b>	<b>\$ 3,321,931</b>	<b>\$ 3,523,761</b>	<b>\$ 3,021,175</b>	<b>\$ 1,142,487</b>

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2015, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

**Custodial credit risk – investments.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

#### Accounts Receivable

Receivables as of June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Water/ Wastewater</b>
Receivables:			
Taxes	\$ 1,109,298	\$ 5,339	\$ -
Accounts	59,169	50	198,369
Intergovernmental	168,735	10,140	-
Gross receivables	1,337,202	15,529	198,369
Less: allowance for uncollectibles	(236,905)	-	(5,839)
Net total receivables	\$ 1,100,297	\$ 15,529	\$ 192,530
	<b>Electric</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Receivables:			
Taxes	\$ -	\$ -	\$ 1,114,637
Accounts	12,977,420	4,227	13,239,235
Intergovernmental	-	-	178,875
Gross receivables	12,977,420	4,227	14,532,747
Less: allowance for uncollectibles	(3,972,809)	-	(4,215,553)
Net total receivables	\$ 9,004,611	\$ 4,227	\$ 10,317,194

#### Property Taxes

Property taxes were levied on behalf of the City by Spalding County on September 15, 2014, (Levy Date) based upon property values assessed as of January 1, 2014. The billings were mailed on September 18, 2014, and payable on or before November 15, 2014, for the calendar year 2014 tax. Taxes not paid within 30 days of November 16, 2014 were subject to property tax liens on April 10, 2015. Property tax revenues are recognized when levied to the extent they result in current receivables. The City does maintain an allowance for uncollectible property taxes. At June 30, 2015, the allowance for uncollectible property taxes was \$236,905.

The tax rate levied during calendar year 2014 for the City's operations was 8.400 mills (mill equals \$1 per thousand dollars of assessed value).



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,568,712	\$ 5,414	\$ -	\$ -	\$ 1,574,126
Construction in progress	2,463,637	2,020,834	-	(2,077,973)	2,406,498
Total capital assets, not being depreciated	<u>4,032,349</u>	<u>2,026,248</u>	<u>-</u>	<u>(2,077,973)</u>	<u>3,980,624</u>
Capital assets, being depreciated:					
Buildings and improvements	9,171,719	152,600	-	-	9,324,319
Machinery and equipment	22,073,359	621,483	(547,374)	62,097	22,209,565
Infrastructure	33,463,496	-	-	2,015,876	35,479,372
Total capital assets, being depreciated	<u>64,708,574</u>	<u>774,083</u>	<u>(547,374)</u>	<u>2,077,973</u>	<u>67,013,256</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,335,576)	(315,929)	-	-	(3,651,505)
Machinery and equipment	(19,999,637)	(724,463)	547,374	-	(20,176,726)
Infrastructure	(23,640,239)	(464,353)	-	-	(24,104,592)
Total accumulated depreciation	<u>(46,975,452)</u>	<u>(1,504,745)</u>	<u>547,374</u>	<u>-</u>	<u>(47,932,823)</u>
Total capital assets, being depreciated, net	<u>17,733,122</u>	<u>(730,662)</u>	<u>-</u>	<u>2,077,973</u>	<u>19,080,433</u>
Governmental activities capital assets, net	<u>\$ 21,765,471</u>	<u>\$ 1,295,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,061,057</u>

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets for them are included as part of the above totals for governmental activities. At year end, \$624,066 of internal service fund's capital assets is included in the above amounts.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 7,575,221	\$ -	\$ -	\$ -	\$ 7,575,221
Construction in progress	7,343,809	7,398,485	-	(1,567,818)	13,174,476
Total capital assets, not being depreciated	<u>14,919,030</u>	<u>7,398,485</u>	<u>-</u>	<u>(1,567,818)</u>	<u>20,749,697</u>
Capital assets, being depreciated:					
Land improvements	1,785,291	-	-	-	1,785,291
Buildings	36,008,685	6,500	-	-	36,015,185
Improvements other than buildings	109,386,342	-	-	1,545,465	110,931,807
Machinery and equipment	26,618,916	1,260,201	-	22,353	27,901,470
Total capital assets, being depreciated	<u>173,799,234</u>	<u>1,266,701</u>	<u>-</u>	<u>1,567,818</u>	<u>176,633,753</u>
Less accumulated depreciation for:					
Land improvements	(931,760)	(104,944)	-	-	(1,036,704)
Buildings	(16,731,422)	(829,471)	-	-	(17,560,893)
Improvements other than buildings	(36,145,088)	(2,720,377)	-	-	(38,865,465)
Machinery and equipment	(21,612,012)	(1,297,729)	-	-	(22,909,741)
Total accumulated depreciation	<u>(75,420,282)</u>	<u>(4,952,521)</u>	<u>-</u>	<u>-</u>	<u>(80,372,803)</u>
Total capital assets, being depreciated, net	<u>98,378,952</u>	<u>(3,685,820)</u>	<u>-</u>	<u>1,567,818</u>	<u>96,260,950</u>
Business-type activities capital assets, net					
	<u>\$ 113,297,982</u>	<u>\$ 3,712,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,010,647</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 303,889
Public safety	549,895
Public works	549,895
Parks and recreation	28,942
Housing and economic development	14,471
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	57,653
Total depreciation expense - governmental activities	<u>\$ 1,504,745</u>

Business-type activities:

Water and wastewater	\$ 3,067,471
Electric	1,081,188
Solid waste	345,622
Stormwater	347,769
Welcome center	42,120
Golf course	68,351
Total depreciation expense - business-type activities	<u>\$ 4,952,521</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Airport Authority for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Construction in progress	369,868	136,284	-	-	506,152
Total capital assets, not being depreciated	<u>444,868</u>	<u>136,284</u>	<u>-</u>	<u>-</u>	<u>581,152</u>
Capital assets, being depreciated:					
Land improvements	3,614,410	-	-	-	3,614,410
Buildings	576,913	-	-	-	576,913
Machinery and equipment	649,011	27,974	-	-	676,985
Total capital assets, being depreciated	<u>4,840,334</u>	<u>27,974</u>	<u>-</u>	<u>-</u>	<u>4,868,308</u>
Less accumulated depreciation for:					
Land improvements	(1,289,725)	(108,640)	-	-	(1,398,365)
Buildings	(411,434)	(13,819)	-	-	(425,253)
Machinery and equipment	(638,967)	(4,614)	-	-	(643,581)
Total accumulated depreciation	<u>(2,340,126)</u>	<u>(127,073)</u>	<u>-</u>	<u>-</u>	<u>(2,467,199)</u>
Total capital assets, being depreciated, net	2,500,208	(99,099)	-	-	2,401,109
Airport Authority capital assets, net	<u>\$ 2,945,076</u>	<u>\$ 37,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982,261</u>

### NOTE 6. LONG-TERM DEBT

#### Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's Water and Wastewater Utility Fund's revenue bonds outstanding at June 30, 2015, are as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
Combined Utility, Series 2012	\$ 57,500,000	2.00% - 5.00%	2032	\$ 54,875,000
Combined Utility, Series 2005	9,748,000	3.59%	2017	1,581,000
				<u>56,456,000</u>
			Less current portion	<u>(2,419,000)</u>
				<u>\$ 54,037,000</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Revenue Bonds (Continued)

##### Combined Public Utility Revenue Refunding Bonds, Series 2012

The City of Griffin Combined Public Utility Revenue Refunding Bonds, Series 2012, were issued in October 2012. The Series 2012 bonds were issued to provide funds to refund (advance refunding) all of the City's Revenue Refunding and Improvement Bonds, Series 2002. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2002 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The City determined that advance refunding the Series 2002 bonds with the series 2012 bonds would reduce the City's total debt service payments by approximately \$11.055 million on an aggregate basis.

The Series 2012 bonds are special limited obligations of the City, payable solely from and secured by a pledge of and lien on revenues derived by the City from the ownership and operation of its water, wastewater, and electric system, remaining after the payment of expenses of operating, maintaining, and repairing the system. The Series 2012 bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. No governmental entity, including the City, is obligated to levy any tax for the payment of the Series 2012 bonds. No recourse may be had against the General Fund of the City for payment of the Series 2012 bonds.

##### Combined Public Utility Revenue Bonds, Series 2005

The City of Griffin Combined Public Utility Revenue Bonds, Series 2005 were issued October 4, 2005. The Series 2005 bonds were issued to provide funds to finance, in whole or in part, a) the cost of currently refunding and defeasing a portion of the outstanding Combined Public Utility Revenue Bonds, Series 1996 and 1997, b) the cost of fully funding the debt service reserve requirement for the Series 2005 bonds through the purchase of a surety bond, and c) the costs of issuance of the Series 2005 bonds. The Series 2005 bonds are special limited obligations of the City payable solely from and secured by a pledge of and lien on revenues derived by the City from the ownership and operation of its water, wastewater, and electric system, remaining after the payment of expenses of operating, maintaining, and repairing the system. The Series 2005 bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. No governmental entity, including the City, is obligated to levy any tax for the payment of the Series 2005 bonds. No recourse may be had against the General Fund of the City for payment of the Series 2005 bonds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Revenue Bonds (Continued)

Revenue bond debt service requirements to maturities, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 4,549,445	\$ 2,419,000	\$ 2,130,445
2017	4,538,568	2,487,000	2,051,568
2018	4,543,938	2,570,000	1,973,938
2019	4,546,138	2,675,000	1,871,138
2020	4,544,138	2,780,000	1,764,138
2021 - 2025	22,709,788	15,680,000	7,029,788
2026 - 2030	22,723,138	19,195,000	3,528,138
2031 - 2032	9,090,268	8,650,000	440,268
	<u>\$ 77,245,421</u>	<u>\$ 56,456,000</u>	<u>\$ 20,789,421</u>

#### Other Long-Term Debt

The Stormwater Utility Fund has incurred debt to the Georgia Environmental Facilities Authority for utility system improvements. This note is as follows at June 30, 2015:

<u>Description</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
Stormwater GEFA Loan	\$ 2,691,113	3.75%	2022	\$ 1,196,988
Stormwater GEFA Loan	487,247	2.31%	2037	487,247
				<u>1,684,235</u>
		Less current portion		<u>(165,721)</u>
				<u>\$ 1,518,514</u>

The Stormwater Utility Fund's other long-term debt service requirements to maturity, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 219,124	\$ 165,721	\$ 53,403
2017	223,863	176,978	46,885
2018	238,296	198,185	40,111
2019	238,295	205,457	32,838
2020	238,296	212,977	25,319
2021 - 2025	567,925	411,891	156,034
2026 - 2030	152,224	122,913	29,311
2031 - 2035	152,225	137,947	14,278
2036 - 2037	53,277	52,166	1,111
	<u>\$ 2,083,525</u>	<u>\$ 1,684,235</u>	<u>\$ 399,290</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Tax Allocation Bonds

The City of Griffin Tax Allocation Bonds, Series 2012, were issued in October 2012 in the amount of \$866,397. The Series 2012 bonds were issued to provide funds for construction related costs for the new Kroger Co. development within the City and to provide costs of issuance of the bonds. The Series 2012 bonds are limited obligations of the City payable solely from the revenues derived from the City's Tax Allocation District. The Series 2012 bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. These bonds carry interest at 4% and are due on January 15, 2038. The 2012 bonds debt service requirements to maturity, including interest, are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 42,191	\$ 8,150	\$ 34,041
2017	46,105	12,390	33,715
2018	46,105	12,886	33,219
2019	46,105	13,401	32,704
2020	50,255	18,087	32,168
2021 - 2025	264,471	115,615	148,856
2026 - 2030	306,466	186,093	120,373
2031 - 2035	347,802	270,898	76,904
2036 - 2038	231,039	213,506	17,533
	<u>\$ 1,380,539</u>	<u>\$ 851,026</u>	<u>\$ 529,513</u>

#### Capital Leases

The City has entered into several lease agreements as lessee for financing the acquisition of various equipment through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payment as of the date of their inception. These leases are being serviced by General Fund and Solid Waste Fund payments with annual interest rates varying from 1.76% to 7.81%.

The following is an analysis of equipment leased under capital leases as of June 30, 2015:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Buildings	\$ 3,949,160	\$ -	\$ 3,949,160
Equipment	1,559,800	421,352	1,981,152
Less accumulated depreciation	<u>(2,429,040)</u>	<u>(196,631)</u>	<u>(2,625,671)</u>
Carrying value	<u>\$ 3,079,920</u>	<u>\$ 224,721</u>	<u>\$ 3,304,641</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Capital Leases (Continued)

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2015:

Fiscal year ending	Governmental Activities	Business-type Activities	Total
2016	\$ 432,418	\$ 83,827	\$ 516,245
2017	2,851,027	83,827	2,934,854
2018	74,333	62,870	137,203
2019	74,333	-	74,333
2020	74,333	-	74,333
2021 - 2022	136,137	-	136,137
Total minimum lease payments	<u>3,642,581</u>	<u>230,524</u>	<u>3,873,105</u>
Less amount representing interest	<u>(239,644)</u>	<u>(5,651)</u>	<u>(245,295)</u>
Present value of future minimum lease payments	<u>\$ 3,402,937</u>	<u>\$ 224,873</u>	<u>\$ 3,627,810</u>
Less current maturities	<u>(283,554)</u>	<u>(80,517)</u>	<u>(364,071)</u>
	<u>\$ 3,119,383</u>	<u>\$ 144,356</u>	<u>\$ 3,263,739</u>

#### Closure/Postclosure Care Costs

Effective March 1994, the City of Griffin Shoal Creek Landfill Phase 1 was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately \$549,963 over the remaining eight-year period. These costs are based on what it would cost to perform all postclosure care in 2001, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Effective December 2006, the City of Griffin Shoal Creek Landfill Phase 2 was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately \$641,486 over the remaining 25-year period. These costs are based on what it would cost to perform all postclosure care in 2007, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Closure/Postclosure Care Costs (Continued)

State and federal laws and regulations require the City to place a final cover on its Shoal Creek Landfill Phase 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, which is expected to occur in 2023, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The amount noted as Phase 3 below reported as landfill closure and postclosure care liability at June 30, 2015, represents the cumulative amount reported to date based on the use of approximately 42% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,472,392 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Shoal Creek Road Landfill Phase 1 postclosure care costs	\$ 549,963
Shoal Creek Road Landfill Phase 2 postclosure care costs	641,486
Shoal Creek Road Landfill Phase 3 closure and postclosure care costs	<u>1,086,378</u>
Total closure and postclosure care costs recorded within the Solid Waste Fund	2,277,827
Less current portion	(94,410)
	<u><u>\$ 2,183,417</u></u>

#### Airport Authority Revenue Bonds

The Griffin-Spalding County Airport Authority Revenue Bonds, Series 2015, were issued on March 10, 2015. The Series 2015 bonds were issued to a) provide funds to finance in part the acquisition of land and other real and personal property for the construction and equipping of a new airport and b) pay the costs of issuance of the Series 2015 bonds. The Series 2015 bonds are limited obligations of the Authority payable solely from certain amounts to be paid by the City and Spalding County to the Authority under the provisions of an Intergovernmental agreement by and between the Authority, the City, and Spalding County. The Series 2015 bonds are not deemed to constitute a debt or general obligation or pledge of the faith and credit of the State or any political subdivision thereof, including the City, Spalding County or the Authority, within the meaning of any constitutional or statutory debt limitation. The payments provided for under the Intergovernmental Agreement constitute general obligations of the City and Spalding County for which its full faith, credit and taxing powers are pledged.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Airport Authority Revenue Bonds (Continued)

Revenue bond debt service requirements to maturities, including interest, are as follows:

Fiscal Year Payable	Total	Principal	Interest
2016	\$ 248,590	\$ 80,000	\$ 168,590
2017	248,300	30,000	218,300
2018	247,700	30,000	217,700
2019	682,100	465,000	217,100
2020	682,800	475,000	207,800
2021 - 2025	3,407,000	2,590,000	817,000
2026 - 2030	3,385,350	3,040,000	345,350
	<u>\$ 8,901,840</u>	<u>\$ 6,710,000</u>	<u>\$ 2,191,840</u>

#### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 3,677,353	\$ -	\$ (274,416)	\$ 3,402,937	\$ 283,554
Bonds payable	858,862	-	(7,836)	851,026	8,150
Net pension liability	10,716,601	-	(530,944)	10,185,657	-
Compensated absences	675,136	1,039,627	(1,060,775)	653,988	555,890
Governmental activity Long-term liabilities	<u>\$ 15,927,952</u>	<u>\$ 1,039,627</u>	<u>\$ (1,873,971)</u>	<u>\$ 15,093,608</u>	<u>\$ 847,594</u>
Business-type activities:					
Revenue bonds	\$ 58,810,000	\$ -	\$ (2,354,000)	\$ 56,456,000	\$ 2,419,000
Bond premium	3,630,082	-	(334,167)	3,295,915	-
Net revenue bonds	<u>62,440,082</u>	<u>-</u>	<u>(2,688,167)</u>	<u>59,751,915</u>	<u>2,419,000</u>
Notes payable	1,356,683	487,247	(159,695)	1,684,235	165,721
Compensated absences	471,636	677,656	(748,251)	401,041	340,885
Capital leases	313,172	-	(88,299)	224,873	80,517
OPEB liability	170,960	81,000	(185,350)	66,610	-
Intergovernmental agreement	46,729	-	(46,729)	-	-
Net pension liability	7,541,502	-	(373,637)	7,167,865	-
Landfill closure / postclosure	2,087,776	265,453	(75,402)	2,277,827	94,410
Business-type activity Long-term liabilities	<u>\$ 74,428,540</u>	<u>\$ 1,511,356</u>	<u>\$ (4,365,530)</u>	<u>\$ 71,574,366</u>	<u>\$ 3,100,533</u>
Component Units - Airport Authority					
Revenue bonds	\$ -	\$ 6,710,000	\$ -	\$ 6,710,000	\$ 80,000
Bond premium	-	468,510	-	468,510	-
Net revenue bonds	<u>-</u>	<u>7,178,510</u>	<u>-</u>	<u>7,178,510</u>	<u>80,000</u>
Net pension liability	146,019	-	(7,234)	138,785	-
Compensated absences	9,441	13,359	(11,537)	11,263	9,574
Airport Authority Long-term liabilities	<u>\$ 155,460</u>	<u>\$ 7,191,869</u>	<u>\$ (18,771)</u>	<u>\$ 7,328,558</u>	<u>\$ 89,574</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Changes in Long-Term Liabilities (Continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$14,210 of internal service fund's compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences, and net other postemployment benefit obligations are substantially liquidated by the General Fund.

### NOTE 7. PENSION PLAN

#### A. Plan Description

The City, as authorized by the City Commission, has established a non-contributory defined benefit pension plan (The City of Griffin Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Commission, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at [www.gmanet.com](http://www.gmanet.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

*Plan membership.* As of January 1, 2015, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	200
Inactive plan members entitled to, but not receiving benefits	71
Active plan members	422
Total	693

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. PENSION PLAN (CONTINUED)

#### A. Plan Description (Continued)

*Contributions.* The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Commission. City contributions to the Plan were \$2,665,382 for the year ended June 30, 2015.

#### B. Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2014.

*Actuarial assumptions.* The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25%, plus service based merit increases
Investment rate of return	7.75 %

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

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2013.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 3.00% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Commission, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45
Fixed income	25%	1.55
Real estate	10%	3.75
Cash	—%	
Total	100%	

\* Rates shown are net of the 3.25% assumed rate of inflation

*Discount rate.* The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability of the City (Continued)

*Changes in the Net Pension Liability of the City.* The changes in the components of the net pension liability of the City for the year ended June 30, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Beginning Balance</b>	\$ 66,853,308	\$ 48,449,186	\$ 18,404,122
<b>Changes for the year:</b>			
Service cost	727,554	-	727,554
Interest	5,032,771	-	5,032,771
Differences between expected and actual experience	1,408,147	-	1,408,147
Contributions—employer	-	2,678,333	(2,678,333)
Contributions—employee	-	-	-
Net investment income	-	5,495,951	(5,495,951)
Benefit payments, including refunds of employee contributions	(3,828,652)	(3,828,652)	-
Administrative expense	-	(59,631)	59,631
Other changes	34,366	-	34,366
<b>Net changes</b>	<u>3,374,186</u>	<u>4,286,001</u>	<u>(911,815)</u>
<b>Ending Balance</b>	<u>\$ 70,227,494</u>	<u>\$ 52,735,187</u>	<u>\$ 17,492,307</u>

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

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 25,875,584	\$ 17,492,304	\$ 10,488,496

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. PENSION PLAN (CONTINUED)

#### B. Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2014 and the current sharing pattern of costs between employer and employee.

#### C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$2,042,930. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,430,421
Differences between expected and actual experience	1,126,516	-
Changes in actuarial assumptions	27,492	-
City contributions subsequent to the measurement date	1,999,037	-
<b>Total</b>	<b>\$ 3,153,045</b>	<b>\$ 1,430,421</b>

City contributions subsequent to the measurement date of \$1,999,037 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2016	\$ (69,103)
2017	(69,103)
2018	(69,103)
2019	(69,104)
2020	-
Thereafter	-
<b>Total</b>	<b>\$ (276,413)</b>

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 8. BUDGET COMPLIANCE AND DEFICIT FUND EQUITY**

#### **A. Excess of Expenditures Over Appropriations**

The following General Fund departments and special revenue funds had actual expenditures in excess of appropriations for the year ended June 30, 2015:

General Government - central services	\$ 57,728
General Government - legal	6,449
Tax Allocation Districts Fund	42,190

These over expenditures were funded by greater than anticipated revenues.

The following funds had deficit fund balances/net position at June 30, 2015:

Solid Waste Fund	\$ 909,012
2012 CDBG Fund	449
2014 CDBG Fund	2,498

The fund deficits in the 2012 CDBG Fund and the 2014 CDBG Fund will be reduced through intergovernmental revenues and General Fund transfers. The fund deficit in the Solid Waste Fund will be reduced through charges for services.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2015 are as follows:

<u>Due To</u>	Due From			
	General	Nonmajor Governmental	Electric	Water / Wastewater
General Fund	\$ -	\$ 73,161	\$ -	\$ -
Nonmajor governmental	682,591	120,508	901	-
Water / Wastewater	-	-	-	-
Electric	6,480,325	-	-	5,038,111
Solid Waste	71,669	-	-	-
Internal service funds	-	-	922,388	-
Nonmajor enterprise	1,609	-	70,857	19,235
Total	\$ 7,236,194	\$ 193,669	\$ 994,146	\$ 5,057,346
	<b>Solid Waste</b>	<b>Nonmajor Enterprise</b>	<b>Internal Service</b>	<b>Total</b>
<u>Due To</u>				
General Fund	\$ -	\$ -	\$ 39,934	\$ 113,095
Nonmajor governmental	-	430	-	804,430
Water/Wastewater	75,293	-	14,141	89,434
Electric	551,153	3,688,189	3,879	15,761,657
Solid Waste	-	-	98,161	169,830
Internal Service Funds	117,639	-	-	1,040,027
Nonmajor enterprise	57,986	698	35,368	185,753
Total	\$ 802,071	\$ 3,689,317	\$ 191,483	\$ 18,164,226

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended June 30, 2015 consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>			
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Water/ Wastewater</u>	<u>Electric</u>
General Fund	\$ -	\$ 198,675	\$ -	\$ -
Nonmajor Governmental	37,051	30,912	-	-
Water / Wastewater	1,800,000	300,510	-	-
Electric	7,900,000	-	-	-
Total	<u>\$ 9,737,051</u>	<u>\$ 530,097</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Transfer From</u>	<u>Solid Waste</u>	<u>Internal Service</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
	General Fund	\$ -	\$ 660,440	\$ 453,563
Nonmajor Governmental	-	-	16,393	84,356
Water / Wastewater	-	-	-	2,100,510
Electric	-	-	1,100,000	9,000,000
Total	<u>\$ -</u>	<u>\$ 660,440</u>	<u>\$ 1,569,956</u>	<u>\$ 12,497,544</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### NOTE 10. RELATED ORGANIZATION

The City's governing body is responsible for all of the board appointments of the City of Griffin Housing Authority. However, the City has no further accountability for this organization.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 11. HOTEL/MOTEL LODGING TAX**

The City has levied a 7% lodging tax. For the fiscal year ended June 30, 2015, \$57,361 of hotel/motel tax was collected. Of the total collected, over 50% was used for the promotion of tourism within the City (\$16,394 to the Griffin Business and Tourism Association and \$16,394 to the City's Welcome Center).

### **NOTE 12. JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county west central Georgia area, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2015, the City paid \$23,344 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC 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 RC. Separate financial statements may be obtained from: Three Rivers Regional Commission; 120 North Hill Street, Griffin, Georgia 30224.

### **NOTE 13. JOINTLY GOVERNED ORGANIZATION**

During the year ended June 30, 2010, the City Commission approved entering into an interlocal cooperation agreement for the purpose of establishing the Griffin / Spalding County Land Bank Authority (the "Authority"). The Authority was formally created in August 2008. The Authority's purpose is to return land which is in a non-revenue generating, non-tax producing status to an effective utilization status in order to provide affordable housing, new trade, commerce, industry, and employment opportunities for the citizens of the City and Spalding County. The Authority is governed by a four-member board of directors appointed equally by the City and Spalding County. The City has no further accountability for this organization.

### **NOTE 14. COMMITMENTS AND CONTINGENCIES**

#### **Litigation**

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

#### Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of June 30, 2015, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$34,445,466 in 2015.

At June 30, 2015, the outstanding debt of MEAG was approximately \$6.46 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$362.45 million at June 30, 2015.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 15. RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

### **NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN**

#### **Plan Description**

The City of Griffin OPEB Plan (the "OPEB Plan") is a single-employer defined benefit healthcare plan administered by the Georgia Municipal Association. The OPEB Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions and contribution requirements are established and may be amended by the Commission. The relevant information about the OPEB Plan is provided below. No other financial reports are issued by this sole employer plan.

#### **Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the OPEB Plan's actuary. For fiscal year 2015, the City contributed \$185,350 to the plan. Plan members receiving benefits are not required to contribute to the plan.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Plan Provisions

Eligible participants are assumed to be employees, and former employees of the City of Griffin who had health coverage as an active employee for at least the two consecutive years immediately preceding their termination and have satisfied the following requirements: 1) completed at least 10 years of consecutive service immediately preceding their termination date; and 2) is eligible and elects to receive normal retirement or disability benefits under a qualified defined benefit plan sponsored by the City. The OPEB Plan is closed to all employees hired after July 1, 2007. The Plan benefit provisions are fixed at 1) \$200 per month for retiree only coverage for employees less than age 65; 2) \$400 per month for retirees and spouse (or family) coverage for employees less than age 65; 3) \$100 per month for retiree only coverage for employees age 65 or older; and 4) \$200 per month for retiree and spouse coverage for employees age 65 or older. Deferred retirements are not allowed to elect coverage at the time of retirement. Additionally, surviving spouses are not covered under the OPEB Plan.

#### Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

Annual required contribution	\$ 86,000
Interest on net OPEB obligation (asset)	(17,000)
Adjustments to annual required contribution	12,000
Annual OPEB cost	<u>81,000</u>
Contributions made	<u>185,350</u>
Decrease in net OPEB obligation	(104,350)
Net OPEB obligation, beginning of year	170,960
Net OPEB obligation, end of year	<u><u>\$ 66,610</u></u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation beginning in 2009 (the initial year of the OPEB Plan) were as follows:

Year Ending	Annual OPEB Cost	Actual City Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
June 30, 2009	\$ 1,021,000	\$ 1,392,929	136%	\$ (371,929)
June 30, 2010	1,021,000	861,515	84%	(212,444)
June 30, 2011	1,123,000	856,673	76%	53,883
June 30, 2012	1,123,000	872,385	78%	304,498
June 30, 2013	730,000	938,469	129%	96,029
June 30, 2014	739,000	664,069	90%	170,960
June 30, 2015	81,000	185,350	229%	66,610

#### Funded Status and Funding Progress

As of the most recent valuation date, July 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/14	\$ 6,114,999	\$ 5,339,000	\$ (775,999)	114.53 %	\$ 16,498,493	(4.70) %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Calculations are based on the substantive plan in effect as of July 1, 2014.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.00 percent investment rate of return and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 4.0 percent in 2095. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014, was 18 years.

### NOTE 17. OPERATING LEASES

The City has entered into several operating leases of various land parcels and buildings where the City is the lessor. The original leases have terms ranging from one to five years. Each is accounted for as an operating lease. The minimum future rentals for non-cancelable leases for the next five years as of June 30, 2015 are as follows:

2016	\$	105,746
2017		43,024
2018		27,884
2019		16,800
2020		8,400
	\$	<u>201,854</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 17. OPERATING LEASES (CONTINUED)

The City has also entered into several operating leases of various office equipment where the City is the lessee. The original leases have terms ranging from four to five years. Each is accounted for as an operating lease. The minimum future rentals for non-cancelable leases for the next five years as of June 30, 2015 are as follows:

2016	\$	37,871
2017		32,983
2018		4,272
		\$ 75,126

### NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE

The City has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the City as follows:

	Governmental Activities	Business-type Activities
Beginning net position, July 1, 2014, as previously reported	\$ 40,063,895	\$ 86,461,886
Change in accounting principle due to the implementation of GASB Statement No. 68	(11,032,960)	(6,717,045)
Beginning net position, July 1, 2014, as restated	\$ 29,030,935	\$ 79,744,841

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
Beginning net position, July 1, 2014, as previously reported	\$ 34,272,598	\$ 44,183,715	\$ 359,854	\$ 12,104,825
Change in accounting principle due to the implementation of GASB Statement No. 68	(2,353,631)	(2,680,525)	(1,148,553)	(534,336)
Beginning net position, July 1, 2014, as restated	\$ 31,918,967	\$ 41,503,190	\$ (788,699)	\$ 11,570,489

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

The Airport has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the Airport as follows:

	Griffin-Spalding County Airport Authority
Beginning net position, July 1, 2014, as previously reported	\$ 3,134,565
Change in accounting principle due to the implementation of GASB Statement No. 68	<u>(130,056)</u>
Beginning net position, July 1, 2014, as restated	<u>\$ 3,004,509</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

# CITY OF GRIFFIN, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015
<b>Total pension liability</b>	
Service cost	\$ 727,554
Interest on total pension liability	5,032,771
Differences between expected and actual experience	1,408,147
Changes of assumptions	34,366
Benefit payments, including refunds of employee contributions	(3,828,652)
<b>Net change in total pension liability</b>	3,374,186
<b>Total pension liability - beginning</b>	66,853,305
<b>Total pension liability - ending (a)</b>	\$ 70,227,491
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 2,678,333
Contributions - employee	-
Net investment income	5,495,951
Benefit payments, including refunds of member contributions	(3,828,652)
Administrative expenses	(59,631)
<b>Net change in plan fiduciary net position</b>	4,286,001
<b>Plan fiduciary net position - beginning</b>	48,449,186
<b>Plan fiduciary net position - ending (b)</b>	\$ 52,735,187
<b>Authority's net pension liability (asset) - ending (a) - (b)</b>	\$ 17,492,304
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	75.1%
<b>Covered-employee payroll</b>	\$ 16,498,493
<b>Net pension liability as a percentage of covered-employee payroll</b>	106.0%

**Notes to the Schedule:**

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

# CITY OF GRIFFIN, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS

	<b>2015</b>
Actuarially determined contribution	\$ 2,665,382
Contributions in relation to the actuarially determined contribution	2,665,382
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 16,498,493
Contributions as a percentage of covered-employee payroll	16.2%

**Notes to the Schedule:**

Valuation Date	January 1, 2014
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return	
On Investments	7.75%
Projected Salary Increases	3.25%, plus service based merit increases
Cost-of-living Adjustment	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 11 years

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

# CITY OF GRIFFIN, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS

CITY OF GRIFFIN OPEB PLAN						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 8,585,000	\$ 8,585,000	- %	\$ 14,827,023	57.90 %
07/01/09	1,022,465	8,851,000	7,828,535	11.55	17,313,780	45.22
07/01/10	1,785,088	10,746,646	8,961,558	16.61	16,747,151	53.51
07/01/11	2,155,000	10,980,000	8,825,000	19.63	16,495,560	53.50
07/01/12	3,463,306	8,440,000	4,976,694	41.03	16,387,668	30.37
07/01/13	3,795,000	8,635,000	4,840,000	43.95	16,837,911	28.74
07/01/14	6,114,999	5,339,000	(775,999)	114.53	16,498,493	(4.70)

The assumptions used in the preparation of the above schedule are disclosed in Note 16 to the financial statements.

**COMBINING STATEMENTS  
AND SCHEDULES**

**CITY OF GRIFFIN, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel accommodation excise tax receipts and distributions to tourism promoting organizations as required by agreements with these organizations.

The **Multiple Grant Fund** accounts for grant revenues and expenditures relating to various short lived projects.

The **Confiscated Assets Fund** accounts for confiscated and condemned funds received and disbursed for law enforcement expenditures.

The **Police Technology Fund** accounts for monies received by the collection of an add-on fine as allowed by state law to be used for equipping and maintaining the City police department.

The **Court Technology Fund** accounts for monies received by the collection of an add-on fine as allowed by state law to be used for equipping and maintaining the City Court system.

The **Police Donations Fund** accounts for local donated revenues and expenditures for law enforcement expenditures.

The **2012 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2013 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2014 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **EIP CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2008 CHIP Fund** accounts for CHIP grant revenues and expenditures relating to public works projects.

The **FEMA Grants Fund** accounts for disaster relief grant revenues and expenditures relating to public works projects.

The **Neighborhood Stabilization Fund** accounts for grant revenues and expenditures relating to the purchase of foreclosed and abandoned properties.

The **Neighborhood Stabilization 3 Fund** accounts for grant revenues and expenditures relating to the purchase of foreclosed and abandoned properties.

The **Tax Allocation Districts Fund** accounts for special assessed property tax revenues and expenditures relating to public works projects.



**CITY OF GRIFFIN, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

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**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **LCI Project Fund** accounts for various revenue sources and expenditures relating to public works projects.

The **Federal Stimulus Fund** accounts for capital projects of the City funded by the Federal Stimulus Grant Funds.

The **General Capital Projects Fund** accounts for capital projects of the City funded by the general revenues of the City.

The **SPLOST Fund** accounts for the capital projects within the City from resources provided by the 2009 special Spalding County one percent sales and use tax.

**PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

The **Cemetery Trust Fund** is used to account for principal trust amounts and the annual maintenance of the City's Cemetery.

The **Mausoleum Trust Fund** is used to account for principal trust amounts and the maintenance of the City's Mausoleum.

**CITY OF GRIFFIN, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

<b>Special Revenue Funds</b>							
<b>ASSETS</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Multiple Grant Fund</b>	<b>Confiscated Assets Fund</b>	<b>Police Technology Fund</b>	<b>Court Technology Fund</b>	<b>Police Donations</b>	<b>2012 CDBG</b>
Cash and cash equivalents	\$ -	\$ 131,288	\$ 189,708	\$ 24,874	\$ 68,116	\$ 14,175	\$ -
Investments	-	-	-	-	-	-	-
Taxes receivable	5,339	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	12,982	-	-
Assets held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 5,339</u>	<u>\$ 131,288</u>	<u>\$ 189,708</u>	<u>\$ 24,874</u>	<u>\$ 81,098</u>	<u>\$ 14,175</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	5,147	44,451	9,598	5,974	-	667	449
Due to component unit	192	-	-	-	-	-	-
Total liabilities	<u>5,339</u>	<u>44,451</u>	<u>9,598</u>	<u>5,974</u>	<u>-</u>	<u>667</u>	<u>449</u>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable:							
Assets held for resale	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-
Restricted for:							
Law enforcement	-	86,837	180,110	18,900	81,098	13,508	-
Cemetery maintenance (expendable)	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(449)
Total fund balances (deficit)	<u>-</u>	<u>86,837</u>	<u>180,110</u>	<u>18,900</u>	<u>81,098</u>	<u>13,508</u>	<u>(449)</u>
Total liabilities and fund balances	<u>\$ 5,339</u>	<u>\$ 131,288</u>	<u>\$ 189,708</u>	<u>\$ 24,874</u>	<u>\$ 81,098</u>	<u>\$ 14,175</u>	<u>\$ -</u>

(Continued)

2013 CDBG	2014 CDBG	EIP CDBG	2008 CHIP	FEMA Grants	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts
\$ -	\$ 50	\$ -	\$ 3,837	\$ -	\$ 27,058	\$ 62,361	\$ 265,490
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	42,311
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 3,837</u>	<u>\$ -</u>	<u>\$ 27,058</u>	<u>\$ 62,361</u>	<u>\$ 307,801</u>
\$ -	\$ 2,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	37	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>2,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,837	-	27,021	62,361	307,801
-	(2,498)	-	-	-	-	-	-
<u>-</u>	<u>(2,498)</u>	<u>-</u>	<u>3,837</u>	<u>-</u>	<u>27,021</u>	<u>62,361</u>	<u>307,801</u>
<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 3,837</u>	<u>\$ -</u>	<u>\$ 27,058</u>	<u>\$ 62,361</u>	<u>\$ 307,801</u>

(Continued)

**CITY OF GRIFFIN, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

ASSETS	Capital Project Funds				Permanent Funds		Totals
	LCI Project Fund	Federal Stimulus	General Capital Projects Fund	SPLOST Fund	Cemetery Trust Fund	Mausoleum Trust Fund	
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,848,584	\$ 871,951	\$ 331,077	\$ 6,838,569
Investments	-	-	-	-	1,760,017	384,533	2,144,550
Taxes receivable	-	-	-	-	-	-	5,339
Accounts receivable, net	-	-	-	-	50	-	50
Due from other governments	3,640	-	6,500	-	-	-	10,140
Due from other funds	-	737	18,481	-	119,158	-	193,669
Assets held for resale	-	-	-	-	234,409	-	234,409
<b>Total assets</b>	<b>\$ 3,640</b>	<b>\$ 737</b>	<b>\$ 24,981</b>	<b>\$ 4,848,584</b>	<b>\$ 2,985,585</b>	<b>\$ 715,610</b>	<b>\$ 9,426,726</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 16,645	\$ -	\$ -	\$ 19,193
Due to other funds	-	-	330	387,468	29,967	320,342	804,430
Due to component unit	-	-	-	-	-	-	192
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>330</b>	<b>404,113</b>	<b>29,967</b>	<b>320,342</b>	<b>823,815</b>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable:							
Assets held for resale	-	-	-	-	234,409	-	234,409
Permanent fund principal	-	-	-	-	2,149,274	164,759	2,314,033
Restricted for:							
Law enforcement	3,640	-	-	-	-	-	384,093
Cemetery maintenance (expendable)	-	-	-	-	571,935	230,509	802,444
Other capital projects	-	737	24,651	4,444,471	-	-	4,870,879
Unassigned	-	-	-	-	-	-	(2,947)
<b>Total fund balances (deficit)</b>	<b>3,640</b>	<b>737</b>	<b>24,651</b>	<b>4,444,471</b>	<b>2,955,618</b>	<b>395,268</b>	<b>8,602,911</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,640</b>	<b>\$ 737</b>	<b>\$ 24,981</b>	<b>\$ 4,848,584</b>	<b>\$ 2,985,585</b>	<b>\$ 715,610</b>	<b>\$ 9,426,726</b>

**(Concluded)**

**CITY OF GRIFFIN, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Special Revenue Funds</b>						
	<b>Hotel/ Motel Tax Fund</b>	<b>Multiple Grant Fund</b>	<b>Confiscated Assets Fund</b>	<b>Police Technology Fund</b>	<b>Court Technology Fund</b>	<b>Police Donations</b>	<b>2012 CDBG</b>
<b>Revenues:</b>							
Other taxes	\$ 57,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Fines and forfeitures	-	-	109,957	6,156	25,623	-	-
Interest revenue	-	31	-	-	-	-	-
Contributions and donations	-	-	-	-	-	2,526	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>57,361</u>	<u>31</u>	<u>109,957</u>	<u>6,156</u>	<u>25,623</u>	<u>2,526</u>	<u>-</u>
<b>Expenditures:</b>							
Current:							
Public safety	-	-	128,759	2,000	-	915	-
Public works	-	-	-	-	-	-	6,750
Housing and economic development	16,394	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>16,394</u>	<u>-</u>	<u>128,759</u>	<u>2,000</u>	<u>-</u>	<u>915</u>	<u>6,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,967</u>	<u>31</u>	<u>(18,802)</u>	<u>4,156</u>	<u>25,623</u>	<u>1,611</u>	<u>(6,750)</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	6,500
Transfers out	(40,967)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(40,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Net change in fund balances	-	31	(18,802)	4,156	25,623	1,611	(250)
<b>Fund balances (deficits), beginning of year</b>	<u>-</u>	<u>86,806</u>	<u>198,912</u>	<u>14,744</u>	<u>55,475</u>	<u>11,897</u>	<u>(199)</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ -</u>	<u>\$ 86,837</u>	<u>\$ 180,110</u>	<u>\$ 18,900</u>	<u>\$ 81,098</u>	<u>\$ 13,508</u>	<u>\$ (449)</u>

(Continued)

2013 CDBG	2014 CDBG	EIP CDBG	2008 CHIP	FEMA Grants	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,689
500,000	-	441,836	41,900	12,477	10,400	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
500,000	-	441,836	41,900	12,477	10,400	-	226,689
-	-	-	-	-	-	-	-
720,853	73,868	441,836	44,900	-	92,149	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	42,190
720,853	73,868	441,836	44,900	-	92,149	-	42,190
(220,853)	(73,868)	-	(3,000)	12,477	(81,749)	-	184,499
224,480	71,370	-	-	-	-	-	-
-	-	-	-	(12,477)	-	-	-
224,480	71,370	-	-	(12,477)	-	-	-
3,627	(2,498)	-	(3,000)	-	(81,749)	-	184,499
(3,627)	-	-	6,837	-	108,770	62,361	123,302
\$ -	\$ (2,498)	\$ -	\$ 3,837	\$ -	\$ 27,021	\$ 62,361	\$ 307,801

(Continued)

**CITY OF GRIFFIN, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Capital Project Funds			Permanent Funds		Totals	
	LCI Project Fund	Federal Stimulus	General Capital Projects Fund	SPLOST Fund	Cemetery Trust Fund		Mausoleum Trust Fund
<b>Revenues:</b>							
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,050
Charges for services	-	-	-	-	45,192	-	45,192
Intergovernmental	7,280	-	-	243,920	-	-	1,257,813
Fines and forfeitures	-	-	-	-	-	-	141,736
Interest revenue	-	-	-	77	111,289	10,630	122,027
Contributions and donations	-	-	-	-	-	-	2,526
Other revenues	-	-	-	-	39,477	-	39,477
Total revenues	<u>7,280</u>	<u>-</u>	<u>-</u>	<u>243,997</u>	<u>195,958</u>	<u>10,630</u>	<u>1,892,821</u>
<b>Expenditures:</b>							
Current:							
Public safety	-	-	-	-	-	-	131,674
Public works	-	-	-	-	14,376	697	1,395,429
Housing and economic development	-	-	-	-	-	-	16,394
Capital outlay	-	-	-	752,512	-	-	752,512
Debt service	-	-	-	-	-	-	42,190
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>752,512</u>	<u>14,376</u>	<u>697</u>	<u>2,338,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,280</u>	<u>-</u>	<u>-</u>	<u>(508,515)</u>	<u>181,582</u>	<u>9,933</u>	<u>(445,378)</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	30,912	196,835	-	-	530,097
Transfers out	(30,912)	-	-	-	-	-	(84,356)
Total other financing sources (uses)	<u>(30,912)</u>	<u>-</u>	<u>30,912</u>	<u>196,835</u>	<u>-</u>	<u>-</u>	<u>445,741</u>
Net change in fund balances	(23,632)	-	30,912	(311,680)	181,582	9,933	363
<b>Fund balances (deficits), beginning of year</b>	<u>27,272</u>	<u>737</u>	<u>(6,261)</u>	<u>4,756,151</u>	<u>2,774,036</u>	<u>385,335</u>	<u>8,602,548</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 3,640</u>	<u>\$ 737</u>	<u>\$ 24,651</u>	<u>\$ 4,444,471</u>	<u>\$ 2,955,618</u>	<u>\$ 395,268</u>	<u>\$ 8,602,911</u>

**(Concluded)**

**CITY OF GRIFFIN, GEORGIA  
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Other taxes	\$ 60,000	\$ 57,361	\$ (2,639)
<b>EXPENDITURES</b>			
Housing and development	17,148	16,394	754
Total expenditures	<u>17,148</u>	<u>16,394</u>	<u>754</u>
Excess of revenues over expenditures	<u>42,852</u>	<u>40,967</u>	<u>(1,885)</u>
<b>Other financing uses</b>			
Transfers out	(42,852)	(40,967)	1,885
Total other financing uses	<u>(42,852)</u>	<u>(40,967)</u>	<u>1,885</u>
Net change in fund balance	-	-	-
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF GRIFFIN, GEORGIA  
MULTIPLE GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest revenue	\$ -	\$ 31	\$ 31
Total revenues	<u>-</u>	<u>31</u>	<u>31</u>
<b>EXPENDITURES</b>			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	31	31
<b>FUND BALANCES, beginning of year</b>	<u>86,806</u>	<u>86,806</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 86,806</u>	<u>\$ 86,837</u>	<u>\$ 31</u>

**CITY OF GRIFFIN, GEORGIA  
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 41,125	\$ 109,957	\$ 68,832
Other revenue	28,360	-	(28,360)
Total revenues	<u>69,485</u>	<u>109,957</u>	<u>40,472</u>
<b>EXPENDITURES</b>			
Public safety	152,720	128,759	23,961
Total expenditures	<u>152,720</u>	<u>128,759</u>	<u>23,961</u>
Deficiency of revenues under expenditures	(83,235)	(18,802)	64,433
<b>Other financing uses</b>			
Transfers out	(11,698)	-	11,698
Total other financing uses	<u>(11,698)</u>	<u>-</u>	<u>11,698</u>
Net change in fund balance	(94,933)	(18,802)	76,131
<b>FUND BALANCES, beginning of year</b>	<u>198,912</u>	<u>198,912</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 103,979</u>	<u>\$ 180,110</u>	<u>\$ 76,131</u>

**CITY OF GRIFFIN, GEORGIA  
POLICE TECHNOLOGY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ 6,156	\$ 6,156
Total revenues	<u>-</u>	<u>6,156</u>	<u>6,156</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	2,000	2,000	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	(2,000)	4,156	6,156
<b>FUND BALANCES, beginning of year</b>	<u>14,744</u>	<u>14,744</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 12,744</u>	<u>\$ 18,900</u>	<u>\$ 6,156</u>

**CITY OF GRIFFIN, GEORGIA  
COURT TECHNOLOGY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	Original and Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Fines and forfeitures	\$ 25,000	\$ 25,623	\$ 623
Total revenues	25,000	25,623	623
Net change in fund balance	25,000	25,623	623
<b>FUND BALANCES, beginning of year</b>	55,475	55,475	-
<b>FUND BALANCES, end of year</b>	\$ 80,475	\$ 81,098	\$ 623

**CITY OF GRIFFIN, GEORGIA  
POLICE DONATIONS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest revenue	\$ -	\$ -	\$ -
Contributions and donations	1,030	2,526	1,496
Total revenues	<u>1,030</u>	<u>2,526</u>	<u>1,496</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	1,030	915	115
Total expenditures	<u>1,030</u>	<u>915</u>	<u>115</u>
Net change in fund balance	-	1,611	1,611
<b>FUND BALANCES, beginning of year</b>	<u>11,897</u>	<u>11,897</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 11,897</u>	<u>\$ 13,508</u>	<u>\$ 1,611</u>

**CITY OF GRIFFIN, GEORGIA**  
**2012 CDBG FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Public works	27,654	6,750	20,904
Total expenditures	<u>27,654</u>	<u>6,750</u>	<u>20,904</u>
Deficiency of revenues over expenditures	(27,654)	(6,750)	20,904
<b>Other financing sources</b>			
Transfers in	27,654	6,500	(21,154)
Total other financing sources	<u>27,654</u>	<u>6,500</u>	<u>(21,154)</u>
Net change in fund balance	-	(250)	(250)
<b>FUND BALANCES (DEFICIT), beginning of year</b>	<u>(199)</u>	<u>(199)</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), end of year</b>	<u>\$ (199)</u>	<u>\$ (449)</u>	<u>\$ (250)</u>

**CITY OF GRIFFIN, GEORGIA**  
**2013 CDBG FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>EXPENDITURES</b>			
Public works	747,308	720,853	26,455
Total expenditures	<u>747,308</u>	<u>720,853</u>	<u>26,455</u>
Deficiency of revenues over expenditures	(247,308)	(220,853)	26,455
<b>Other financing sources</b>			
Transfers in	247,308	224,480	(22,828)
Total other financing sources	<u>247,308</u>	<u>224,480</u>	<u>(22,828)</u>
Net change in fund balance	-	3,627	3,627
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), end of year</b>	<u>\$ -</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>

**CITY OF GRIFFIN, GEORGIA**  
**2014 CDBG FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original and Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Public works	73,870	73,868	2
Total expenditures	<u>73,870</u>	<u>73,868</u>	<u>2</u>
Deficiency of revenues over expenditures	(73,870)	(73,868)	2
<b>Other financing sources</b>			
Transfers in	73,870	71,370	(2,500)
Total other financing sources	<u>73,870</u>	<u>71,370</u>	<u>(2,500)</u>
Net change in fund balance	-	(2,498)	(2,498)
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), end of year</b>	<u>\$ -</u>	<u>\$ (2,498)</u>	<u>\$ (2,498)</u>



**CITY OF GRIFFIN, GEORGIA**  
**EIP CDBG FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 470,000	\$ 441,836	\$ (28,164)
Total revenues	<u>470,000</u>	<u>441,836</u>	<u>(28,164)</u>
<b>EXPENDITURES</b>			
Public works	663,000	441,836	221,164
Total expenditures	<u>663,000</u>	<u>441,836</u>	<u>221,164</u>
Deficiency of revenues over expenditures	<u>(193,000)</u>	<u>-</u>	<u>193,000</u>
<b>Other financing sources</b>			
Transfers in	71,000	-	(71,000)
Total other financing sources	<u>71,000</u>	<u>-</u>	<u>(71,000)</u>
Net change in fund balance	(122,000)	-	122,000
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), end of year</b>	<u>\$ (122,000)</u>	<u>\$ -</u>	<u>\$ 122,000</u>

**CITY OF GRIFFIN, GEORGIA  
2008 CHIP FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 114,250	\$ 41,900	\$ (72,350)
Total revenues	<u>114,250</u>	<u>41,900</u>	<u>(72,350)</u>
<b>EXPENDITURES</b>			
Public works	114,250	44,900	69,350
Total expenditures	<u>114,250</u>	<u>44,900</u>	<u>69,350</u>
Net change in fund balance	-	(3,000)	(3,000)
<b>FUND BALANCES, beginning of year</b>	<u>6,837</u>	<u>6,837</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 6,837</u>	<u>\$ 3,837</u>	<u>\$ (3,000)</u>

**CITY OF GRIFFIN, GEORGIA  
FEMA GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 181,935	\$ 12,477	\$ (169,458)
Total revenues	<u>181,935</u>	<u>12,477</u>	<u>(169,458)</u>
<b>EXPENDITURES</b>			
Public safety	207,940	-	207,940
Total expenditures	<u>207,940</u>	<u>-</u>	<u>207,940</u>
Excess (deficiency) of revenues over (under) expenditures	(26,005)	12,477	38,482
<b>Other financing sources</b>			
Transfers in	26,005	-	(26,005)
Transfers out	-	(12,477)	(12,477)
Total other financing sources	<u>26,005</u>	<u>(12,477)</u>	<u>(38,482)</u>
Net change in fund balance	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-
<b>FUND BALANCES, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF GRIFFIN, GEORGIA  
NEIGHBORHOOD STABILIZATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 181,927	\$ 10,400	\$ (171,527)
Total revenues	<u>181,927</u>	<u>10,400</u>	<u>(171,527)</u>
<b>EXPENDITURES</b>			
Public works	181,927	92,149	89,778
Total expenditures	<u>181,927</u>	<u>92,149</u>	<u>89,778</u>
Net change in fund balance	-	(81,749)	(81,749)
<b>FUND BALANCES, beginning of year</b>	<u>108,770</u>	<u>108,770</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 108,770</u>	<u>\$ 27,021</u>	<u>\$ (81,749)</u>

**CITY OF GRIFFIN, GEORGIA  
NEIGHBORHOOD STABILIZATION 3 FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	Original and Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 40,340	\$ -	\$ (40,340)
Total revenues	40,340	-	(40,340)
<b>EXPENDITURES</b>			
Public works	40,340	-	40,340
Total expenditures	40,340	-	40,340
Net change in fund balance	-	-	-
<b>FUND BALANCES, beginning of year</b>	62,361	62,361	-
<b>FUND BALANCES, end of year</b>	\$ 62,361	\$ 62,361	\$ -

**CITY OF GRIFFIN, GEORGIA  
TAX ALLOCATION DISTRICTS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Other taxes	\$ 118,500	\$ 226,689	\$ 108,189
Total revenues	<u>118,500</u>	<u>226,689</u>	<u>108,189</u>
<b>EXPENDITURES</b>			
Debt service	-	42,190	(42,190)
Total expenditures	<u>-</u>	<u>42,190</u>	<u>(42,190)</u>
Net change in fund balance	118,500	184,499	65,999
<b>FUND BALANCES, beginning of year</b>	<u>123,302</u>	<u>123,302</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 241,802</u>	<u>\$ 307,801</u>	<u>\$ 65,999</u>

**CITY OF GRIFFIN, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, streets, bridges and transportation improvements and equipment:					
Airport Signals	\$ 585,291	\$ 585,291	\$ 37,167	\$ -	\$ 37,167
Signals phase I	487,893	487,893	99,351	-	99,351
Signals phase II	182,013	182,013	48,217	-	48,217
Intersections	144,860	144,860	777,101	556,327	1,333,428
Airport road intersection	55,000	55,000	-	-	-
6th Street Bridge	643,340	643,340	882,071	-	882,071
Meriwether Street Bridge	275,000	275,000	-	-	-
Poplar Street Bridge	275,000	275,000	-	-	-
Street Resurfacing	1,800,000	1,800,000	2,098,646	17,476	2,116,122
Block Improvement	500,000	500,000	5,500	-	5,500
Sidewalks	490,728	490,728	400,090	-	400,090
North Hill Street LCI	3,000,000	3,000,000	45,815	-	45,815
Utilities / Engineering	2,435,465	2,435,465	148,212	178,709	326,921
	<u>\$ 10,874,590</u>	<u>\$ 10,874,590</u>	<u>\$ 4,542,170</u>	<u>\$ 752,512</u>	<u>\$ 5,294,682</u>
Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance				<u>\$ 752,512</u>	

# CITY OF GRIFFIN, GEORGIA

## NONMAJOR ENTERPRISE FUNDS

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Operations of enterprise funds are designed to be self-supporting.

The **Stormwater Utility Fund** accounts for revenues and expenses relating to the stormwater services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **Welcome Center Fund** accounts for revenues and expenses relating to the operation of the City's welcome center. Funding is provided by City appropriations and user fees.

The **Golf Course Fund** accounts for revenues and expenses relating to the operation of the City's municipal golf course. Funding is provided by City appropriations and user fees.



**CITY OF GRIFFIN, GEORGIA**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

**JUNE 30, 2015**

<b>ASSETS</b>	<b>Stormwater Utility Fund</b>	<b>Welcome Center Fund</b>	<b>Golf Course Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>				
Cash	\$ 983,848	\$ -	\$ 329,056	\$ 1,312,904
Restricted assets, cash	-	-	107,568	107,568
Accounts receivable, net of allowances	-	-	4,227	4,227
Due from other funds	3,689,125	192	-	3,689,317
Inventories	-	-	27,050	27,050
Prepaid expenses	11,911	346	2,474	14,731
Total current assets	<u>4,684,884</u>	<u>538</u>	<u>470,375</u>	<u>5,155,797</u>
<b>NONCURRENT ASSETS</b>				
Capital assets:				
Nondepreciable	773,785	365,500	1,492,380	2,631,665
Depreciable, net of accumulated depreciation	5,725,181	1,464,809	339,243	7,529,233
Total noncurrent assets	<u>6,498,966</u>	<u>1,830,309</u>	<u>1,831,623</u>	<u>10,160,898</u>
Total assets	<u>11,183,850</u>	<u>1,830,847</u>	<u>2,301,998</u>	<u>15,316,695</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	82,696	-	20,084	102,780
	<u>82,696</u>	<u>-</u>	<u>20,084</u>	<u>102,780</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	58,308	360	9,691	68,359
Accrued liabilities	21,123	-	9,507	30,630
Current portion - compensated absences	15,097	-	6,803	21,900
Current portion - notes payable	165,721	-	-	165,721
Due to component units	-	-	55	55
Due to other funds	37,045	10,486	138,222	185,753
Total current liabilities	<u>297,294</u>	<u>10,846</u>	<u>164,278</u>	<u>472,418</u>
<b>NONCURRENT LIABILITIES</b>				
Compensated absences, net of current portion	2,664	-	1,200	3,864
Net pension liability	458,774	-	111,424	570,198
Notes payable, net of current portion	1,518,514	-	-	1,518,514
Total noncurrent liabilities	<u>1,979,952</u>	<u>-</u>	<u>112,624</u>	<u>2,092,576</u>
Total liabilities	<u>2,277,246</u>	<u>10,846</u>	<u>276,902</u>	<u>2,564,994</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	37,516	-	9,112	46,628
	<u>37,516</u>	<u>-</u>	<u>9,112</u>	<u>46,628</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,814,731	1,830,309	1,831,623	8,476,663
Unrestricted	4,137,053	(10,308)	204,445	4,331,190
Total net position	<u>\$ 8,951,784</u>	<u>\$ 1,820,001</u>	<u>\$ 2,036,068</u>	<u>\$ 12,807,853</u>

**CITY OF GRIFFIN, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Stormwater Utility Fund</b>	<b>Welcome Center Fund</b>	<b>Golf Course Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,144,725	\$ 11,575	\$ 235,553	\$ 2,391,853
Other services	2,896	-	-	2,896
Total operating revenues	<u>2,147,621</u>	<u>11,575</u>	<u>235,553</u>	<u>2,394,749</u>
<b>OPERATING EXPENSES</b>				
Personal services	663,921	-	247,269	911,190
Purchased or contracted service	625,423	63,223	132,099	820,745
Supplies	195,625	1,386	42,138	239,149
Miscellaneous	68,990	184	172,504	241,678
Depreciation	347,769	42,120	68,351	458,240
Total operating expenses	<u>1,901,728</u>	<u>106,913</u>	<u>662,361</u>	<u>2,671,002</u>
Operating income (loss)	<u>245,893</u>	<u>(95,338)</u>	<u>(426,808)</u>	<u>(276,253)</u>
<b>NONOPERATING EXPENSES</b>				
Interest expense	(56,260)	-	(79)	(56,339)
Total nonoperating expenses	<u>(56,260)</u>	<u>-</u>	<u>(79)</u>	<u>(56,339)</u>
Income (loss) before transfers	<u>189,633</u>	<u>(95,338)</u>	<u>(426,887)</u>	<u>(332,592)</u>
<b>TRANSFERS</b>				
Transfers in	1,100,000	58,145	411,811	1,569,956
Total transfers	<u>1,100,000</u>	<u>58,145</u>	<u>411,811</u>	<u>1,569,956</u>
Change in net position	1,289,633	(37,193)	(15,076)	1,237,364
<b>NET POSITION, beginning of year, as restated</b>	<u>7,662,151</u>	<u>1,857,194</u>	<u>2,051,144</u>	<u>11,570,489</u>
<b>NET POSITION, end of year</b>	<u>\$ 8,951,784</u>	<u>\$ 1,820,001</u>	<u>\$ 2,036,068</u>	<u>\$ 12,807,853</u>

**CITY OF GRIFFIN, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Stormwater Utility Fund</b>	<b>Welcome Center Fund</b>	<b>Golf Course Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 771,091	\$ 6,819	\$ 238,789	\$ 1,016,699
Payments to suppliers	(1,191,212)	(64,816)	(324,612)	(1,580,640)
Payments to employees	(677,767)	(148)	(247,665)	(925,580)
Net cash used in operating activities	<u>(1,097,888)</u>	<u>(58,145)</u>	<u>(333,488)</u>	<u>(1,489,521)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,100,000	58,145	411,811	1,569,956
Net cash provided by (used in) noncapital financing activities	<u>1,100,000</u>	<u>58,145</u>	<u>411,811</u>	<u>1,569,956</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(556,512)	-	(53,581)	(610,093)
Proceeds from capital leases payable	487,247	-	-	487,247
Principal paid on notes payable and capital leases	(159,695)	-	(9,186)	(168,881)
Interest paid	(55,841)	-	(92)	(55,933)
Net cash used in capital and related financing activities	<u>(284,801)</u>	<u>-</u>	<u>(62,859)</u>	<u>(347,660)</u>
Increase (decrease) in cash and cash equivalents	(282,689)	-	15,464	(267,225)
<b>Cash and cash equivalents:</b>				
Beginning of year	1,266,537	-	421,160	1,687,697
End of year	<u>\$ 983,848</u>	<u>\$ -</u>	<u>\$ 436,624</u>	<u>\$ 1,420,472</u>
<b>Classified as:</b>				
Cash	\$ 983,848	\$ -	\$ 329,056	\$ 1,312,904
Restricted assets, cash	-	-	107,568	107,568
	<u>\$ 983,848</u>	<u>\$ -</u>	<u>\$ 436,624</u>	<u>\$ 1,420,472</u>

**(Continued)**

**CITY OF GRIFFIN, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Stormwater Utility Fund</u>	<u>Welcome Center Fund</u>	<u>Golf Course Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash (used in) operating activities:</b>				
Operating income (loss)	\$ 245,893	\$ (95,338)	\$ (426,808)	\$ (276,253)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities				
Depreciation	347,769	42,120	68,351	458,240
Decrease in accounts receivable	130,033	-	3,236	133,269
Decrease in due from other governments	12,420	-	-	12,420
Decrease in inventory	-	-	3,693	3,693
Increase in due from other funds	(1,175,610)	(192)	-	(1,175,802)
(Increase) decrease in prepaids and other assets	(2,823)	22	17	(2,784)
Increase in deferred outflows of resources	(29,927)	-	(7,268)	(37,195)
Increase (decrease) in accounts payable	(300,727)	(1)	2,357	(298,371)
Increase in accrued liabilities	4,856	-	3,568	8,424
Increase (decrease) in due to other funds	(343,373)	(4,756)	16,062	(332,067)
Decrease in net pension liability	(23,915)	-	(5,808)	(29,723)
Increase in deferred inflows of resources	37,516	-	9,112	46,628
	<u>\$ (1,097,888)</u>	<u>\$ (58,145)</u>	<u>\$ (333,488)</u>	<u>\$ (1,489,521)</u>
Net cash used in operating activities				

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	<b>Municipal Court</b>			<b>Balance June 30, 2015</b>
	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 131,181	\$ 1,438,244	\$ (1,517,379)	\$ 52,046
Total assets	<u>\$ 131,181</u>	<u>\$ 1,438,244</u>	<u>\$ (1,517,379)</u>	<u>\$ 52,046</u>
<b>LIABILITIES</b>				
Due to others	\$ 131,181	\$ 1,438,244	\$ (1,517,379)	\$ 52,046
Total liabilities	<u>\$ 131,181</u>	<u>\$ 1,438,244</u>	<u>\$ (1,517,379)</u>	<u>\$ 52,046</u>

**CITY OF GRIFFIN, GEORGIA**

**BALANCE SHEET  
COMPONENT UNITS**

**JUNE 30, 2015**

	<b>Griffin Main Street</b>	<b>Griffin Downtown Development</b>	<b>Business and Tourism Association</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,651	\$ 107,388	\$ 1,039
Due from primary government	-	16,605	21,903
Accounts receivable	49	-	-
Prepaid items	85	85	-
<b>Total assets</b>	<b>31,785</b>	<b>124,078</b>	<b>22,942</b>
<b>LIABILITIES</b>			
Accounts payable	2,285	-	-
Accrued liabilities	3,424	6,762	-
Due to primary government	26,488	-	448
<b>Total liabilities</b>	<b>32,197</b>	<b>6,762</b>	<b>448</b>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable:			
Prepaid items	85	85	-
Unassigned	(497)	117,231	22,494
<b>Total fund balance (deficit)</b>	<b>\$ (412)</b>	<b>\$ 117,316</b>	<b>\$ 22,494</b>

**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Griffin Main Street</u>	<u>Griffin Downtown Development</u>	<u>Business and Tourism Association</u>
<b>Revenues</b>			
Intergovernmental	\$ 108,504	\$ 150,758	\$ 46,081
Contributions	-	17,000	-
Interest	-	107	-
Total revenues	<u>108,504</u>	<u>167,865</u>	<u>46,081</u>
<b>Expenditures</b>			
Personal services	52,368	100,015	-
Purchased or contracted services	26,689	33,796	26,975
Supplies	9,862	297	-
Miscellaneous	16,206	11,594	17,865
Total expenditures	<u>105,125</u>	<u>145,702</u>	<u>44,840</u>
Net change in fund balance	3,379	22,163	1,241
<b>FUND BALANCE (Deficit), beginning of year</b>	<u>(3,791)</u>	<u>95,153</u>	<u>21,253</u>
<b>FUND BALANCE (Deficit), end of year</b>	<u><u>\$ (412)</u></u>	<u><u>\$ 117,316</u></u>	<u><u>\$ 22,494</u></u>

**CITY OF GRIFFIN, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**AIRPORT AUTHORITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 494,466
Other services	575
Total operating revenues	495,041
 <b>OPERATING EXPENSES</b>	
Personal services	188,504
Purchased or contracted service	418,434
Supplies	15,208
Miscellaneous	46,394
Depreciation	127,073
Total operating expenses	795,613
Operating loss	(300,572)
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Intergovernmental	157,750
Intergovernmental - contributions from City	105,400
Interest revenue	500
Interest expense and fiscal charges	(241,122)
Total nonoperating revenues (expenses)	22,528
Change in net position	(278,044)
 <b>NET POSITION, beginning of year, as restated</b>	 3,004,509
 <b>NET POSITION, end of year</b>	 \$ 2,726,465



**CITY OF GRIFFIN, GEORGIA**

**STATEMENT OF CASH FLOWS  
AIRPORT AUTHORITY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 654,051
Payments to suppliers	(431,837)
Payments to employees	<u>(191,620)</u>
Net cash provided by operating activities	<u>30,594</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Intergovernmental	<u>263,150</u>
Net cash provided by noncapital financing activities	<u>263,150</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(164,258)
Proceeds from the issuance of revenue bonds	6,710,000
Proceeds from the issuance of revenue bonds - bond premium	468,510
Interest paid	<u>(241,122)</u>
Net cash provided by capital and related financing activities	<u>6,773,130</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	<u>500</u>
Net cash provided by investing activities	<u>500</u>

Increase in cash and cash equivalents 7,067,374

**Cash and cash equivalents:**

<b>Beginning of year</b>	<u>387,193</u>
<b>End of year</b>	<u><u>\$ 7,454,567</u></u>

**Reconciliation of operating loss to net cash used in operating activities:**

Operating loss	\$ (300,572)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	127,073
Decrease in accounts receivable	23,044
Decrease in inventory	28,416
Decrease in due from other funds	106,599
Increase in prepaids and other assets	(45)
Increase in deferred outflows of resources	(9,053)
Decrease in accounts payable	(42,695)
Increase in accrued liabilities	64,345
Increase in due to other funds	29,367
Decrease in net pension liability	(7,234)
Increase in deferred inflows of resources	<u>11,349</u>
Net cash provided by operating activities	<u><u>\$ 30,594</u></u>

# STATISTICAL SECTION

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This part of the City of Griffin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	<b>106 - 114</b>
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>115 - 121</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>122 - 125</b>
<i>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.</i>	
<b>Demographic and Economic Information</b> .....	<b>126 and 127</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b> .....	<b>128 - 130</b>
<i>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.</i>	

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

## **COMPLIANCE SECTION**

**CITY OF GRIFFIN, GEORGIA**

**NET POSITION BY ACTIVITY  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital										
assets	\$ 14,785,016	\$ 14,408,710	\$ 12,991,539	\$ 12,975,572	\$ 13,665,934	\$ 15,867,708	\$ 16,197,106	\$ 17,649,753	\$ 18,088,118	\$ 19,658,120
Restricted	-	-	-	-	-	3,334,266	3,826,867	4,206,163	6,227,266	6,166,773
Unrestricted	6,717,474	7,397,437	7,662,397	7,673,140	12,015,787	12,677,719	15,725,008	15,001,410	15,748,511	7,434,838
Total governmental activities net position	<u>\$ 21,502,490</u>	<u>\$ 21,806,147</u>	<u>\$ 20,653,936</u>	<u>\$ 20,648,712</u>	<u>\$ 25,681,721</u>	<u>\$ 31,879,693</u>	<u>\$ 35,748,981</u>	<u>\$ 36,857,326</u>	<u>\$ 40,063,895</u>	<u>\$ 33,259,731</u>
Business-type activities										
Net investment in capital										
assets	\$ 43,107,249	\$ 47,045,720	\$ 47,793,223	\$ 46,056,274	\$ 45,704,091	\$ 47,893,557	\$ 47,439,408	\$ 45,543,491	\$ 49,188,045	\$ 55,349,624
Restricted	1,414,792	1,025,014	1,025,014	995,921	1,000,105	1,007,038	1,013,568	10,404,843	5,982,820	4,017,589
Unrestricted	14,912,965	11,738,893	9,623,571	13,111,169	18,756,262	20,897,027	25,185,368	27,140,869	31,291,021	24,192,432
Total business-type activities net position	<u>\$ 59,435,006</u>	<u>\$ 59,809,627</u>	<u>\$ 58,441,808</u>	<u>\$ 60,163,364</u>	<u>\$ 65,460,458</u>	<u>\$ 69,797,622</u>	<u>\$ 73,638,344</u>	<u>\$ 83,089,203</u>	<u>\$ 86,461,886</u>	<u>\$ 83,559,645</u>
Primary government										
Net investment in capital										
assets	\$ 57,892,265	\$ 61,454,430	\$ 60,784,762	\$ 59,031,846	\$ 59,370,025	\$ 63,761,265	\$ 63,636,514	\$ 63,193,244	\$ 67,276,163	\$ 75,007,744
Restricted	1,414,792	1,025,014	1,025,014	995,921	1,000,105	4,341,304	4,840,435	14,611,006	12,210,086	10,184,362
Unrestricted	21,630,439	19,136,330	17,285,968	20,784,309	30,772,049	33,574,746	40,910,376	42,142,279	47,039,532	31,627,270
Total primary government net position	<u>\$ 80,937,496</u>	<u>\$ 81,615,774</u>	<u>\$ 79,095,744</u>	<u>\$ 80,812,076</u>	<u>\$ 91,142,179</u>	<u>\$ 101,677,315</u>	<u>\$ 109,387,325</u>	<u>\$ 119,946,529</u>	<u>\$ 126,525,781</u>	<u>\$ 116,819,376</u>

**Note:** GASB 68 was implemented during fiscal year 2015

**CITY OF GRIFFIN, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 5,665,886	\$ 6,263,855	\$ 4,651,126	\$ 4,145,149	\$ 3,847,393	\$ 4,111,180	\$ 4,149,134	\$ 4,817,013	\$ 5,019,496	\$ 4,814,301
Judicial	147,337	138,435	155,443	154,801	166,044	168,762	251,537	163,995	187,201	220,967
Public safety	13,268,194	13,804,583	14,438,842	14,735,107	14,034,310	14,673,254	14,803,719	14,671,072	14,770,642	14,095,194
Public works	4,116,631	4,573,818	4,760,853	4,255,794	4,250,091	5,551,010	4,389,885	6,125,980	4,838,560	4,450,304
Parks and recreation	412,667	426,302	464,517	535,047	265,882	265,527	288,563	306,880	331,053	341,114
Housing and development	596,803	755,454	811,268	574,377	960,351	897,705	893,084	1,744,909	1,285,090	1,198,472
Interest and fiscal changes	21,826	175,391	254,579	232,108	218,882	206,442	192,630	315,732	206,286	194,435
Total governmental activities expenses	24,229,344	26,137,838	25,536,628	24,632,383	23,742,953	25,873,880	24,968,552	28,145,581	26,638,328	25,314,787
Business-type activities:										
Water and Wastewater	13,668,876	15,055,974	15,366,591	15,291,525	15,439,483	15,633,302	16,324,849	16,452,354	15,142,670	15,250,310
Electric	30,161,161	31,007,937	34,439,453	34,862,574	31,929,195	34,885,002	35,759,349	36,908,037	37,555,182	38,889,023
Solid Waste	5,980,372	6,634,031	6,786,941	6,321,731	5,972,508	6,219,035	5,990,274	6,259,574	6,460,663	6,869,383
Stormwater	1,567,435	1,538,814	1,602,906	1,754,685	1,882,797	1,555,172	1,634,492	1,607,053	1,765,224	1,981,286
Airport	1,025,792	1,163,804	974,200	911,534	806,985	928,157	780,458	1,014,246	-	-
Welcome Center	122,687	97,060	103,441	101,039	108,418	107,105	106,178	115,656	122,901	106,913
Golf Course	41,378	37,695	319,360	595,589	551,005	561,208	601,361	608,758	637,841	662,440
Total business-type activities expenses	52,567,701	55,535,315	59,592,892	59,838,677	56,690,391	59,888,981	61,196,961	62,965,678	61,684,481	63,759,355
Total primary government expenses	76,797,045	81,673,153	85,129,520	84,471,060	80,433,344	85,762,861	86,165,513	91,111,259	88,322,809	89,074,142
<b>Program revenues</b>										
Primary government:										
Governmental activities:										
Charges for services										
General government	5,225,192	5,331,396	4,976,327	5,053,915	4,485,957	4,918,449	4,745,905	5,241,268	5,716,553	5,559,215
Public safety	1,200,815	1,599,296	1,234,416	1,483,436	2,204,342	1,347,878	1,151,869	1,035,788	660,646	888,437
Public works	216,254	194,501	220,743	181,713	174,843	200,332	205,135	197,369	174,619	187,224
Parks and recreation	55,140	231,099	213,252	183,146	211,449	210,767	207,638	207,317	186,169	215,779
Housing and economic development	344,629	389,600	231,281	127,306	115,216	101,832	149,688	127,337	150,780	235,016
Operating grants and contributions	413,975	363,998	338,472	406,984	1,693,407	1,053,102	401,862	790,343	615,471	373,085
Capital grants and contributions	-	335,500	394,613	-	2,488,143	3,342,662	1,728,069	2,244,969	2,629,373	1,235,013
Total governmental activities program revenues	7,456,005	8,445,390	7,609,104	7,436,500	11,373,357	11,175,022	8,590,166	9,844,391	10,133,611	8,693,769

(Continued)

**CITY OF GRIFFIN, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type activities:</b>										
Charges for services <sup>(a)</sup>										
Water and wastewater	\$ 14,549,148	\$ 15,597,379	\$ 15,251,076	\$ 15,916,076	\$ 16,404,641	\$ 18,655,002	\$ 19,535,423	\$ 19,281,293	\$ 18,756,927	\$ 19,028,788
Electric	36,704,106	37,354,903	39,249,939	42,584,904	42,538,662	46,041,080	44,721,076	44,114,775	47,080,348	48,554,415
Solid waste	4,733,764	5,205,147	5,158,117	5,294,230	5,330,980	5,602,104	5,899,648	5,958,989	6,176,975	6,454,229
Stormwater	1,656,357	1,576,150	1,657,443	1,845,721	2,036,829	2,038,860	2,164,061	2,219,025	2,207,951	2,147,621
Airport	536,607	637,397	650,450	486,881	478,507	427,705	522,811	683,920	-	-
Welcome center	3,375	-	-	-	5,300	10,325	10,825	11,524	8,075	11,575
Golf course	13,000	16,988	183,752	316,858	300,866	284,412	234,223	236,934	236,936	235,553
Operating grants and contributions	155,219	155,219	157,276	206,103	141,499	169,809	46,773	182,849	104,962	-
Capital grants and contributions	11,800	-	127,333	735,186	571,622	331,663	117,206	9,141,322	21,758	12,000
Total business-type activities program revenues	58,363,376	60,543,183	62,435,386	67,385,959	67,808,906	73,560,960	73,252,046	81,830,631	74,593,932	76,444,181
Total primary government program revenues	65,819,381	68,988,573	70,044,490	74,822,459	79,182,263	84,735,982	81,842,212	91,675,022	84,727,543	85,137,950
<b>General revenues and other changes in net position</b>										
Primary government:										
Governmental activities:										
Property taxes	4,875,516	4,976,391	4,843,964	4,721,865	4,823,429	4,752,266	4,575,821	4,562,903	4,986,729	4,412,356
Sales taxes	3,713,381	3,643,076	3,786,058	3,249,639	3,327,451	3,274,679	3,482,760	3,409,570	3,345,800	3,467,609
Insurance premium tax	1,174,508	1,228,829	1,281,805	1,312,511	1,300,347	1,262,410	1,108,956	1,177,972	1,219,600	1,274,964
Alcoholic beverage taxes	607,163	616,134	646,473	644,810	614,651	620,485	635,971	621,130	626,427	647,763
Business occupational taxes	451,474	462,636	442,655	384,289	415,842	404,400	421,639	416,930	441,938	431,498
Other taxes	186,959	181,064	181,316	166,668	179,848	196,315	196,560	253,890	257,431	399,177
Franchise fees	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345	535,272	526,376
Unrestricted investment earnings	112,359	314,039	73,214	(158,665)	(81,675)	245,221	163,807	9,852	445,337	127,873
Gain on sale of assets	71,085	21,607	82,281	50,012	30,023	10,530	72,546	-	5,341	31,644
Transfers	4,522,658	5,952,873	4,825,307	6,197,941	6,231,802	9,575,011	9,033,356	8,397,943	7,847,411	9,530,554
Total governmental activities general revenues and changes in net position	16,311,637	17,996,105	16,775,313	17,190,659	17,402,146	20,896,830	20,247,674	19,409,535	19,711,286	20,849,814
Business-type activities:										
Unrestricted investment earnings	811,917	747,202	619,561	372,215	410,381	231,019	783,095	(373,183)	1,256,518	660,532
Gain on sale of assets	42,631	572,424	(4,567)	-	-	9,177	35,898	-	207,091	-
Special item	-	-	-	-	-	-	-	-	(3,152,966)	-
Transfers	(4,522,658)	(5,952,873)	(4,825,307)	(6,197,941)	(6,231,802)	(9,575,011)	(9,033,356)	(8,397,943)	(7,847,411)	(9,530,554)
Total business type activities general revenues and changes in net position	(3,668,110)	(4,633,247)	(4,210,313)	(5,825,726)	(5,821,421)	(9,334,815)	(8,214,363)	(8,771,126)	(9,536,768)	(8,870,022)

(Continued)

**CITY OF GRIFFIN, GEORGIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total primary government general revenues and other changes in net position	\$ 12,643,527	\$ 13,362,858	\$ 12,565,000	\$ 11,364,933	\$ 11,580,725	\$ 11,562,015	\$ 12,033,311	\$ 10,638,409	\$ 10,174,518	\$ 11,979,792
<b>Change in net position</b>										
Governmental activities	(461,702)	303,657	(1,152,211)	(5,224)	5,032,550	6,197,972	3,869,288	1,108,345	3,206,569	4,228,796
Business-type activities	2,127,565	374,621	(1,367,819)	1,721,556	5,297,094	4,337,164	3,840,722	10,093,827	3,372,683	3,814,804
Total primary government change in net position	\$ 1,665,863	\$ 678,278	\$ (2,520,030)	\$ 1,716,332	\$ 10,329,644	\$ 10,535,136	\$ 7,710,010	\$ 11,202,172	\$ 6,579,252	\$ 8,043,600

(a) Revenue growth from year to year due mostly to increased rates for services due to rising energy costs.

**CITY OF GRIFFIN, GEORGIA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**2006 - 2010**

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 303,356	\$ 219,852	\$ 160,471	\$ 180,051	\$ 238,489
Unreserved	1,214,341	1,123,751	1,190,065	742,294	2,024,459
Total General fund	<u>\$ 1,517,697</u>	<u>\$ 1,343,603</u>	<u>\$ 1,350,536</u>	<u>\$ 922,345</u>	<u>\$ 2,262,948</u>
All Other Governmental Funds					
Reserved	\$ 2,205,166	\$ 2,449,134	\$ 2,276,217	\$ 2,148,241	\$ 2,103,064
Unreserved, reported in:					
Special revenue funds	58,201	121,906	143,212	138,022	362,047
Capital projects funds	150,991	149,806	20,061	(83,019)	2,315,097
Total all other governmental funds	<u>\$ 2,414,358</u>	<u>\$ 2,720,846</u>	<u>\$ 2,439,490</u>	<u>\$ 2,203,244</u>	<u>\$ 4,780,208</u>
Total all governmental funds	<u>\$ 3,932,055</u>	<u>\$ 4,064,449</u>	<u>\$ 3,790,026</u>	<u>\$ 3,125,589</u>	<u>\$ 7,043,156</u>



**CITY OF GRIFFIN, GEORGIA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST FIVE FISCAL YEARS**

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 211,407	\$ 188,035	\$ 217,727	\$ 143,578	\$ 187,974
Restricted	109,357	109,357	109,357	109,357	109,357
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	4,290,717	7,795,166	7,624,705	8,012,324	10,003,964
Total General fund	<u>4,611,481</u>	<u>8,092,558</u>	<u>7,951,789</u>	<u>8,265,259</u>	<u>10,301,295</u>
All Other Governmental Funds					
Nonspendable, reported in:					
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	-	-	-	-	-
Permanent funds	2,233,107	2,325,307	2,406,047	2,494,726	2,548,442
Restricted, reported in:					
Special revenue funds	355,797	410,412	576,388	669,104	781,473
Capital projects funds	2,698,470	3,016,291	3,264,096	4,784,160	4,473,499
Permanent funds	170,642	290,807	256,322	664,645	802,444
Unassigned	-	-	(65,152)	(10,087)	(2,947)
Total all other governmental funds	<u>\$ 5,458,016</u>	<u>\$ 6,042,817</u>	<u>\$ 6,437,701</u>	<u>\$ 8,602,548</u>	<u>\$ 8,602,911</u>
Total all governmental funds	<u>\$ 10,069,497</u>	<u>\$ 14,135,375</u>	<u>\$ 14,389,490</u>	<u>\$ 16,867,807</u>	<u>\$ 18,904,206</u>

**Note:** GASB 54 was implemented during fiscal year 2011.

**CITY OF GRIFFIN, GEORGIA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Property taxes	\$ 4,917,436	\$ 4,954,777	\$ 4,798,148	\$ 4,682,938	\$ 4,798,935	\$ 4,662,904	\$ 4,699,665	\$ 4,451,514	\$ 4,890,450	\$ 4,576,229
Other taxes	6,133,485	6,131,739	6,338,307	5,672,072	5,836,489	5,845,784	5,845,886	5,879,492	5,891,196	6,221,011
Charges for services	4,594,007	4,633,730	5,271,919	5,075,420	4,491,210	4,954,638	4,795,078	5,251,331	5,656,674	5,558,446
Licenses and permits	521,097	545,177	396,528	300,540	284,588	285,302	319,097	312,916	319,997	388,918
Intergovernmental	413,975	363,998	397,585	406,984	4,162,422	4,286,767	2,243,559	3,031,251	3,244,735	1,608,021
Franchise fees	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345	535,272	526,376
Fines and forfeitures	1,178,213	1,581,007	1,177,709	1,309,886	2,128,550	1,296,843	1,084,115	984,364	621,506	846,414
Interest revenues	112,359	314,039	68,533	(159,027)	(82,058)	244,569	162,991	9,936	445,446	127,950
Rental income	69,743	238,126	215,418	191,521	195,969	196,689	193,874	193,944	175,598	207,623
Contributions and donations	16,276	5,953	21,046	4,314	35,626	3,766	3,165	629	9,160	26,601
Other revenues	662,694	741,899	128,899	147,835	55,864	42,020	64,906	65,895	105,832	57,669
<b>Total revenues</b>	<b>19,215,819</b>	<b>20,109,901</b>	<b>19,426,332</b>	<b>18,254,072</b>	<b>22,468,023</b>	<b>22,374,795</b>	<b>19,968,594</b>	<b>20,740,617</b>	<b>21,895,866</b>	<b>20,145,258</b>
<b>Expenditures:</b>										
Current:										
General government	5,412,240	10,291,124	4,405,393	4,144,099	3,627,897	4,071,171	3,974,565	4,534,475	4,702,864	4,594,427
Judicial	133,113	138,431	154,045	154,315	165,023	168,195	251,021	163,570	185,970	221,222
Public safety	13,146,161	13,835,808	14,183,441	14,329,207	14,258,743	14,144,740	14,070,597	14,801,325	13,996,515	14,098,284
Public works	3,055,377	3,664,722	3,712,634	3,535,617	4,666,959	5,762,799	4,962,104	5,299,122	4,749,767	5,191,626
Parks and recreation	472,303	432,342	451,220	543,691	310,404	293,622	317,098	372,654	296,379	489,016
Housing and development	590,356	745,818	800,422	566,739	949,545	892,066	879,060	1,749,118	1,257,507	1,186,700
Capital outlay	37,745	10,734	258,331	300,440	88,322	1,675,504	577,948	1,579,640	933,531	752,512
Debt service:										
Principal	129,983	261,154	544,731	663,610	712,094	463,214	427,584	415,465	341,489	282,252
Interest and fiscal charges	21,826	38,150	353,919	235,199	220,395	208,474	191,383	299,941	207,492	194,578
<b>Total expenditures</b>	<b>22,999,104</b>	<b>29,418,283</b>	<b>24,864,136</b>	<b>24,472,917</b>	<b>24,999,382</b>	<b>27,679,785</b>	<b>25,651,360</b>	<b>29,215,310</b>	<b>26,671,514</b>	<b>27,010,617</b>
Deficiency of revenues over expenditures	(3,783,285)	(9,308,382)	(5,437,804)	(6,218,845)	(2,531,359)	(5,304,990)	(5,682,766)	(8,474,693)	(4,775,648)	(6,865,359)

(Continued)

**CITY OF GRIFFIN, GEORGIA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Transfers in	\$ 17,260,996	\$ 17,794,362	\$ 18,151,245	\$ 18,079,107	\$ 15,921,590	\$ 10,443,647	\$ 9,496,699	\$ 9,198,968	\$ 8,700,129	\$ 10,267,148
Transfers out	(13,501,313)	(12,783,193)	(13,744,540)	(12,524,699)	(10,139,788)	(2,112,346)	(463,343)	(1,381,644)	(1,451,505)	(1,397,034)
Tax allocation bond issuance	-	-	-	-	-	-	-	866,397	-	-
Capital leases	628,514	4,408,000	756,676	-	645,165	-	642,742	-	-	-
Proceeds from the sale of capital assets	155,175	21,607	-	-	21,500	30	72,546	45,087	5,341	31,644
Total other financing sources	<u>4,543,372</u>	<u>9,440,776</u>	<u>5,163,381</u>	<u>5,554,408</u>	<u>6,448,467</u>	<u>8,331,331</u>	<u>9,748,644</u>	<u>8,728,808</u>	<u>7,253,965</u>	<u>8,901,758</u>
Net change in fund balances	<u>\$ 760,087</u>	<u>\$ 132,394</u>	<u>\$ (274,423)</u>	<u>\$ (664,437)</u>	<u>\$ 3,917,108</u>	<u>\$ 3,026,341</u>	<u>\$ 4,065,878</u>	<u>\$ 254,115</u>	<u>\$ 2,478,317</u>	<u>\$ 2,036,399</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.69%</u>	<u>1.26%</u>	<u>3.78%</u>	<u>3.84%</u>	<u>4.04%</u>	<u>2.74%</u>	<u>2.63%</u>	<u>2.69%</u>	<u>2.20%</u>	<u>1.97%</u>

**CITY OF GRIFFIN, GEORGIA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Business Tax</u>	<u>Other (1)</u>	<u>Total</u>
2006	\$ 4,917	\$ 3,713	\$ 451	\$ 2,565	\$ 11,646
2007	4,955	3,643	463	2,625	11,686
2008	4,798	3,786	443	2,722	11,749
2009	4,683	3,250	384	2,660	10,977
2010	4,799	3,327	416	2,654	11,196
2011	4,663	3,275	404	2,722	11,064
2012	4,700	3,483	422	2,498	11,103
2013	4,452	3,410	417	2,612	10,891
2014	4,890	3,346	442	2,639	11,317
2015	4,576	3,468	431	2,848	11,324

Notes: (1) - Includes alcohol business taxes, hotel/motel taxes, insurance premium taxes and franchise fees.

**CITY OF GRIFFIN, GEORGIA**

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

<u>Fiscal Year Ended June 30th</u>	<u>Digest Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Property<sup>(a)</sup></u>	<u>Less: Tax-Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a % of Actual Value</u>
2006	2005	\$ 239,844,598	\$ 208,381,823	\$ 117,296,925	\$ 45,801,333	\$ 53,678,663	\$ 557,646,016	8.65	\$ 1,394,115,040	40%
2007	2006	246,541,282	210,914,389	110,413,777	44,082,271	41,696,761	570,254,958	8.63	1,425,637,395	40%
2008	2007	254,831,321	223,094,624	104,413,194	46,821,405	45,219,895	583,940,649	8.63	1,459,851,623	40%
2009	2008	258,674,420	229,962,338	97,850,407	44,945,446	50,826,550	580,606,061	8.63	1,451,515,153	40%
2010	2009	262,354,439	227,025,817	71,024,533	46,486,097	40,876,237	566,014,649	8.63	1,415,036,623	40%
2011	2010	257,941,237	222,838,476	68,877,652	46,053,656	34,913,558	560,797,463	8.63	1,401,993,658	40%
2012	2011	250,589,805	217,247,424	70,044,477	38,851,735	36,982,207	539,751,234	8.63	1,349,378,085	40%
2013	2012	215,342,724	235,452,254	69,272,022	42,605,915	40,442,206	539,751,234	8.63	1,305,576,773	40%
2014	2013	205,946,035	231,703,614	69,346,736	36,366,027	45,781,832	497,580,580	8.61	1,243,951,450	40%
2015	2014	204,825,623	263,827,815	70,667,696	28,473,445	42,975,873	524,818,706	8.40	1,312,046,765	40%

Source: Spalding County Tax Commissioner

(a) Other property consists of agricultural, utilities, historic, mobile homes, etc.

**CITY OF GRIFFIN, GEORGIA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(Rate per \$1,000 of assessed value)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Municipal rates:										
City of Griffin:										
Maintenance and operations	14.97	15.11	15.18	14.95	14.95	14.95	14.95	14.95	16.25	14.88
Debt service	-	-	-	-	-	-	-	-	-	-
Sales tax reduction	(6.32)	(6.48)	(6.55)	(6.32)	(6.32)	(6.32)	(6.32)	(6.32)	(7.64)	(6.48)
Total City of Griffin	8.65	8.63	8.63	8.63	8.63	8.63	8.63	8.63	8.61	8.40
City of Orchard Hill maintenance and operations	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.00	6.31	6.31
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.29	4.29	4.08	5.00	5.00
Spalding County rates:										
Unincorporated maintenance and operations	13.41	13.39	13.89	13.88	14.88	14.81	15.01	15.01	16.01	16.01
Fire protection (1)	4.81	4.81	4.83	4.82	5.04	5.98	5.98	5.98	4.17	5.93
Insurance premium rollback (1)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.81)	(1.81)	(1.76)	(1.76)
Board of Education	18.85	18.82	18.81	18.80	18.80	18.80	19.06	19.47	19.47	18.74
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.05
Total Unincorporated Spalding County	35.56	35.51	35.99	35.96	37.16	38.03	38.49	38.85	38.04	38.97
Total Municipalities:										
City of Griffin	41.16	41.09	41.58	41.56	42.56	42.49	42.95	43.31	44.24	43.20
City of Orchard Hill	37.46	37.41	37.90	37.88	38.88	38.81	39.27	39.68	41.94	41.11
City of Sunny Side	36.87	36.82	37.31	37.29	38.29	38.15	38.61	38.76	40.63	39.80

Source: Spalding County Tax Commissioner

(1) Fire protection and insurance premium rollback is applied only to unincorporated rates.

**CITY OF GRIFFIN, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30th	Digest Tax Year	Taxes Levied for the Fiscal Year <sup>a</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2006	2005	\$ 4,823,638	\$ 4,702,117	97.48%	\$ 120,530	\$ 4,822,647	99.98%	\$ 991
2007	2006	4,921,300	4,807,096	97.68%	102,624	4,909,720	99.76%	11,580
2008	2007	5,021,890	4,843,578	96.45%	173,324	5,016,902	99.90%	4,988
2009	2008	5,015,275	4,809,253	95.89%	192,813	5,002,066	99.74%	13,209
2010	2009	4,888,103	4,682,081	95.79%	185,429	4,867,510	99.58%	20,593
2011	2010	4,571,371	4,264,314	93.28%	276,331	4,540,645	99.33%	30,726
2012	2011	4,661,292	4,455,818	95.59%	162,082	4,617,900	99.07%	43,392
2013	2012	4,621,315	4,355,689	94.25%	186,543	4,542,232	98.29%	79,083
2014	2013	4,623,024	4,523,644	97.85%	213,774	4,737,418	102.47%	99,380
2015	2014	4,179,677	3,992,554	95.52%	-	3,992,554	95.52%	187,123

**Sources:** Spalding County Tax Commissioner's Office and City of Griffin Department of Finance.

(a) Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2009 are used for fiscal year ending in 2010).

**CITY OF GRIFFIN, GEORGIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value (In thousands)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value (In thousands)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Tenet-Spalding Regional Hospital	\$ 40,964	1	3.12%	\$ 26,397	2	1.89%
Exo-Tech Packaging LLC	27,510	2	2.10%	20,469	7	1.47%
Bandag Inc.	27,401	3	2.09%	22,518	3	1.62%
Wal-Mart Stores	21,657	4	1.65%	21,682	4	1.56%
Kroger	20,809	5	1.59%	-		-
International Paper	20,404	6	1.56%	-		-
Lowes Home Centers, Inc.	12,525	7	0.95%	12,393	10	0.89%
Westdale	11,143	8	0.85%	-		-
Walden Point	10,424	9	0.79%	-		-
North Griffin Square	9,533	10	0.73%	-		-
NACOM	-		-	94,658	1	6.79%
Weyerhaeuser Co.	-		-	21,181	5	1.52%
Cooper Standard	-		-	20,783	6	1.49%
Ware Industries, Inc.	-		-	20,441	8	1.47%
Halpem Enterprises, Inc.	-		-	17,066	9	1.22%
<b>Total</b>	<b>\$ 202,370</b>		<b>15.42%</b>	<b>\$ 277,588</b>		<b>19.92%</b>

Source: Spalding County Tax Assessor



**CITY OF GRIFFIN, GEORGIA**  
**TOP TEN SEWER CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Customer	2015				2006			
	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Southern Terry	85,341,400	\$ 658,027	1	9.26 %	364,593	\$ 205,655	1	4.04 %
Spalding Co. Law Enforcement	28,688,000	459,540	2	6.47	-	-		-
AMI Griffin-Spalding Co. Hospital	19,083,400	160,128	3	2.25	183,345	106,984	3	2.10
Spalding County C.I.	16,263,000	129,608	4	1.82	-	-		-
Caterpillar Inc.	13,515,800	112,842	5	1.59	-	-		-
Bandag Inc.	15,219,800	109,826	6	1.55	-	-		-
Brightmoor Health	11,309,800	89,750	7	1.26	-	-		-
Griffin Health Care Center	10,187,400	79,790	8	1.12	-	-		-
Exopack	10,202,800	70,196	9	0.99	-	-		-
Carwash Headquarters	7,708,000	60,708	10	0.85	-	-		-
National Housing Management Service	-	-		-	283,681	158,757	2	3.12
Copper Standard	-	-		-	150,653	87,904	4	1.73
Nacom	-	-		-	182,396	85,533	5	1.68
Heritage Apartments	-	-		-	37,419	49,649	6	0.98
Griffin Crossings	-	-		-	95,117	2,632	7	0.05
Riverside Uniform Rental	-	-		-	86,319	275	8	0.01
Walden Pointe Apartments	-	-		-	86,030	218	9	-
First National Bank	-	-		-	92,913	212	10	-
	<u>217,519,400</u>	<u>\$ 1,930,415</u>		<u>27.16 %</u>	<u>1,562,466</u>	<u>\$ 697,819</u>		<u>13.71 %</u>

Source: City of Griffin Utility Billing Department

**CITY OF GRIFFIN, GEORGIA**  
**TOP TEN WATER CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Customer	2015				2006			
	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Spalding County Water Authority	749,489,800	\$ 7,833,747	1	52.01 %	-	\$ -		- %
Coweta County Water and Sewer	1,076,778,000	2,703,775	2	17.95	925,471	213,070	2	2.63
City of Zebulon	53,670,700	425,179	3	2.82	967,091	180,006	3	2.22
Southern Terry	85,341,400	402,077	4	2.67	364,593	149,165	4	1.84
AMI Griffin-Spalding Co. Hospital	26,343,000	211,412	5	1.40	200,857	85,702	6	1.06
City of Williamson	12,278,500	97,224	6	0.65	-	-		-
Bandag Inc.	15,219,800	87,860	7	0.58	-	-		-
City of Zebulon	8,731,000	69,125	8	0.46	-	-		-
Exopack	10,202,800	51,112	9	0.34	-	-		-
Griffin Health Care Center	10,187,400	58,142	10	0.39	-	-		-
Springs Ind. Inc.	-	-		-	2,828,392	690,088	1	8.51
National Housing Management Service	-	-		-	283,681	118,184	5	1.46
University of Georgia, Griffin Campus	-	-		-	196,432	62,954	7	0.78
Lamar County Water and Sewer	-	-		-	237,000	50,630	8	0.62
Cooper Standard	-	-		-	182,396	50,629	9	0.62
City of Williamson	-	-		-	214,464	37,106	10	0.46
	<u>2,048,242,400</u>	<u>\$ 11,939,653</u>		<u>79.26 %</u>	<u>6,400,377</u>	<u>\$ 1,637,534</u>		<u>20.20 %</u>

Source: City of Griffin Utility Billing Department

**CITY OF GRIFFIN, GEORGIA**  
**TOP TEN ELECTRIC CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Customer	2015				2006			
	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues
Bandag, Inc.	18,756,600	\$ 1,633,882	1	3.59 %	18,053,259	\$ 1,226,557	1	3.49 %
City of Griffin	15,415,606	1,540,019	2	3.38	-	-		-
Covaris (formerly Exopac)	17,321,300	1,400,165	3	3.08	17,357,368	1,027,377	3	2.93
Griffin Spalding Schools	10,828,034	1,174,842	4	2.58	-	-		-
Caterpillar Inc.	12,665,400	1,073,038	5	2.36	13,074,044	676,984	4	1.93
AMI Griffin-Spalding Co. Hospital	8,521,101	786,578	6	1.73	7,790,663	563,210	5	1.60
International Paper	8,253,000	688,113	7	1.51	-	-		-
Southern Terry	5,995,900	528,528	8	1.16	5,769,405	414,695	10	1
Norcom	6,436,638	515,194	9	1.13	-	-	7	-
Vernay Manufacturing Company	5,935,440	490,279	10	1.08	-	-	10	-
Cooper Standard	-	-		-	17,953,380	1,199,097	2	3.41
Filter Plant/River and Reservoir PMP	-	-		-	7,735,512	512,827	6	1.46
University of Georgia, Griffin Campus	-	-		-	7,164,701	502,022	7	1.43
Weyerhaeuser Co.	-	-		-	6,378,444	477,846	8	1.36
WAL-MART Store #01-932	-	-		-	6,117,621	449,518	9	1.28
	<u>110,129,019</u>	<u>\$ 9,830,638</u>		<u>21.60 %</u>	<u>107,394,397</u>	<u>\$ 7,050,133</u>		<u>20.07 %</u>

Source: City of Griffin Utility Billing Department

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

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Estimated Actual Value of Taxable Property <sup>1</sup>	Percentage of Personal Income	Per Capita <sup>1</sup>
	Tax Allocation Bonds	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases	Inter-governmental Agreement				
2006	\$ -	\$ 1,046,576	\$ 74,499,000	\$ 2,629,328	\$ 1,027,587	\$ 325,762	\$ 79,528,253	14.26%	\$ 3,222.51	\$ 3,391.25
2007	-	5,193,422	72,887,000	2,465,581	785,542	298,565	81,630,110	14.31%	3,185.44	3,480.88
2008	-	5,405,367	71,209,000	2,294,762	596,074	269,464	79,774,667	13.62%	3,002.35	3,390.27
2009	-	4,741,757	69,472,000	2,116,108	419,957	238,327	76,988,149	13.26%	2,868.20	3,282.94
2010	-	4,674,828	67,677,000	1,938,887	331,319	205,010	74,827,044	13.22%	2,668.11	3,132.54
2011	-	4,211,614	65,816,000	1,801,404	231,521	169,361	72,229,900	12.88%	2,400.62	3,027.11
2012	-	4,426,772	63,884,000	1,658,780	44,393	131,216	70,145,161	13.00%	2,165.38	2,966.85
2013	866,397	4,011,307	65,071,387	1,510,510	560,277	90,401	68,141,892	13.05%	2,244.09	2,913.42
2014	858,862	3,677,353	62,440,082	1,356,683	313,172	46,729	68,692,881	13.81%	2,271.82	2,905.42
2015	851,026	3,402,937	59,751,915	1,684,235	224,873	-	65,914,986	12.56%	1,998.94	2,787.93

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

(1) See Schedule 7, Assessed Value and Estimated Actual Value of Taxable Property for property values and Schedule 16, Demographic and Economic Statistics for population data.

**CITY OF GRIFFIN, GEORGIA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(In thousands)

	Fiscal Year <sup>a</sup>									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 55,765	\$ 57,026	\$ 58,394	\$ 58,061	\$ 56,601	\$ 56,080	\$ 53,975	\$ 52,223	\$ 49,758	\$ 52,482
Total net debt applicable to limit	1,047	5,193	5,405	4,742	4,675	4,212	4,427	4,011	3,677	3,403
Legal debt margin	<u>\$ 54,718</u>	<u>\$ 51,833</u>	<u>\$ 52,989</u>	<u>\$ 53,319</u>	<u>\$ 51,926</u>	<u>\$ 51,868</u>	<u>\$ 49,548</u>	<u>\$ 48,212</u>	<u>\$ 46,081</u>	<u>\$ 49,079</u>
Total net debt applicable to the limit as a percentage of debt limit	1.88%	9.11%	9.26%	9.26%	8.26%	7.51%	8.20%	7.68%	7.39%	6.48%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Total assessed value	\$ 567,795
Less Exempt:	<u>42,976</u>
Total taxable assessed value:	524,819
Debt limit (10% of total taxable assessed value)	52,482
 Debt applicable to limit:	
Capital leases	<u>3,403</u>
 Legal debt margin	<u>\$ 49,079</u>

**Note:** Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

(a) Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2009 are used for fiscal year ending in 2010).

**CITY OF GRIFFIN, GEORGIA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**JUNE 30, 2015**

**(in thousands)**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Griffin (1)</u>	<u>Amount Applicable to City of Griffin</u>
General Obligation			
Spalding County:			
Certificates of Participation	\$ <u>4,620</u>	39.79%	<u>1,838</u>
Direct:			
City of Griffin tax allocation bonds	851	100.00%	851
City of Griffin capital leases	<u>3,403</u>	100.00%	<u>3,403</u>
Total	<u>\$ 4,254</u>		<u>\$ 4,254</u>

Notes: (1) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

**CITY OF GRIFFIN, GEORGIA**  
**REVENUE BOND COVERAGE**  
**COMBINED PUBLIC UTILITY REVENUE BONDS**  
**LAST TEN FISCAL YEARS**  
**(in thousands)**

Fiscal Year	(1) Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 51,253	\$ 37,321	\$ 13,932	\$ 1,435	\$ 5,446	\$ 6,881	\$ 2.02
2007	52,952	38,590	14,362	1,612	3,463	5,075	2.83
2008	54,501	42,491	12,010	1,678	3,400	5,078	2.37
2009	58,501	42,597	15,904	1,737	3,342	5,079	3.13
2010	58,943	39,807	19,136	1,795	3,311	5,106	3.75
2011	64,696	43,117	21,579	1,861	3,212	5,073	4.25
2012	64,256	44,739	19,517	1,932	3,140	5,072	3.85
2013	63,396	45,769	17,627	2,006	2,508	4,514	3.90
2014	67,080	46,472	20,608	2,293	2,225	4,518	4.56
2015	68,236	47,775	20,461	2,354	2,194	4,548	4.50

Note: Amounts above are in thousands.

(1) Operating revenue includes operating revenue and interest of the Water / Wastewater fund and the Electric Fund.

(2) Direct operating expenses do not include depreciation.

## CITY OF GRIFFIN, GEORGIA

### DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Year	Population	Personal Income (In thousands)	Per Capital Personal Income (In thousands)	Unemployment Rate <sup>(1)</sup>
2006	23,451	\$ 24,679	0.95	6.80%
2007	23,451	25,626	0.92	5.60%
2008	23,451	26,481	0.89	5.40%
2009	23,451	26,842	0.87	8.50%
2010	23,887	28,045	0.85	10.00%
2011	23,861	30,088	0.79	13.09%
2012	23,643	32,394	0.73	11.30%
2013	23,389	30,365	0.77	11.30%
2014	23,643	30,237	0.78	12.70%
2015	23,643	32,975	0.72	8.60%

\* Source - Georgia Department Of Labor

(1) Source - U.S. Bureau of Labor Statistics for all of Spalding County



**CITY OF GRIFFIN, GEORGIA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Caterpillar, Inc	900	1	4.16%	780	2	5.68%
CareMaster Medical	600	2	2.78%			
Norcom	280	3	1.30%	850	1	6.19%
AEP Industries	250	4	1.16%	250	4	1.82%
1888 Mills/Southern Terry	210	5	0.97%			
Supreme Corporation	200	6	0.93%	250	5	1.82%
Bandag, Inc.	170	7	0.79%			
Vernay Manufacturing, Inc	165	8	0.76%	164	8	1.19%
Coveris, LLC	160	9	0.74%			
International Paper	140	10	0.65%			0.00%
Spring Industries				600	3	4.37%
Fashion Industries, Inc.				200	6	1.46%
William Carter Company				186	7	1.35%
Exopack				140	9	1.02%
Weyerhaeuser				136	10	0.99%
Griffin Technical College						
UGA Griffin Campus						
Georgia Power						
Central Georgia EMC						
<b>Total</b>	<u>3,075</u>		<u>14.24%</u>	<u>3,556</u>		<u>25.89%</u>

\* Sources- Griffin-Spalding Chamber of Commerce/  
Revenue bonds series 1997/GA Dept of Labor

**CITY OF GRIFFIN, GEORGIA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Full-time Equivalent Employees as of June 30th									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration	47	52	52	50	49	45	31	29	30	30
Judicial	1	1	1	1	1	1	1	2	2	3
Public Safety	183	172	183	166	172	170	164	168	172	158
Public Works	40	44	52	49	53	46	49	44	46	44
Development	6	6	7	6	6	6	7	9	6	6
Water/Wastewater Operations	81	69	69	53	70	68	64	74	73	67
Electric operations	29	44	55	45	45	64	64	60	64	61
Solid Waste operations	56	54	54	45	47	45	42	40	40	38
Golf Course operations	-	-	-	-	-	-	-	9	9	8
Airport operations	6	3	4	4	3	4	4	4	-	-
Welcome Center	1	1	2	2	2	2	2	-	-	-
Stormwater	14	12	12	13	13	14	13	14	14	16
Motor Pool	13	13	14	13	12	11	11	11	11	10
Total	477	471	505	447	473	476	452	461	466	441

Source: City Finance Department

**CITY OF GRIFFIN, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>										
Physical arrests	2,404	4,417	2,631	2,612	3,207	3,959	3,802	3,756	3,650	7,950
Parking violations	621	1,234	1,387	958	472	191	5	0	5	0
Traffic violations	10,813	8,465	9,856	9,231	11,126	11,862	11,062	8,928	5,549	12,092
<b>Fire</b>										
Emergency responses	938	1,268	1,210	1,121	1,212	1,405	1,515	1,645	1,770	1,566
Fires extinguished	122	231	192	173	175	202	167	81	166	139
Inspections	1,000	1,243	1,185	1,336	1,314	1,254	1,332	1,164	1,103	1,223
<b>Refuse Collection</b>										
Refuse collected (tons per day)	38	38	38	49	29	29	30	30	36	37
<b>Other Public Works</b>										
Street resurfacing (miles)	3	3	3	0	2	10	0	13	2	1
Potholes repaired	1,053	1,051	1,052	387	548	753	215	462	482	466
<b>Parks and recreation</b>										
Athletic field permits issued	360	358	361	350	0	0	0	145	115	0
<b>Water</b>										
New connections	136	120	122	63	31	20	16	14	13	13
Water main breaks	39	49	50	35	56	34	37	41	20	20
Average daily consumption (millions of gallon)	1.03	8.94	8.94	9.11	8.92	8.98	8.95	8.97	9.14	9.14
Peak daily consumption (millions of gallons)	1.23	1.20	1.21	1.24	1.08	1.44	15.67	12.93	12.02	12.02
<b>Wastewater</b>										
Average daily sewage treatment (millions of gallons)	4.6	5	5	3.23	3.98	3.26	2.95	3.61	3.85	3.85

**Sources:** Various City departments.

**CITY OF GRIFFIN, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Zone officers	112	111	99	56	60	54	56	56	56	52
Patrol units	102	102	102	102	70	104	105	55	74	70
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	165	165	165	165	162	160	140	140	140	138
Streetlights	879	879	879	879	879	879	879	879	879	879
Traffic signals	879	913	913	913	913	913	58	58	76	58
Parks and recreation										
Acreage	207	207	207	207	207	207	212	210	210	210
Playgrounds	3	3	3	3	4	4	5	5	5	4
Water										
Water mains (miles)	700	700	700	700	700	623	200	212	212	212
Fire hydrants	7,392	7,392	7,392	7,392	7,392	7,392	1,240	1,240	1,426	2,783
Storage capacity (thousands of gallons)	500	500	500	500	500	500	700	700	750	500
Wastewater										
Sanitary sewers (miles)	160	213	213	243	223	225	232	232	233	234
Storm sewers (miles)	75	91	91	85	100	100	64	64	65	67
Treatment capacity (thousands of gallons)	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	6.00

**Sources:** Various City departments.

**Note:** No capital asset indicators are available for the general government functions.



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

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**To the Honorable Mayor and Members  
of the City Commission  
Griffin, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Griffin, Georgia (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Griffin, Georgia's basic financial statements and have issued our report thereon dated November 9, 2015. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

**Internal Control Over Financial Reporting**

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

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia  
November 9, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

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**To the Honorable Mayor and Members  
of the City Commission  
Griffin, Georgia**

**Report on Compliance for Each Major Federal Program**

We have audited the City of Griffin, Georgia's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
November 9, 2015



**CITY OF GRIFFIN, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b>(Passed through Georgia Department of Community Affairs)</b>			
State Administered CDBG Cluster			
Community Development Block Grant	14.228	13-P-X-126-2-5546	\$ 500,000
Community Development Block Grant	14.228	14-Q-X-126-2-5712	441,836
Total State Administered CDBG Cluster			<u>941,836</u>
Home Investment Partnerships Grant Program	14.239	08M-X-126-2-6008	41,900
<b>Total U.S. Department of Housing and Urban Development</b>			<u><u>983,736</u></u>
<b><u>U.S. Department of Justice</u></b>			
<b>(Passed through Criminal Justice Coordinating Council)</b>			
Bulletproof Vest Partnership Program	16.607	BVP-2013	3,247
Bulletproof Vest Partnership Program	16.607	BVP-2014	3,949
<b>Total U.S. Department of Justice</b>			<u><u>7,196</u></u>
<b><u>U.S. Department of Transportation</u></b>			
<b>(Passed through the Georgia Department of Transportation)</b>			
Federal Aviation Administration - Airport Improvement Program	20.106	AP013-9019-29(255)	75,435
Federal Highway Administration - Highway Planning and Construction	20.205	PI No 0010333	7,280
<b>Total U.S. Department of Transportation</b>			<u><u>82,715</u></u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,073,647</u></u>

# CITY OF GRIFFIN, GEORGIA

## NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

#### **Measurement Focus**

The determination of when an award is expended is based on when the activity related to the award occurred.

#### **Program Type Determination**

Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$300,000 or three percent of total federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

#### **Method of Major Program Selection**

The risk based approach was used in the selection of federal programs to be tested as major programs. The City did not qualify as a low-risk auditee for the fiscal year ended June 30, 2015.

#### **Amount Provided to Subrecipients**

During the fiscal year ended June 30, 2015, the City did not pass any funds through to subrecipients

**CITY OF GRIFFIN, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified? \_\_\_ yes  X  no

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

**Federal Awards**

Internal Control over major programs:  
Material weaknesses identified? \_\_\_ yes  X  no

Significant deficiencies identified not considered  
to be material weaknesses? \_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with OMB Circular  
A-133, Section 510(a)? \_\_\_ yes  X  no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant / Neighborhood Stabilization Program

Dollar threshold used to distinguish between  
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_ yes  X  no

**CITY OF GRIFFIN, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

# CITY OF GRIFFIN, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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### STATUS OF PRIOR YEAR AUDIT FINDINGS

#### 2014 - 001. Management of Accrued Liabilities

**Criteria:** Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the services have been performed. As such, liabilities including payroll should be properly accrued at year end for services provided no matter the timing of the related cash flows.

**Condition:** For the fiscal year ending June 30, 2014, we noted the City did not properly accrue its payroll for the pay period ending June 28, 2014 but not paid until July 3, 2014. This caused expenditures and liabilities to be understated for various funds of the City for the current year.

**Auditee Response / Status:** The above finding was corrected during the year and is not included as a finding for the current year.