

CITY OF GRIFFIN, GEORGIA

FINANCIAL STATEMENTS

JUNE 30, 1996

CITY OF GRIFFIN, GEORGIA
 FINANCIAL STATEMENTS
 AS OF JUNE 30, 1996
 TABLE OF CONTENTS

	<u>Page #</u>
Independent Auditor's Report	1 - 2
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS:</u>	
Combined Balance Sheet - All Fund Types and Account Groups	3 - 4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5 - 6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Debt Service Funds	7 - 9
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Discretely Presented Component Units	10 - 12
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Units	13 - 14
Notes to Financial Statements	15 - 33
 <u>FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS:</u>	
General Fund:	
Balance Sheet	34
Statement of Revenues, Expenditures, Transfers and Changes in Fund Balances - Budget and Actual	35 - 48
Debt Service Fund:	
Balance Sheet	49
Statement of Revenues, Expenditures and Changes in Fund Balance	50
Enterprise Fund:	
Balance Sheet	51 - 52
Statement of Income and Changes in Retained Earnings	53 - 58
Statement of Cash Flows	59 - 60

CITY OF GRIFFIN, GEORGIA
 FINANCIAL STATEMENTS
 AS OF JUNE 30, 1996
 TABLE OF CONTENTS

	<u>Page #</u>
Fiduciary Funds:	
Combining Balance Sheet	61
Combining Statement of Revenues, Expenditures, Transfers and Changes in Fund Balances	62
Combining Statement of Cash Flows	63 - 64
Account Groups:	
Statement of General Fixed Assets	65
Statement of Changes in General Long-Term Debt	66
Pension Plan Supplementary Information	
Analysis of Funding Progress	67
Revenues by Source and Expenses by Type	68
Independent Auditor's Report on Internal Control Structure Related based on an audit of general purpose or basic financial statements performed in accordance with Government Auditing Standards	
	69 - 71
Independent Auditor's Report on Compliance based on an audit of general purpose or basic financial statements performed in accordance with Government Auditing Standards	
	72
Independent Auditor's Report on Schedule of Federal Financial Assistance	
	73
Schedule of Federal Financial Assistance	
	74
Independent Auditor's Report on Internal Control Structure used in Administering Federal Financial Assistance Programs	
	75-77
Independent Auditors Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	
	78
Independent Auditors Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Program Transactions	
	79

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT

The Mayor and Commission
The City of Griffin
Griffin, Georgia

We have audited the accompanying general purpose financial statements of the City of Griffin, Georgia as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the City of Griffin, Georgia management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Griffin, Georgia as of June 30, 1996, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Griffin, Georgia at June 30, 1996, and the results of operations of such funds and cash flows of individual proprietary and similar trust funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Griffin, Georgia.

The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 1996 on our consideration of City of Griffin's internal control structure and a report dated November 8, 1996 on its compliance with laws and regulations.

Greenway, Smith & Heister, P.C.

Certified Public Accountants

November 8, 1996

CITY OF GRIFFIN, GEORGIA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u> Enterprise	<u>Fiduciary Fund Types</u> Trust and Agency	<u>Account Groups</u>		<u>Totals</u> (Memorandum Only)		<u>Component Unit- Airport</u>	<u>Totals</u> (Memorandum Only) Reporting Entity
	<u>Debt</u>				<u>General</u> Fixed Assets	<u>General-Long Term Debt</u>	<u>Primary Government</u>	<u>Government</u>		
	<u>General</u>	<u>Service</u>								
ASSETS										
Cash	\$ 270,342	\$ 15,330	\$ 146,124	\$ 13,227	\$ -	\$ -	\$ 445,023	\$ -	\$ 445,023	
Investments	2,402,143	-	-	16,088,800	-	-	18,490,943	-	18,490,943	
Receivables, net of allowances for uncollectible	-	-	3,921,526	-	-	-	3,921,526	6,392	3,927,918	
Property taxes receivable	218,541	10,842	-	-	-	-	229,383	-	229,383	
A/R other	14,072	-	-	-	-	-	14,072	-	14,072	
A/R Airport	50,559	-	-	-	-	-	50,559	(50,559)	-	
Due from other funds	207,465	-	119,735	22,286	-	-	349,486	-	349,486	
Prepaid expenses	146,815	-	99,535	-	-	-	246,350	-	246,350	
Inventories	46,488	-	856,697	-	-	-	903,185	10,074	913,259	
Restricted assets	-	-	10,321,765	-	-	-	10,321,765	-	10,321,765	
Property, plant and equipment, net of accumulated depreciation	-	-	28,103,825	77,223	18,562,012	-	46,743,060	1,107,974	47,851,034	
Amount available in Debt Service Fund	-	-	-	-	-	26,172	26,172	-	26,172	
Amount to be provided for Landfill postclosure	-	-	-	-	-	139,400	139,400	-	139,400	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	2,211,610	2,211,610	-	2,211,610	
Total Assets	<u>\$ 3,356,425</u>	<u>\$ 26,172</u>	<u>\$43,569,207</u>	<u>\$16,201,536</u>	<u>\$18,562,012</u>	<u>\$2,377,182</u>	<u>\$ 84,092,534</u>	<u>\$ 1,073,881</u>	<u>\$ 85,166,415</u>	

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

CITY OF GRIFFIN, GEORGIA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

	Governmental Fund Types		Fiduciary Fund Types Trust and Agency	Accounts Groups		Totals (Memorandum Only)		Component Unit- Airport	Totals (Memorandum Only) Reporting Entity	
	General	Debt Service		Proprietary Fund Types Enterprise	General Fixed Assets	General-Long Term Debt	Primary Only			Airports
LIABILITIES										
Accounts payable	\$ 192,831	\$ -	\$ 31,874	\$ -	\$ -	\$ 224,705	\$ 96,256	\$ 320,961		
Checking over-draft	-	-	-	-	-	-	477	477		
Due to other funds	142,021	-	207,465	-	-	349,486	-	349,486		
Accrued expenses	38,200	-	12,025	-	-	50,225	-	50,225		
Consumer Deposits	-	-	981,114	-	-	981,114	-	981,114		
Long-term debt	-	-	530,463	-	-	530,463	-	530,463		
Notes payable	-	-	-	-	1,937,782	1,937,782	-	1,937,782		
Capital lease obligation	-	-	-	-	139,400	139,400	-	139,400		
Landfill obligation	-	-	-	-	-	-	-	-		
General obligations bonds payable	-	-	-	-	300,000	300,000	-	300,000		
Revenue bonds payable	-	-	12,341,657	-	-	12,341,657	-	12,341,657		
Total Liabilities	<u>373,052</u>	<u>-</u>	<u>14,104,598</u>	<u>-</u>	<u>2,377,182</u>	<u>16,854,832</u>	<u>96,733</u>	<u>16,951,565</u>		
FUND EQUITY										
Contributed capital and retained earnings	-	-	29,464,609	-	-	29,464,609	977,148	30,441,757		
Investment in General	-	-	-	-	-	-	-	-		
Fixed Assets	-	-	-	18,562,012	-	18,562,012	-	18,562,012		
Fund balance	-	-	-	-	-	-	-	-		
Reserved	442,103	-	-	-	-	442,103	-	442,103		
Undesignated	<u>2,541,270</u>	<u>26,172</u>	<u>16,201,536</u>	<u>-</u>	<u>-</u>	<u>18,768,978</u>	<u>-</u>	<u>18,768,978</u>		
Total Fund Equity	<u>2,983,373</u>	<u>26,172</u>	<u>29,464,609</u>	<u>18,562,012</u>	<u>-</u>	<u>67,297,702</u>	<u>977,148</u>	<u>68,214,850</u>		
Total Liabilities and Fund Equity	<u>\$ 3,356,425</u>	<u>\$ 26,172</u>	<u>\$ 43,569,207</u>	<u>\$ 18,562,012</u>	<u>\$ 2,377,182</u>	<u>\$ 84,092,534</u>	<u>\$ 1,073,881</u>	<u>\$ 85,166,415</u>		

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 1996

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
REVENUES			
Property Taxes	\$ 2,403,417	\$ 119,250	\$ 2,522,667
Alcoholic Beverage			
Taxes	484,732	-0-	484,732
Hotel/Motel Tax	44,912	-0-	44,912
Sales Tax	1,745,711	-0-	1,745,711
Insurance Premium Tax	704,655	-0-	704,655
Occupational Tax	692,080	-0-	692,080
Franchise Fees	540,986	-0-	540,986
Building Permits	91,699	-0-	91,699
Maps/Codes/Zoning	5,157	-0-	5,157
DOT Grant	4,669	-0-	4,669
Cemetery Fees	124,679	-0-	124,679
Sanitation Fees	2,561,414	-0-	2,561,414
Police Fines & Forfeitures	561,064	-0-	561,064
Golf Fees	215,611	-0-	215,611
Investment Income	96,340	-0-	96,340
Miscellaneous	197,982	-0-	197,982
Other Grants	<u>227,652</u>	<u>-0-</u>	<u>227,652</u>
 Total Revenues	 <u>10,702,760</u>	 <u>119,250</u>	 <u>10,822,010</u>
EXPENDITURES			
Current -			
City Commission	109,487	-0-	109,487
City Manager	190,397	-0-	190,397
Personnel	108,068	-0-	108,068
Legal	108,241	-0-	108,241
Zoning/Code Enforcement	192,470	-0-	192,470
Community Development	383,817	-0-	383,817
Finance	663,493	-0-	663,493
Public Works	2,235,884	-0-	2,235,884
Solid Waste	3,228,079	-0-	3,228,079
Fire	1,888,230	-0-	1,888,230

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 1996

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
Police	2,927,670	-0-	2,927,670
Non-Departmental Recycling/Clean Community	3,840,784	-0-	3,840,784
Principal Retirement	27,651	-0-	27,651
Interest and Fiscal Agent Fees	-0-	100,000	100,000
	<u>-0-</u>	<u>19,250</u>	<u>19,250</u>
 Total Expenditures	 <u>15,904,271</u>	 <u>119,250</u>	 <u>16,023,521</u>
 Excess (deficiency) of funds Available over Expenditures	 (5,201,511)	 (-0-)	 (5,201,511)
 OTHER FINANCING SOURCES			
 Transfers from other funds	 <u>5,326,139</u>	 <u>-0-</u>	 <u>5,326,139</u>
 Total other financing sources	 <u>5,326,139</u>	 <u>-0-</u>	 <u>5,326,139</u>
 Excess (deficiency) of funds available and other financing sources over expenditures	 124,628	 -0-	 124,628
Fund Balance, Beginning of year	<u>2,858,744</u>	<u>26,172</u>	<u>2,884,916</u>
 Fund Balance, End of year	 <u>\$ 2,983,372</u>	 <u>\$ 26,172</u>	 <u>\$ 3,009,544</u>

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND DEBT SERVICE FUNDS
 JUNE 30, 1996

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property Taxes	\$ 2,643,350	\$ 2,403,417	(\$ 239,933)	\$ -0-	\$ 119,250	\$119,250
Alcoholic Beverage						
Taxes	479,000	484,732	5,732			
Hotel/Motel Tax	48,000	44,912	(3,088)			
Sales Tax	1,750,000	1,745,711	(4,289)			
Insurance Premium						
Tax	704,700	704,655	(45)			
Occupational Tax	760,000	692,080	(67,920)			
Franchise Fees	551,750	540,986	(10,764)			
Building Permits	100,000	91,699	(8,301)			
Maps/Codes/Zoning	6,500	5,157	(1,343)			
DOT Grant	4,700	4,669	(31)			
Cemetery Fees	131,000	124,679	(6,321)			
Sanitation Fees	2,733,000	2,561,414	(171,586)			
Police Fines & Forfeitures	625,000	561,064	(63,936)			
Golf Fees	267,000	215,611	(51,389)			
Investment Income	78,000	96,340	18,340			
Miscellaneous	190,400	197,982	7,582			
Other Grants	-0-	227,652	227,652			
 Total Revenues	 11,072,400	 10,702,760	 (369,640)	 -0-	 119,250	 119,250

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND DEBT SERVICE FUNDS
 JUNE 30, 1996

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES						
Current -						
City Commission	105,800	109,487	(3,687)	-0-	-0-	-0-
City Manager	190,400	190,397	3			
Personnel	107,300	108,068	(768)			
Legal	107,800	108,241	(441)			
Zoning/Code Enforcement	201,700	192,470	9,230			
Community Development	158,650	383,817	(225,167)			
Finance	678,100	663,493	14,607			
Public Works	2,317,450	2,235,884	81,566			
Sanitation	3,220,400	3,228,079	(7,679)			
Fire	1,878,100	1,888,230	(10,130)			
Police	2,909,800	2,927,670	(17,870)			
Non-Departmental	4,131,600	3,840,784	290,816			
Recycling/Clean Community	27,000	27,651	(651)			
Principal Retirement	-0-	-0-	-0-	-0-	100,000	100,000
Interest and Fiscal Agent Fees	-0-	-0-	-0-	-0-	19,250	19,250
Total Expenditures	16,034,100	15,904,271	129,829	-0-	119,250	(119,250)
Excess (deficiency) of funds available over expenditures	(4,961,700)	(5,201,511)	(239,811)	-0-	(119,250)	(119,250)

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND DEBT SERVICE FUNDS
 JUNE 30, 1996

	General Fund			Debt Service		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other financing sources						
Transfers from other funds	<u>5,380,000</u>	<u>5,326,139</u>	(53,861)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources	<u>5,380,000</u>	<u>5,326,139</u>	(53,861)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of funds available and other financing sources over expenditures & transfers	418,300	124,628	(293,672)	-0-	-0-	-0-
Fund balance, Beginning of year	<u>2,858,744</u>	<u>2,858,744</u>	<u>-0-</u>	<u>26,172</u>	<u>26,172</u>	<u>-0-</u>
Fund balance, End of year	<u>\$ 3,277,044</u>	<u>\$ 2,983,372</u>	<u>(\$ 293,672)</u>	<u>\$ 26,172</u>	<u>\$ 26,172</u>	<u>\$ -0-</u>

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1996

	Proprietary Fund Types <u>Enterprise</u>	Fiduciary Fund Types	Total (Memorandum Only) Primary Government	Component Unit- Airport	Total (Memorandum Only) Reporting Entity
Operating Revenues:					
Electricity sales	\$26,150,226	\$ -0-	\$26,150,226	-0-	26,150,226
Water sales	3,762,450	-0-	3,762,450	-0-	3,762,450
Wastewater sales	2,781,473	-0-	2,781,473	-0-	2,781,473
Investment income	-0-	1,407,795	1,407,795	-0-	1,407,795
Contributions from other funds	-0-	1,283,811	1,283,811	-0-	1,283,811
Lot sales	-0-	31,618	31,618	-0-	31,618
Airport Fees/Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>473,570</u>	<u>473,570</u>
Total operating Revenues	32,694,149	2,723,224	35,417,373	473,570	35,890,943
Operating Expenses:					
Electric:					
Office of Director Technical	64,901	-0-	64,901	-0-	64,901
Services	19,282,402	-0-	19,282,402	-0-	19,282,402
Line Construction	643,841	-0-	643,841	-0-	643,841
Non-Departmental Depreciation	563,176	-0-	563,176	-0-	563,176
	<u>339,607</u>	<u>-0-</u>	<u>339,607</u>	<u>-0-</u>	<u>339,607</u>
Total - Electric	<u>20,893,927</u>	<u>-0-</u>	<u>20,893,927</u>	<u>-0-</u>	<u>20,893,927</u>
Water-Wastewater					
Office of Director Water	130,617	-0-	130,617	-0-	130,617
Production Water	882,694	-0-	882,694	-0-	882,694
Distribution Wastewater	400,501	-0-	400,501	-0-	400,501
Collection Wastewater	133,309	-0-	133,309	-0-	133,309
Treatment	547,057	-0-	547,057	-0-	547,057

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPES AND
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1996

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only) Primary Government	Component Unit- Airport	Totals (Memorandum Only) Reporting Entity
Meter Reading	92,569	-0-	92,569	-0-	92,569
Non-Departmental Depreciation	1,258,652	-0-	1,258,652	-0-	1,258,652
	<u>453,332</u>	<u>-0-</u>	<u>453,332</u>	<u>-0-</u>	<u>453,332</u>
 Total - Water & Wastewater	 <u>3,898,731</u>	 <u>-0-</u>	 <u>3,898,731</u>	 <u>-0-</u>	 <u>3,898,731</u>
 <u>AIRPORT</u>					
Salaries & wages	-0-	-0-	-0-	95,425	95,425
Travel	-0-	-0-	-0-	2,350	2,350
Contractual Services	-0-	-0-	-0-	16,874	16,874
Materials & supplies	-0-	-0-	-0-	12,121	12,121
Fuel	-0-	-0-	-0-	335,696	335,696
Maintenance & repairs	-0-	-0-	-0-	21,400	21,400
Utilities	-0-	-0-	-0-	25,397	25,397
Depreciation	-0-	-0-	-0-	40,897	40,897
Non-Departmental	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>44,008</u>	<u>44,008</u>
 Total-Airport	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>594,168</u>	 <u>594,168</u>
 Pension Payments	 -0-	 1,081,451	 1,081,451	 -0-	 1,081,451
Other	<u>-0-</u>	<u>51,377</u>	<u>51,377</u>	<u>-0-</u>	<u>51,377</u>
 Total Operating Expenses	 <u>24,792,658</u>	 <u>1,132,828</u>	 <u>25,925,486</u>	 <u>594,168</u>	 <u>26,519,654</u>
 Operating Income (loss)	 <u>7,901,491</u>	 <u>1,590,396</u>	 <u>9,491,887</u>	 <u>(120,598)</u>	 <u>9,371,289</u>

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only) Primary Government</u>	<u>Component Unit- Airport</u>	<u>Totals (Memorandum Only) Reporting Entity</u>
Non-Operating Revenues (Expenses):					
Investment Revenue	443,255	-0-	443,255	677	443,932
Debt Service	(697,225)	-0-	(697,225)	-0-	(697,225)
Contributions City/County	-0-	-0-	-0-	276,000	276,000
Grant Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>348,127</u>	<u>348,127</u>
 Total Non-Operating Revenue (Expense)	 <u>(253,970)</u>	 <u>-0-</u>	 <u>(253,970)</u>	 <u>624,804</u>	 <u>370,834</u>
 Income (loss) Before Other Financing Uses	 7,647,521	 1,590,396	 9,237,917	 504,206	 9,742,123
Other Financing uses:					
Operating Transfers Out	(5,250,000)	(76,139)	(5,326,139)	-0-	(5,326,139)
 Total Other Financing Uses/Sources	 <u>(5,250,000)</u>	 <u>(76,139)</u>	 <u>(5,326,139)</u>	 <u>-0-</u>	 <u>(5,326,139)</u>
 Net Income (loss)	 2,397,521	 1,514,257	 3,911,778	 504,206	 4,415,984
Contributed Capital & Retained Earnings, Beginning of Year					
	<u>27,696,341</u>	<u>14,687,279</u>	<u>42,383,620</u>	<u>472,943</u>	<u>42,856,563</u>
Prior Period Adjustment					
	<u>(629,253)</u>	<u>-0-</u>	<u>(629,253)</u>	<u>-0-</u>	<u>(629,253)</u>
Contributed Capital & Retained Earnings as restated					
	<u>27,067,088</u>	<u>14,687,279</u>	<u>41,754,367</u>	<u>472,943</u>	<u>42,227,310</u>
Contributed Capital & Retained Earnings, End of Year					
	<u>\$29,464,609</u>	<u>\$16,201,536</u>	<u>\$45,666,145</u>	<u>\$977,149</u>	<u>\$ 46,643,294</u>

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1996

	Proprietary Fund Types <u>Enterprise</u>	Fiduciary Fund Types	Totals (Memorandum Only) Primary <u>Government</u>	Component Unit- <u>Airport</u>	Totals (Memorandum Only) Reporting <u>Entity</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income	\$ 7,901,491	\$ 196,423	\$ 8,097,914	(\$120,598)	\$ 7,977,316
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	1,406,554	-0-	1,406,554	40,897	1,447,451
Changes in Assets and Liabilities:					
(Increase) Decrease In Accounts Receivable	318,253	-0-	318,253	391	318,644
(Increase) Decrease In Inventory	(96,861)	-0-	(96,861)	-0-	(96,861)
(Increase) Decrease In Due from Other Funds	(53,469)	(2,059)	(55,528)	50,559	(4,969)
(Increase) Decrease In Prepaid Insurance	(16,368)	-0-	(16,368)	-0-	(16,368)
Increase (Decrease) in Accounts Payable	(118,360)	-0-	(118,360)	63,588	(54,772)
Increase (Decrease) in Consumer Deposits	11,530	-0-	11,530	-0-	11,530
Increase (Decrease) In Accrued Salaries	(45,304)	-0-	(45,304)	-0-	(45,304)
Prior Period Adjustment	(<u>629,253</u>)	<u>-0-</u>	(<u>629,253</u>)	<u>-0-</u>	(<u>629,253</u>)
Net Cash Provided by Operating Activities	<u>8,678,213</u>	<u>194,364</u>	<u>8,872,577</u>	<u>34,837</u>	<u>8,907,414</u>
Cash Flows From Non- Capital Financing Activities					
Operating Transfers In (Out)	(<u>5,250,000</u>)	(<u>76,139</u>)	(<u>5,326,139</u>)	<u>276,000</u>	(<u>5,050,139</u>)

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

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types</u>	Totals (Memorandum Only) Primary Government	Component Unit- Airport	Totals (Memorandum Only) Reporting Entity
Net Cash Provided by (Used For) Noncapital Financing Activities	(5,250,000)	(76,139)	(5,326,139)	276,000	(5,050,139)
Cash Flows From Capital And Related Financing Activities					
Grant Revenues	-0-	-0-	-0-	348,127	348,127
Accrued interest and bond issue cost	(39,819)	-0-	(39,819)	-0-	(39,819)
Acquisition and con- struction of capital assets	(3,460,402)	(77,223)	(3,537,625)	(671,955)	(4,209,580)
Principal on short and long term obliga- tions		(477,723)	-0-	(477,723)	-0-
477,723)					
Interest paid on short and long term debt	(657,406)	-0-	(657,406)	-0-	(657,406)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(4,635,350)	(77,223)	(4,712,573)	(323,828)	(5,036,401)
Cash Flows From Investing Activities					
Interest on Invest- ments	443,255	886,843	1,330,098	676	1,330,774
Gain (loss) on Securities	-0-	507,130	507,130	-0-	507,130
Net Cash Provided by Investing Activities	443,255	1,393,973	1,837,228	676	1,837,904
Net Increase (Decrease) in Cash	(763,882)	1,434,975	671,093	(12,315)	658,778
Cash and Restricted Cash July 1, 1995	11,231,771	14,667,052	25,898,823	11,838	25,910,661
Cash and Restricted Cash June 30, 1996	<u>\$ 10,467,889</u>	<u>\$16,102,027</u>	<u>\$26,569,916</u>	<u>(\$ 477)</u>	<u>\$ 26,569,439</u>

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

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements report on the financial activities of the City of Griffin, Georgia. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: Public Safety-Police and Fire, Highways and Streets, Sanitation, Electricity, Water and Wastewater treatment, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 government's accounting policies are described below.

(A) REPORTING ENTITY

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The component unit column in the combined financial statements include the financial data of the City's component unit, the Griffin-Spalding County Airport. The Airport is reported in the separate column to emphasize that it is legally separate from the City.

The Airport is jointly governed by the City of Griffin and Spalding County. However, their day-to-day operations are monitored by the City of Griffin and its employees are considered to be employees of the City of Griffin. The financial statement can be obtained by writing the City of Griffin at P.O. Box T, Griffin, Georgia 30224.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Excluded from the Reporting Entity

Griffin Spalding County Hospital Authority, Griffin Spalding County Development Authority and the Griffin Spalding County Board of Education.

The Hospital Authority and Board of Education have separately elected and/or appointed boards and provide services to residents, generally within the geographic boundaries of the City. These are excluded from the reporting entity because the City does not have the ability to exercise influence or control over their daily operations, approve budgets or provide funding.

The Development Authority has a nine member board of which the City appoints two members. The City also has an ongoing financial responsibility to the Development Authority to help fund its budget. The City does not have the ability to exercise influence or control over their daily operations. The Development Authority is discussed in more detail later in the footnotes.

(B) FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and group of accounts are used by the City:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations, principal, interest and related costs.

Special Revenue Fund - Special Revenue Fund are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific programs.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

PROPRIETARY FUND TYPES

Enterprise Fund - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. The Light, Water and Wastewater Department is accounted for in the Enterprise Fund.

FIDUCIARY FUND TYPES

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The City maintains the following nonexpendable trust funds:

Employee Aid Fund - Accounts for the activities of the City's pension plan.

Cemetery Trust Fund - Accounts for the portion of the proceeds from sales of cemetery lots held in trust for the maintenance of the cemetery.

Mausoleum Trust Fund - Accounts for the proceeds from the sale of crypt space which is used for insurance for the maintenance of the mausoleum.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the general fixed assets and general long-term debt of a governmental unit. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

General Fixed Assets Account Group - General fixed assets are those fixed assets of the City which are not accounted for in an enterprise or trust fund. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group - This group of accounts is established to record the amount of unmatured long-term indebtedness which is backed by the full credit of the City. Long-term debt which is intended to be financed from proprietary funds is reported only on proprietary fund balance sheets.

(C) BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transactions can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the City also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and Nonexpendable Trust Funds, are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred (flow of economic resources measurement focus).

(D) BUDGETS AND BUDGETARY ACCOUNTING

As set forth in the City Charter, the City Council adopts an annual budget for the General Fund and Enterprise Fund. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, and certain nonoperating expense items are not considered. Subsequent to year-end, the City Council adopts an amended budget approving such additional expenditures/expenses. For 1996, the original budgeted revenues of \$16,400,500 were increased to \$16,452,400 for the General Fund and increased from \$32,350,000 to \$33,757,100 for the Enterprise Fund while the expenditures/expenses of \$16,901,315 were decreased to \$16,034,100 for the General Fund and increased from \$31,025,658 to 32,854,075 for the Enterprise Fund. The amended budget for the General Fund is presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund. The amended budget for the Enterprise Fund is presented in the Schedule of Revenues, Expenses and Changes in Retained Earnings Actual Compared to Budgetary Basis - Enterprise Fund. All annual appropriations lapse at fiscal year-end.

(E) ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. Encumbrances outstanding at year end are reported as a reservation of fund balance, since they do not constitute expenditures or liabilities.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

(F) CASH AND INVESTMENTS

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

Investments are stated at cost or amortized cost, which approximates market. Interest income from investments is accrued as earned.

(G) TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "memorandum only" to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in such data comparable to a consolidation. Interfund eliminations have been made in the aggregation of this data.

(H) PROPERTY TAXES

The City and Spalding County (the "County") have a common tax base. The County acts as the City's agent in preparing the tax digest. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds is as follows:

<u>Fund</u>	<u>1995</u>
General Fund	\$7.60
Debt Service Fund	<u>-0-</u>
	<u>\$7.60</u>

Property taxes are levied on a calendar year basis near the end of the respective calendar year. The city records the taxes as revenues when levied, since no legal right to the taxes exists prior to that time. Therefore, no calendar 1996 property tax revenues have been recorded as of June 30, 1996. The due date and collection dates that apply for the year ended June 30, 1996 were December 18, 1995 for each while the lien date was in April of 1996.

(I) ENTERPRISE FUND REVENUES AND TRANSFERS

The Light, Water and Wastewater Department revenues are included in income as billed monthly to customers on a cycle billing basis.

Transfers to the General Fund by the Light, Water and Wastewater Department are reported as a separate expense component in the accompanying statements of income of the Light, Water and Wastewater Department.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (continued)

(J) FIXED ASSETS AND DEPRECIATION

The Light, Water and Wastewater Department property and equipment are recorded at cost, if purchased, and at a fair market value at date of gift, if donated.

The following is a summary of proprietary fund-type fixed assets at June 30, 1996:

Electrical facilities and distribution system	\$12,556,635
Water purification facilities and distribution system	13,463,140
Wastewater treatment facilities and collection system	14,807,021
Equipment and other	<u>8,301,021</u>
Total property and equipment	49,127,817
Less: accumulated depreciation	<u>(21,023,992)</u>
Net property and equipment	<u>\$28,103,825</u>

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

<u>Classification</u>	<u>Range of Lives</u>
Electrical facilities and distribution system	30 years
Water purification facilities and distribution system	50 years
Wastewater treatment facilities and collection system	33 1/3 years
Equipment and other	5 - 10 years

General fixed assets are recorded at cost, if purchased, and at fair market value at date of gift, if donated. Depreciation is not provided on general fixed assets. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including systems, are not capitalized along with other general fixed assets.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

CASH AND INVESTMENTS

(A) CASH ON DEPOSITS

At June 30, 1996, the government's deposits were \$5,621,410. The amount of cash held in bank is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the government or by its agent in the government's name, 2) cash collateralized with securities held by the pledging institution's trust department or agent in the government's name and 3) uncollateralized bank accounts.

The governments deposits are classified as follows at June 30, 1996:

Category	
1	\$ 300,000
2	5,321,410
3	<u>-0-</u>
Total	<u>\$5,621,410</u>

(B) INVESTMENTS

Investments are stated at cost. Short-term investments are made in "permitted investments". "Permitted investments" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of funds of the issuer:

- i. Any bonds or other obligations which, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any Federal agencies set forth in clause (ii) below to the extent unconditionally guaranteed by the United States of America;
- ii. Obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Mortgage Association;
- iii. Direct and general agreement secured by any one or more of the securities described in clauses (i) or (ii) above.
- iv. United States Equities not to exceed 30% of total fund assets and international equities not to exceed 10% of total fund assets. This investment policy applies to the Employee Aid Fund.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

CASH AND INVESTMENTS (continued)

The Government's investments are categorized as follows to give indication of the level of risk assumed by the entity at year end. Category 1 is for investments that are insured or registered or for which the securities are held by the Government or its agent in the government's name. Category 2 for uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the government's name. Category 3 is for uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent not in the government's name.

	-----Risk Category-----			-----Total -----	
	1.	2.	3.	<u>Cost</u>	<u>Market</u>
Investment in U.S Treasury Bills	<u>\$23,634,711</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$23,634,711</u>	<u>\$23,634,711</u>

INVENTORIES

Inventories are valued at cost determined on either the moving weighted average or the first-in, first-out methods. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

INTERFUND RECEIVABLES AND PAYABLES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 1995, balances of interfund amounts receivable or payable have been recorded, as shown below:

	<u>RECEIVABLES</u>	<u>PAYABLES</u>
General Fund	\$ 207,465	\$ 142,021
Debt Service Fund	-0-	-0-
Enterprise Fund	119,735	207,465
Employee Aid Fund	-0-	-0-
Cemetery Trust Fund	<u>22,286</u>	<u>-0-</u>
	<u>\$ 349,486</u>	<u>\$ 349,486</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

SUMMARY OF CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets for the year ended June 30, 1996 is as follows:

	<u>Additions</u>	<u>Retired</u>	<u>Salvage</u>	<u>Net Change</u>
Real Property				
Improvements	\$ 1,735,067	\$ -0-	\$ -0-	\$ 1,735,067
Land	-0-	-0-	-0-	-0-
Streets and Bridges	25,293	-0-	-0-	25,293
Equipment	<u>463,395</u>	<u>-0-</u>	<u>-0-</u>	<u>463,395</u>
	<u>\$2,223,075</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,223,075</u>

VACATION AND SICK PAY

The City does not record vacation or sick pay until such benefits are paid. A City employee may carry over up to a maximum of 40 hours of vacation from one year to the next. An employee can accumulate a maximum of 120 days sick pay which will be paid to the employee upon retirement. As of June 30, 1996 accumulated vacation and sick pay which amounted to \$2,192,798 in the General Fund and \$608,141 in the Enterprise Fund.

FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

GRIFFIN-SPALDING COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS

Revenue Bonds in the amount of \$1,080,000 were issued by the Griffin-Spalding County Development Authority. Below is a schedule of the maturities of these bonds and related comments.

The following summarizes maturities of long-term debt and related interest requirements.

<u>Year</u>	<u>Revenue Bonds Series 1991</u>	<u>Interest Requirements</u>	<u>Total Debt Service</u>
1997	\$ 135,000	\$ 30,211	\$ 165,211
1998	145,000	22,369	167,369
1999	155,000	13,816	168,816
2000	<u>160,000</u>	<u>4,680</u>	<u>164,680</u>
Totals	<u>\$ 595,000</u>	<u>\$ 71,076</u>	<u>\$ 666,076</u>

These are revenue bonds Series 1991 and are not deemed to constitute a debt of the issuer, the City of Griffin, Georgia or Spalding County, Georgia nor a pledge of the faith and credit of the Issuer, the City or the county, except to the extent provided by the contract. The Series 1991 bonds shall not be payable from or charged upon any funds other than the revenue pledged to the payment thereof. No holder or holders of the Series 1991 Bonds shall ever have the right to compel any exercise of the taxing power, if any, of the issuer.

The Series 1991 Bonds will be payable from and secured by a pledge of the (1) operating revenue of the Griffin-Spalding County Industrial Park remaining after payment of the reasonable and necessary costs of operation, maintenance and sale of the Park or any portion thereof, and (2) payments received by the Issuer under the contract, dated as of December 1, 1991, among the Issuer, the City and the County.

Pursuant to the contract, the City and the County have agreed to pay to the Paying Agent for the Series 1991 Bonds, on or prior to each January 15, beginning January 15, 1994, amounts sufficient, when added to funds held at such time in the Sinking Fund, to cause the balance held therein to equal the principal of and interest on the Series 1991 Bonds and any Parity Bonds coming due in the then current calendar year.

The proceeds of the Series 1991 Bonds, together with other funds available therefor, were used to pay the costs of refunding, at maturity or upon redemption prior to maturity, all of the Griffin-Spalding County Development Authority Revenue Bonds (Industrial Park Project), Series 1981.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

GRIFFIN-SPALDING COUNTY DEVELOPMENT AUTHORITY REVENUES BONDS
 (continued)

Pursuant to a contract between the Issuer and the City of Griffin, Georgia and Spalding County, Georgia, dated as of December 1, 1991, the City and County have jointly and severally obligated themselves to levy an annual ad valorem tax on all taxable property within their respective boundaries at such rate or rates as may be necessary not to exceed one mill, and from the revenues derived therefrom to make payments to the Issuer on or prior to each January 15, commencing January 15, 1994, amounts sufficient, when added to funds held at such time in the Sinking Fund, to cause the balance held therein to equal the total of the Principal Requirements and the Interest Requirement with respect to such calendar year.

DEFINED BENEFIT PENSION PLAN

All City of Griffin employees participate in the City of Griffin Employee Aid Fund, a single-employer Public Employee Retirement System. The payroll for employees covered by the system as well as the City's total payroll for the year ended June 30, 1996 was \$9,672,247.

As of June 30, 1996, employee membership data related to the pension plan were as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>117</u>
Active plan participants:	
Vested	57
Partially vested	61
Nonvested	<u>264</u>
Total	<u>382</u>

All employees of the City of Griffin, excluding teachers and other employees of the City-County School System who are employed on a monthly basis receiving a salary or wage of more than \$100.00 per month are eligible to participate in the plan. Employees become 100% vested in their benefits upon the earlier of (a) completion of 10 years of service, or (b) normal retirement date. Normal retirement is reached at the earlier of (a) attaining age 55 and completion of 25 years of employment, or (b) attaining age 65 and completion of 5 years of employment.

The plan uses a formula to determine the normal retirement benefit. The normal retirement benefit is the greater of 1% of final monthly compensation up to 1/12 of basic compensation, plus 2% of final monthly compensation in excess of 1/12 of basic compensation, or \$5.50 multiplied by years and completed months of employment with the City. Final monthly compensation is average monthly compensation during the past five consecutive plan years. Compensation is determined from a table of compensation based upon year of birth. The plan also provides for a disability benefit and a death benefit.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

DEFINED BENEFIT PENSION PLAN
(continued)

Employees become 50% vested at the earlier of the attainment of age 45 and the completion of 10 years of service, or the completion of 15 years of service. Vesting increases 10% for each year thereafter, up to 100%.

The normal form of retirement income is an annuity of monthly payments for life or 5 years, whichever is longer. A semiannual cost-of-living adjustment is made to retirees' benefits based on a comparison of recent Consumer Price Index data. Such increases cannot exceed 2% at any one time, nor can benefits be reduced. Similarly, an annual bonus adjustment is made to retiree's benefits based on a comparison of the fund's actual investment earnings to assumed investment earnings. Such increase cannot exceed 5% per year, nor can benefits be reduced.

The City is required by State statute to contribute amounts necessary to meet minimum funding requirements. The City's contribution rate for the year was 15.10%. The City's contribution amounted to \$1,293,676. The rate for the year ended June 30, 1997 is expected to be 15.10%.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the plan on a going-concern basis, assess progress made in accumulation of sufficient assets to pay benefits when due, and make comparisons among employees. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the plan.

The pension benefit obligation was computed as part of an actual valuation performed as of July 1, 1996. Significant actuarial assumptions used in the valuation include (a) a long-term rate of return on investments of 8% per annum, compounded annually (b) future salary increase of 5% per annum, compounded annually (c) participant termination rates based on age and sex of employees, (d) varying retirement rates for ages 55 through 65. Also the actuarial cost method used to calculate the pension benefit obligation was the Prorated Unit Credit cost method.

It is the practice of the City to have the actuarial valuation done every three years. Please note that the Pension Benefit Obligation is based on participant data as of July 1, 1996.

Total unfunded pension benefit obligation applicable to the City's employees was \$6,088,818 at June 30, 1996 as follows:

Active participants	10,504,889
Retired participants receiving benefits	10,021,573

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

DEFINED BENEFIT PENSION PLAN
(continued)

Terminated vested participants entitled to future benefits	<u>418,934</u>
Total pension benefit obligation	<u>20,945,396</u>
Net assets available for benefits at cost	<u>14,856,578</u>
Unfunded pension benefit obligation	<u>\$ 6,088,818</u>

Location of Historical Trend Information

Historical Trend information related to the pension plan, as available, is presented on pages 67 - 68. The information is presented to enable the reader to assess the progress made by the City of Griffin Public Employee Retirement System in accumulating sufficient assets to pay pension benefits as they become due.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

CONTINGENT LIABILITIES

Effective May 1, 1987, the City entered into contract with the Georgia Interlocal Risk Management Agency (GIRMA) as a participant in an intergovernmental self-insurance fund. GIRMA functions as an instrumentality of its member municipalities to administer a risk management service, and to adjust and defend claims against members in accordance with its coverage documents. However, the activities of GIRMA do not constitute conduct of an insurance business. Members agree to pay an annual assessment and are jointly and severally liable for all legal obligations of the self-insurance fund.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

SUBSEQUENT EVENTS

The city of Griffin Light, Water & Wastewater Department is issued \$6,925,000 of combined Public Utility Revenue Bonds, Series 1996, dated October 1, 1996.

The interest rates on these bonds range from 4.10% to 5.40%.

The principal maturities on these bonds are as follows:

1997	\$ -0-
1998	210,000
1999	220,000
2000	225,000
2001	235,000
2002 - later	5,720,000

The City Light, Water & Wastewater Department also in the process of issuing an additional \$6,610,000 of Revenue Bonds with a projected closing date on January 9, 1997. The projected interest rates on these bonds are expected to be comparable to the 1996 issue.

The expected principal maturities on these bonds would be as follows:

1997	\$ -0-
1998	210,000
1999	220,000
2000	225,000
2001	235,000
2002 - later	5,720,000

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

LONG-TERM DEBT

The following summarizes maturities of long-term debt and related interest requirements:

Descriptions	MATURITIES						
	TOTAL	1997	1998	1999	2000	2001	2002-2009
General Long-term Dept Acct. Group:							
General Obligation Bonds:							
1969 Wastewater-5.5% 1969 Fire	\$ 270,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -0-	\$ -0-	\$ -0-
Station-5.5%	<u>30,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total general	300,000	100,000	100,000	100,000	-0-	-0-	-0-
Long-term debt Light, Water & Wastewater Dept.: Combined Public Utility Rev. Refunding and Improv. Bonds Series 1993-3.10%-5.20% Series "A" 1988 Series "B" 1993 GEFA Note	<u>9,505,000</u> <u>3,165,000</u> <u>530,463</u>	<u>-0-</u> <u>480,000</u> <u>25,646</u>	<u>-0-</u> <u>500,000</u> <u>27,186</u>	<u>-0-</u> <u>515,000</u> <u>26,777</u>	<u>-0-</u> <u>535,000</u> <u>30,482</u>	<u>-0-</u> <u>555,000</u> <u>32,289</u>	<u>9,505,000</u> <u>580,000</u> <u>386,103</u>
Total Light, Water & Wastewater	<u>13,200,463</u>	<u>505,646</u>	<u>527,166</u>	<u>543,777</u>	<u>565,482</u>	<u>587,289</u>	<u>10,471,103</u>
Total Principal Maturities	13,500,463	605,646	627,166	643,777	565,482	587,289	10,471,103
INTEREST REQUIREMENTS:							
General Long-term debt Light, Water & Wastewater Dept.	33,000	16,500	11,000	5,500	-0-	-0-	-0-
Total interest requirements	<u>7,254,674</u> <u>7,287,674</u>	<u>646,706</u> <u>663,206</u>	<u>626,146</u> <u>637,146</u>	<u>608,306</u> <u>613,806</u>	<u>586,938</u> <u>586,938</u>	<u>563,028</u> <u>563,028</u>	<u>4,221,550</u> <u>4,221,550</u>
Total debt service	<u>\$20,788,137</u>	<u>\$1,269,852</u>	<u>\$1,264,312</u>	<u>\$1,257,583</u>	<u>\$1,152,420</u>	<u>\$1,150,317</u>	<u>\$14,692,653</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

The Following is a summary of Bond/Debt Transactions of the City for the Fiscal year ended June 30, 1996.

	<u>General Long Term Debt Account Group</u>	<u>Light, Water & Wastewater Department</u>	<u>Total (Memo Only)</u>
Bonds/Debt payable at July 1, 1995	\$ 552,315	\$ 13,834,651	\$14,386,966
LESS -			
Bond Payments	(252,315)	(465,000)	(717,315)
GEFA Note Payments	-0-	(29,963)	(29,963)
ADD -			
Amortization of Bond Discount & Amortization of Bond Issue Cost	<u>-0-</u>	<u>25,335</u>	<u>25,335</u>
Bonds/Debt payable at June 30, 1996	<u>\$ 300,000</u>	<u>\$13,365,023</u>	<u>\$13,665,023</u>

This summary includes Bond Discounts, Bond Issue Cost, Amortization of the Discounts and Issue Costs, and Accrued Interest on the Revenue Refunding Bonds. The net effect of these items is \$164,560 increase in principal maturities that are not reflected in the previous schedule of long-term debt maturities.

SPECIAL ASSESSMENT DEBT

The City is not obligated at June 30, 1996 for any special assessement debt.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

Principal and interest are payable solely from revenues derived from operation of the combined Light and Water and Wastewater System remaining after payment of the costs of certain goods purchased for resale (principally electricity) and payment of the reasonable and necessary expenses of operating, maintaining, and repairing the system.

The related bond ordinances specify that the City account for debt service obligations of the Light, Water and Wastewater Department through a sinking fund, restrict the flow of cash between funds and comply with various other covenants of the ordinances. The sinking fund is accounted for within the enterprise fund established for the Light, Water and Wastewater Department.

Restricted assets on the balance sheet of the Light, Water and Wastewater Department represent (1) amounts which are required to be maintained pursuant to ordinances relating to bonded indebtedness (sinking fund) and (2) funds received for specific purposes pursuant to Intergovernmental grants (related primarily to construction projects).

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$2,176,894 at June 30, 1996, and accumulated amortization on those assets totaled \$239,112. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 1996.

Year Ending <u>June 30</u>	General Long-term debt <u>account group</u>
1997	\$ 492,221
1998	404,150
1999	306,699
2000	306,699
Later years	<u>796,403</u>
Minimum lease payments for all capital leases	2,306,172
Less: Amount representing interest at the City's incremental borrowing rate	<u>368,390</u>
Present value of minimum lease payments	<u>\$1,937,782</u>

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require that the City of Griffin place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. However, due to the fact that the City of Griffin closed its landfill by April 9, 1994 it is exempted from the 30 year rule and must only monitor the landfill for 5 years. Expense provisions and related liabilities are being recognized based on postclosure care costs that are occurring now that the landfill no longer accepts waste. The estimated liability for landfill postclosure care cost has a balance of \$139,400 as of June 30, 1994, which is based on the City's engineering firm estimate of \$26,200 for 1995 then adjusted annually for inflation. The estimated total current cost of the postclosure care (\$139,400) is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 1994. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash	\$ 270,342
Certificates of deposits and savings	2,402,143
Property taxes receivable	178,573
Occupational tax receivable	39,968
Prepaid expenses	146,815
A/R other	14,072
Due from Enterprise Fund	207,465
Due from Airport	50,559
Inventory, Central Supplies	<u>46,488</u>
Total assets	<u>\$3,356,425</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts payable	\$ 192,831
Accrued salaries	38,200
Due to other funds:	
Enterprise Fund	119,735
Cemetery Trust Fund	<u>22,286</u>
Total liabilities	<u>373,052</u>
FUND BALANCE	
Reserved	
For local waste surcharge	44,996
For Fire Department	324,372
For Club House	72,735
Unreserved	
Undesignated	<u>2,541,270</u>
Total Fund Balance	<u>2,983,373</u>
Total Liabilities and Fund Balance	<u>\$3,356,425</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,643,350	\$ 2,403,417	(\$239,933)
Alcoholic beverage taxes	479,000	484,732	5,732
Hotel/Motel taxes	48,000	44,912	(3,088)
Sales tax	1,750,000	1,745,711	(4,289)
Insurance premium tax	704,700	704,655	(45)
Occupational Tax	760,000	692,080	(67,920)
Franchise Fees	551,750	540,986	(10,764)
Building Permits	100,000	91,699	(8,301)
Maps/Codes/Zoning	6,500	5,157	(1,343)
DOT Grant	4,700	4,669	(31)
Cemetery Fees	131,000	124,679	(6,321)
Sanitation Fees	2,733,000	2,561,414	(171,586)
Police Fines & Forfeitures	625,000	561,064	(63,936)
Golf Fees	267,000	215,611	(51,389)
Investment income	78,000	96,340	18,340
Miscellaneous	190,400	197,982	7,582
Other Grants	<u>-0-</u>	<u>227,652</u>	<u>227,652</u>
 Total Revenues	 <u>11,072,400</u>	 <u>10,702,760</u>	 <u>(369,640)</u>
 EXPENDITURES			
City Commission			
Salary & Wages	61,800	61,800	-0-
Travel & Training	16,000	16,361	(361)
Contractual Services	20,000	22,267	(2,267)
Materials & Supplies	<u>8,000</u>	<u>9,059</u>	<u>(1,059)</u>
 Total	 <u>105,800</u>	 <u>109,487</u>	 <u>(3,687)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<hr style="border-top: 1px dashed black;"/>			
City Manager			
Salary & Wages	143,000	143,384	(384)
Travel & Training	5,000	3,935	1,065
Contractual Services	10,000	8,449	1,551
Materials & Supplies	4,500	3,840	660
Fuel	100	115	(15)
Maintenance & Repairs	7,000	10,618	(3,618)
Utilities	7,000	6,275	725
Capital Outlay	<u>13,800</u>	<u>13,781</u>	<u>19</u>
Total	<u>190,400</u>	<u>190,397</u>	<u>3</u>
Personnel			
Salary & Wages	96,500	97,090	(590)
Travel & Training	2,000	2,396	(396)
Contractual Services	500	637	(137)
Materials & Supplies	6,000	5,701	299
Maintenance & Repairs	<u>2,300</u>	<u>2,244</u>	<u>56</u>
Total	<u>107,300</u>	<u>108,068</u>	<u>(768)</u>
Legal			
City Attorney			
Travel & Training	2,000	2,155	(155)
Contractual Services	80,000	81,227	(1,227)
Materials & Supplies	<u>100</u>	<u>94</u>	<u>6</u>
Total	<u>82,100</u>	<u>83,476</u>	<u>(1,376)</u>
City Court			
Travel & Training	300	370	(70)
Contractual Services	25,000	24,056	944
Materials & Supplies	<u>400</u>	<u>339</u>	<u>61</u>
Total	<u>25,700</u>	<u>24,765</u>	<u>935</u>
Total - Legal	<u>107,800</u>	<u>108,241</u>	<u>(441)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)

Zoning/Code Enforcement			
Salary & Wages	131,500	128,810	2,690
Travel & Training	5,000	5,560	(560)
Contractual Services	55,000	48,151	6,849
Materials & Supplies	7,000	6,595	405
Fuel	1,000	1,200	(200)
Maintenance & Repairs	700	684	16
Capital Outlay	<u>1,500</u>	<u>1,470</u>	<u>30</u>
Total	<u>201,700</u>	<u>192,470</u>	<u>9,230</u>
Community Development			
Salary & Wages	64,000	63,803	197
Travel & Training	6,000	4,940	1,060
Contractual Services	40,000	239,068	(199,068)
Materials & Supplies	8,000	7,685	315
Contingency	39,000	58,062	(19,062)
Capital Outlay	<u>1,650</u>	<u>10,259</u>	<u>(8,609)</u>
Total	<u>158,650</u>	<u>383,817</u>	<u>(225,167)</u>
Finance			
Office of Director			
Salary & Wages	96,000	92,124	3,876
Travel & Training	1,500	1,469	31
Contractual Services	6,200	6,520	(320)
Materials & Supplies	5,500	4,807	693
Fuel	200	140	60
Maintenance & Repairs	1,000	2,564	(1,564)
Capital Outlay	1,200	1,202	(2)
Utilities	<u>9,500</u>	<u>8,426</u>	<u>1,074</u>
Total	<u>121,100</u>	<u>117,252</u>	<u>3,848</u>
Purchasing			
Salary & Wages	54,700	54,795	(95)
Travel & Training	800	741	59
Contractual Services	100	-0-	100
Materials & Supplies	1,200	1,491	(291)
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>
Total	<u>58,800</u>	<u>59,027</u>	<u>(227)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)

Tax & License			
Salary & Wages	58,000	57,854	146
Travel & Training	300	193	107
Contractual Services	6,000	6,084	(84)
Materials & Supplies	<u>1,500</u>	<u>1,136</u>	<u>364</u>
Total	<u>65,800</u>	<u>65,267</u>	<u>533</u>
Computer Services			
Salary & Wages	71,700	71,423	277
Travel & Training	200	123	77
Contractual Services	25,000	27,732	(2,732)
Materials & Supplies	26,000	24,826	1,174
Capital Outlay	<u>5,500</u>	<u>5,443</u>	<u>57</u>
Total	<u>128,400</u>	<u>129,547</u>	<u>(1,147)</u>
Customer Service			
Salary & Wages	196,500	196,167	333
Travel & Training	500	501	(1)
Contractual Services	1,500	1,257	243
Materials & Supplies	105,000	93,888	11,112
Maintenance & Repairs	<u>500</u>	<u>587</u>	<u>(87)</u>
Total	<u>304,000</u>	<u>292,400</u>	<u>11,600</u>
Total - Finance	<u>678,100</u>	<u>663,493</u>	<u>14,607</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Public Works</u>			
Office of Director			
Salary & Wages	95,700	95,749	(49)
Travel & Training	2,000	1,891	109
Contractual Services	8,000	7,569	431
Materials & Supplies	6,000	6,772	(772)
Fuel	400	384	16
Maintenance & Repairs	500	955	(455)
Capital Outlay	600	317	283
Total	<u>113,200</u>	<u>113,637</u>	<u>(437)</u>
Cemetery			
Salary & Wages	236,000	222,482	13,518
Contractual Services	2,000	2,004	(4)
Materials & Supplies	8,500	15,056	(6,556)
Fuel	2,500	3,060	(560)
Maintenance & Repairs	11,000	10,373	627
Utilities	6,000	6,336	(336)
Capital Outlay	22,400	22,355	45
Total	<u>288,400</u>	<u>281,666</u>	<u>6,734</u>
Streets/Drains/Sidewalks			
Salary & Wages	540,000	503,148	36,852
Travel & Training	1,000	966	34
Contractual Services	150,000	169,508	(19,508)
Materials & Supplies	95,000	101,405	(6,405)
Fuel	18,000	19,952	(1,952)
Maintenance & Repairs	80,000	92,779	(12,779)
Utilities	4,500	3,984	516
Capital Outlay	229,700	218,882	10,818
Total	<u>1,118,200</u>	<u>1,110,624</u>	<u>7,576</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Garage			
Salary & Wages	93,800	88,560	5,240
Travel & Training	100	11	89
Contractual Services	7,000	7,213	(213)
Materials & Supplies	14,000	13,866	134
Fuel	550	563	(13)
Maintenance & Repairs	4,000	2,307	1,693
Utilities	<u>9,000</u>	<u>8,632</u>	<u>368</u>
Total	<u>128,450</u>	<u>121,152</u>	<u>7,298</u>
Sign Shop			
Salary & Wages	49,300	46,420	2,880
Travel & Training	1,400	1,381	19
Contractual Services	15,000	14,487	513
Materials & Supplies	20,000	20,454	(454)
Fuel	1,300	1,186	114
Maintenance & Repairs	2,000	1,856	144
Utilities	<u>500</u>	<u>333</u>	<u>167</u>
Total	<u>89,500</u>	<u>86,117</u>	<u>3,383</u>
Golf Course			
Salary & Wages	196,000	185,414	10,586
Travel & Training	1,000	881	119
Contractual Services	50,000	44,853	5,147
Materials & Supplies	60,000	65,052	(5,052)
Fuel	2,000	2,025	(25)
Maintenance & Repairs	18,000	20,667	(2,667)
Capital Outlay	70,300	48,599	21,701
Utilities	<u>15,000</u>	<u>11,304</u>	<u>3,696</u>
Total	<u>412,300</u>	<u>378,795</u>	<u>33,505</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
City Park			
Salary & Wages	75,800	72,008	3,792
Travel & Training	100	-0-	100
Contractual Services	30,000	6,782	23,218
Materials & Supplies	23,000	25,627	(2,627)
Fuel	1,500	1,511	(11)
Maintenance & Repairs	7,000	6,603	397
Utilities	<u>8,500</u>	<u>10,049</u>	<u>(1,549)</u>
Total	<u>145,900</u>	<u>122,580</u>	<u>23,320</u>
City Pool			
Salary & Wages	13,500	11,915	1,585
Materials & Supplies	4,000	7,014	(3,014)
Maintenance & Repairs	2,000	147	1,853
Utilities	<u>2,000</u>	<u>2,237</u>	<u>(237)</u>
Total	<u>21,500</u>	<u>21,313</u>	<u>187</u>
Total Public Works	<u>2,317,450</u>	<u>2,235,884</u>	<u>81,566</u>
<u>Solid Waste</u>			
Office of Director			
Salary & Wages	115,300	114,589	711
Travel & Training	1,500	1,409	91
Contractual Services	12,500	12,349	151
Materials & Supplies	6,500	6,902	(402)
Fuel	400	447	(47)
Maintenance & Repairs	1,000	455	545
Utilities	11,000	13,046	(2,046)
Capital Outlay	<u>36,900</u>	<u>34,844</u>	<u>2,056</u>
Total	<u>185,100</u>	<u>184,041</u>	<u>1,059</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)

Commercial Garbage			
Salary & Wages	140,000	130,089	9,911
Contractual Services	400,000	448,803	(48,803)
Materials & Supplies	5,000	4,192	808
Fuel	10,000	10,701	(701)
Maintenance & Repairs	30,000	39,046	(9,046)
Travel & Training	100	80	20
Capital Outlay	<u>18,900</u>	<u>18,828</u>	<u>72</u>
Total	<u>604,000</u>	<u>651,739</u>	<u>(47,739)</u>
 Residential Garbage			
Salary & Wages	300,800	285,362	15,438
Travel & Training	500	637	(137)
Contractual Services	230,000	256,741	(26,741)
Materials & Supplies	6,000	5,852	148
Fuel	11,000	11,220	(220)
Maintenance & Repairs	<u>23,000</u>	<u>22,390</u>	<u>610</u>
Total	<u>571,300</u>	<u>582,202</u>	<u>(10,902)</u>
 Maintenance Shop			
Salary & Wages	105,000	100,065	4,935
Contractual Services	100	89	11
Materials & Supplies	3,000	4,847	(1,847)
Fuel	1,300	1,378	(78)
Maintenance & Repairs	1,000	1,229	(229)
Capital Outlay	<u>3,500</u>	<u>3,490</u>	<u>10</u>
Total	<u>113,900</u>	<u>111,098</u>	<u>2,802</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Sanitary Landfill			
Salary & Wages	14,700	14,675	25
Contractual Services	90,000	75,601	14,399
Materials & Supplies	28,000	28,197	(197)
Fuel	5,000	3,868	1,132
Maintenance & Repairs	1,000	1,077	(77)
Utilities	-0-	16	(16)
Training	<u>-0-</u>	<u>6,128</u>	<u>(6,128)</u>
Total	<u>138,700</u>	<u>129,562</u>	<u>9,138</u>
 Yard Waste Collection			
Salary & Wages	364,000	345,250	18,750
Travel & Training	200	350	(150)
Contractual Services	100,000	121,570	(21,570)
Materials & Supplies	5,000	4,637	363
Fuel	10,500	11,610	(1,110)
Maintenance & Repairs	55,000	56,612	(1,612)
Capital Outlay	<u>63,100</u>	<u>63,035</u>	<u>65</u>
Total	<u>597,800</u>	<u>603,064</u>	<u>(5,264)</u>
 Animal Control			
Salary & Wages	57,500	54,948	2,552
Travel & Training	500	1,109	(609)
Contractual Services	15,000	15,141	(141)
Materials & Supplies	6,000	5,737	263
Fuel	2,500	2,979	(479)
Capital Outlay	28,200	28,150	50
Maintenance & Repairs	<u>3,000</u>	<u>2,739</u>	<u>261</u>
Total	<u>112,700</u>	<u>110,803</u>	<u>1,897</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)

C & D Landfill			
Salary & Wages	47,000	44,854	2,146
Travel & Training	200	149	51
Contractual Services	8,000	6,099	1,901
Materials & Supplies	11,000	9,112	1,888
Fuel	7,000	7,107	(107)
Maintenance & Repairs	40,000	30,887	9,113
Utilities	<u>1,500</u>	<u>1,062</u>	<u>438</u>
Total	<u>114,700</u>	<u>99,270</u>	<u>15,430</u>
Composting Operations			
Salary & Wages	47,000	47,833	(833)
Contractual Services	87,000	94,662	(7,662)
Materials & Supplies	1,000	607	393
Fuel	2,500	668	1,832
Maintenance & Repairs	10,000	10,875	(875)
Utilities	<u>1,500</u>	<u>888</u>	<u>612</u>
Total	<u>149,000</u>	<u>155,533</u>	<u>(6,533)</u>
Non-Departmental			
Contractual Services	<u>603,200</u>	<u>571,620</u>	<u>31,580</u>
Total	<u>603,200</u>	<u>571,620</u>	<u>31,580</u>
Recycling Operations			
Capital Outlay	<u>30,000</u>	<u>29,147</u>	<u>853</u>
Total	<u>30,000</u>	<u>29,147</u>	<u>853</u>
Total Solid Waste	<u>3,220,400</u>	<u>3,228,079</u>	<u>(7,679)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>-----</u>			
<u>Fire</u>			
Office of Chief			
Salary & Wages	107,000	107,367	(367)
Travel & Training	1,000	425	575
Contractual Services	400	371	29
Materials & Supplies	1,800	1,474	326
Fuel	600	713	(113)
Maintenance & Repairs	1,500	1,197	303
Utilities	<u>23,000</u>	<u>26,206</u>	<u>(3,206)</u>
Total	<u>135,300</u>	<u>137,753</u>	<u>(2,453)</u>
 Fire Prevention			
Salary & Wages	54,500	54,649	(149)
Travel & Training	1,400	952	448
Contractual Services	200	265	(65)
Materials & Supplies	4,000	4,103	(103)
Fuel	700	794	(94)
Capital Outlay	<u>1,200</u>	<u>1,340</u>	<u>(140)</u>
Total	<u>62,000</u>	<u>62,103</u>	<u>(103)</u>
 Fire Suppression			
Salary & Wages	1,520,000	1,522,256	(2,256)
Travel & Training	3,000	1,582	1,418
Contractual Services	46,000	61,223	(15,223)
Materials & Supplies	47,000	41,086	5,914
Fuel	4,000	4,139	(139)
Maintenance & Repairs	17,000	21,758	(4,758)
Capital Outlay	<u>23,800</u>	<u>23,713</u>	<u>87</u>
Total	<u>1,660,800</u>	<u>1,675,757</u>	<u>(14,957)</u>
 Bond Construction			
Contractual Services	<u>20,000</u>	<u>12,617</u>	<u>7,383</u>
Total	<u>20,000</u>	<u>12,617</u>	<u>7,383</u>
Total Fire	<u>1,878,100</u>	<u>1,888,230</u>	<u>(10,130)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
<u>Police</u>			
Office of Chief			
Salary & Wages	210,000	209,765	235
Travel & Training	3,600	4,916	(1,316)
Contractual Services	2,000	1,048	952
Materials & Supplies	10,000	9,379	621
Fuel	1,000	984	16
Maintenance & Repairs	1,600	1,590	10
Capital Outlay	<u>7,000</u>	<u>6,822</u>	<u>178</u>
Total	<u>235,200</u>	<u>234,504</u>	<u>696</u>
Support Services			
Salary & Wages	278,000	278,302	(302)
Travel & Training	3,500	3,301	199
Contractual Services	17,000	16,310	690
Materials & Supplies	10,000	11,402	(1,402)
Fuel	400	567	(167)
Maintenance & Repairs	8,000	9,202	(1,202)
Utilities	<u>16,000</u>	<u>17,172</u>	<u>(1,172)</u>
Total	<u>332,900</u>	<u>336,256</u>	<u>(3,356)</u>
Community Services			
Salary & Wages	1,479,000	1,479,058	(58)
Travel & Training	5,500	4,757	743
Contractual Services	5,000	5,114	(114)
Materials & Supplies	40,000	39,624	376
Fuel	35,000	36,186	(1,186)
Maintenance & Repairs	70,000	80,580	(10,580)
Capital Outlay	<u>5,200</u>	<u>5,175</u>	<u>25</u>
Total	<u>1,639,700</u>	<u>1,650,494</u>	<u>(10,794)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Investigative Services			
Salary & Wages	429,000	432,380	(3,380)
Travel & Training	4,000	3,462	538
Contractual Services	12,000	11,840	160
Materials & Supplies	10,000	10,674	(674)
Fuel	3,000	3,362	(362)
Maintenance & Repairs	5,000	7,769	(2,769)
Utilities	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total	<u>465,000</u>	<u>469,487</u>	<u>(4,487)</u>
Detention Center			
Salary & Wages	110,000	110,922	(922)
Contractual Services	70,000	67,449	2,551
Materials & Supplies	55,000	56,794	(1,794)
Maintenance & Repairs	<u>2,000</u>	<u>1,764</u>	<u>236</u>
Total	<u>237,000</u>	<u>236,929</u>	<u>71</u>
Total - Police	<u>2,909,800</u>	<u>2,927,670</u>	<u>(17,870)</u>

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

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Recycle/Clean Community Contractual Services	<u>27,000</u>	<u>27,651</u>	(651)
Total	<u>27,000</u>	<u>27,651</u>	(651)
<u>Non-Departmental</u>			
Contractual Services	3,881,600	3,725,083	156,517
Contingency	<u>250,000</u>	<u>115,701</u>	<u>134,299</u>
Total	<u>4,131,600</u>	<u>3,840,784</u>	<u>290,816</u>
Total Expenditures	<u>16,034,100</u>	<u>15,904,271</u>	<u>129,829</u>
Excess (deficiency) of funds available over expenditures	(4,961,700)	(5,201,511)	(239,811)
Other Financing Sources			
Transfers from other funds	<u>5,380,000</u>	<u>5,326,139</u>	(53,861)
Total other financing sources	<u>5,380,000</u>	<u>5,326,139</u>	(53,861)
Excess (deficiency) of funds available and other financing sources over expenditures	<u>418,300</u>	<u>124,628</u>	(293,672)
Fund balance, beginning of year	<u>2,858,744</u>	<u>2,858,744</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ 3,277,044</u>	<u>\$ 2,983,372</u>	<u>(\$ 293,672)</u>

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

CITY OF GRIFFIN, GEORGIA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash	\$ 9
Savings account	15,321
Property taxes receivable (net of allowance for doubtful accounts of \$177)	<u>10,842</u>
Total assets	<u>\$ 26,172</u>

LIABILITIES AND FUND BALANCE

Fund balance, appropriated	<u>\$ 26,172</u>
Total liabilities and fund balance	<u>\$ 26,172</u>

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

CITY OF GRIFFIN, GEORGIA
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE
JUNE 30, 1996

REVENUES

Property taxes	\$ <u>119,250</u>
Total revenues	<u>119,250</u>

EXPENDITURES

Bond principal payments	100,000
Interest on bonds	19,250
Fiscal agent fees	<u>-0-</u>
Total expenditures	<u>119,250</u>

Excess (deficiency) of revenue over expenditures	(<u>-0-</u>)
--	----------------

Transfers from General Fund	<u>-0-</u>
-----------------------------	------------

Excess (deficiency) of Revenues over expenditures and transfers	-0-
---	-----

Fund balance, beginning of year	<u>26,172</u>
---------------------------------	---------------

Fund balance, end of year	<u>\$ 26,172</u>
---------------------------	------------------

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

CITY OF GRIFFIN, GEORGIA
ENTERPRISE FUND
LIGHT, WATER AND WASTEWATER DEPARTMENT
BALANCE SHEET
JUNE 30, 1996

ASSETS

CURRENT ASSETS

Cash	\$ 146,124
Accounts receivable	3,921,526
Materials and supplies at cost	856,697
Due from other funds	119,735
Prepaid insurance	<u>99,535</u>
Total current assets	<u>5,143,617</u>

RESTRICTED ASSETS

Cash	1,572,329
Certificates of deposit and savings accounts	<u>8,749,436</u>
Total restricted assets	<u>10,321,765</u>

PROPERTY AND EQUIPMENT

Electrical facilities and distribution system	12,556,635
Water purification facilities and distribution system	13,463,140
Wastewater treatment facilities and collection system	14,807,021
Equipment and other	<u>8,301,021</u>
Total property and equipment	49,127,817
Less: accumulated depreciation	(<u>21,023,992</u>)
Net property and equipment	<u>28,103,825</u>
Total assets	<u>\$43,569,207</u>

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

CITY OF GRIFFIN, GEORGIA
 ENTERPRISE FUND
 LIGHT, WATER AND WASTEWATER DEPARTMENT
 BALANCE SHEET
 JUNE 30, 1996

LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS

LIABILITIES

Current Maturities of Long Term Debt	\$ 505,646
Accounts payable	31,874
Accrued salaries	12,025
Consumer deposits	981,114
Due to other funds	<u>207,465</u>
Total current liabilities	1,738,124

LONG TERM DEBT 12,366,474

Total liabilities 14,104,598

CONTRIBUTED CAPITAL AND RETAINED EARNINGS

Contributed Capital/Retained Earnings - June 30, 1976	11,349,226
Contributed capital - capital grants	1,012,005
Subsequent to June 30, 1976:	
Contributed Capital	3,601,320
Retained Earnings	<u>13,502,058</u>
Total contributed capital and retained earnings	<u>29,464,609</u>
Total liabilities, contributed capital, and retained earnings	<u>\$43,569,207</u>

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

CITY OF GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Actual</u>	Adjustment to Budgetary Basis	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Operating Revenues:					
Electric					
Residential Ser.	\$ 7,105,284	\$	\$7,105,284	\$ 7,000,000	\$ 105,284
General Ser.	9,771,336		9,771,336	9,700,000	71,336
Industrial/ Comm.					
Service	2,507,691		2,507,691	2,300,000	207,691
Temporary Ser.	5,110		5,110	5,000	110
Services/Fees	106,138		106,138	105,000	1,138
Sales Tax					
Collected	1,288,999		1,288,999	1,250,000	38,999
Fuel Adjustment	4,737,845		4,737,845	4,650,000	87,845
Delinquent Penalties	600,838		600,838	580,000	20,838
Miscellaneous	<u>26,985</u>		<u>26,985</u>	<u>27,500</u>	(515)
Total Electric	<u>26,150,226</u>	<u>-0-</u>	<u>26,150,226</u>	<u>25,617,500</u>	<u>532,726</u>
Water Department					
Residential Service	1,214,288		1,214,288	1,200,000	14,288
Industrial/Comm.	1,467,030		1,467,030	1,350,000	117,030
Service Fees	109,843		109,843	115,000	(5,157)
Tapping Meters	19,688		19,688	20,000	(312)
County Service	922,435	1,926,707	2,849,142	2,800,000	49,142
Miscellaneous	<u>29,166</u>		<u>29,166</u>	<u>29,600</u>	(434)
Total Water Department	<u>3,762,450</u>	<u>1,926,707</u>	<u>5,689,157</u>	<u>5,514,600</u>	<u>174,557</u>
Wastewater Department					
Residential Service	1,355,490		1,355,490	1,350,000	5,490
General Service	1,195,400		1,195,400	1,150,000	45,400
Service Fees	23,416		23,416	25,000	(1,584)
Tapping Meters	7,958		7,958	10,000	(2,042)
Sale of Fixed Assets	199,209		199,209	-0-	199,209
Miscellaneous	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Wastewater Department	<u>2,781,473</u>	<u>-0-</u>	<u>2,781,473</u>	<u>2,535,000</u>	<u>246,473</u>
 Total operating revenues	 <u>32,694,149</u>	 <u>1,926,707</u>	 <u>34,620,856</u>	 <u>33,667,100</u>	 <u>953,756</u>

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

CITY OF GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses:					
<u>Electric</u>					
Office of Director					
Salary & wages	48,319		48,319	48,300	(19)
Travel & training	1,697		1,697	1,100	(597)
Contractual services	4,479		4,479	7,000	2,521
Materials & supplies	2,260		2,260	2,400	140
Fuel	-0-		-0-	-0-	-0-
Maintenance & repairs	1,054		1,054	2,000	946
Utilities	<u>7,092</u>		<u>7,092</u>	<u>7,500</u>	<u>408</u>
Total	<u>64,901</u>	<u>-0-</u>	<u>64,901</u>	<u>68,300</u>	<u>3,399</u>
Technical Services					
Salary & wages	238,846		238,846	239,000	154
Travel & training	2,174		2,174	3,000	826
Contractual services	18,700,357		18,700,357	18,700,000	(357)
Materials & supplies	57,417		57,417	30,000	(27,417)
Fuel	5,017		5,017	4,500	(517)
Maintenance & repairs	46,270		46,270	50,000	3,730
Utilities	232,321		232,321	220,000	(12,321)
Capital outlay	<u>-0-</u>	<u>259,383</u>	<u>259,383</u>	<u>263,300</u>	<u>3,917</u>
Total	<u>19,282,402</u>	<u>259,383</u>	<u>19,541,785</u>	<u>19,509,800</u>	<u>(31,985)</u>

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

CITY OF GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Line Construction					
Salary & wages	432,006		432,006	430,000	(2,006)
Contractual services	94,062		94,062	90,000	(4,062)
Materials & supplies	15,101		15,101	16,000	899
Fuel	7,842		7,842	7,000	(842)
Maintenance & repairs	78,980		78,980	50,000	(28,980)
Utilities	5,853		5,853	6,000	147
Contingency	9,997		9,997	20,000	10,003
Capital outlay	-0- (3)	506,634	506,634	518,400	11,766
Total	<u>643,841</u>	<u>506,634</u>	<u>1,150,475</u>	<u>1,137,400</u>	<u>(13,075)</u>
Non-Departmental					
Salary & wages	81,828		81,828	81,900	72
Contractual services	386,023		386,023	462,700	76,677
Depreciation	339,607	(339,607) (1)	-0-	-0-	-0-
Bad Debt	95,325	(95,325)	-0-	-0-	-0-
Total	<u>902,783</u>	<u>(434,932)</u>	<u>467,851</u>	<u>544,600</u>	<u>76,749</u>
Total - Electric	<u>20,893,927</u>	<u>331,085</u>	<u>21,225,012</u>	<u>21,260,100</u>	<u>35,088</u>
Water - Wastewater					
Office of Director					
Salary & wages	90,603		90,603	94,000	3,397
Travel & training	612		612	600	(12)
Contractual services	31,988		31,988	33,000	1,012
Materials & supplies	4,868		4,868	3,500	(1,368)
Fuel	746		746	700	(46)
Maint. & repairs	1,800		1,800	1,500	(300)
Total	<u>130,617</u>	<u>-0-</u>	<u>130,617</u>	<u>133,300</u>	<u>2,683</u>
Water Production					
Salary & wages	282,902		282,902	302,000	19,098
Travel & training	402		402	800	398
Contractual services	8,512		8,512	10,000	1,488
Materials & supplies	156,028		156,028	150,000	(6,028)
Fuel	1,725		1,725	1,500	(225)
Maintenance & repairs	34,317		34,317	28,000	(6,317)
Utilities	398,808	(3)	398,808	360,000	(38,808)
Capital outlay	-0- (3)	171,487	171,487	412,400	240,913
Total	<u>882,694</u>	<u>171,487</u>	<u>1,054,181</u>	<u>1,264,700</u>	<u>210,519</u>

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

CITY OF GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Water Distribution					
Salary & wages	279,084		279,084	303,500	24,416
Travel & training	1,020		1,020	1,000	(20)
Contractual services	190	1,926,707	1,926,897	2,000,000	73,103
Materials & supplies	44,323		44,323	40,000	(4,323)
Fuel	9,814		9,814	8,500	(1,314)
Maintenance & repairs	58,590		58,590	50,000	(8,590)
Utilities	7,480		7,480	8,000	520
Capital outlay	-0-	(3) 92,870	92,870	91,450	(1,420)
Total	<u>400,501</u>	<u>2,019,577</u>	<u>2,420,078</u>	<u>2,502,450</u>	<u>82,372</u>
Wastewater Collection					
Salary & wages	101,977		101,977	100,000	(1,977)
Travel & training	987		987	1,000	13
Contractual services	190		190	125	(65)
Materials & supplies	10,977		10,977	12,000	1,023
Fuel	3,875		3,875	3,500	(375)
Maintenance & repairs	12,810		12,810	15,000	2,190
Utilities	2,493		2,493	2,800	307
Capital outlay	-0-	(3) 242,671	242,671	274,700	32,029
Total	<u>133,309</u>	<u>242,671</u>	<u>375,980</u>	<u>409,125</u>	<u>33,145</u>
Wastewater Treatment					
Salary & wages	320,820		320,820	325,000	4,180
Travel & training	898		898	1,500	602
Contractual services	187		187	150	(37)
Materials & supplies	47,248		47,248	52,000	4,752
Fuel	7,140		7,140	6,000	(1,140)
Maintenance & repairs	22,033		22,033	20,000	(2,033)
Utilities	148,731		148,731	138,000	(10,731)
Capital outlay	-0-	(3) 44,367	44,367	41,000	(3,367)
Total	<u>547,057</u>	<u>44,367</u>	<u>591,424</u>	<u>583,650</u>	<u>(7,774)</u>

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

CITY OF GRIFFIN, GEORGIA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	Actual		Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)

Meter Reading						
Salary & wages	81,951			81,951	82,000	49
Travel & training	200			200	300	100
Contractual Services	75			75	5,500	5,425
Materials & supplies	1,604			1,604	1,000	(604)
Fuel	3,989			3,989	3,600	(389)
Maintenance & repairs	3,914			3,914	2,000	(1,914)
Utilities	836			836	850	14
Capital outlay	-0-	(3)	26,282	26,282	26,200	(82)
Total	<u>92,569</u>		<u>26,282</u>	<u>118,851</u>	<u>121,450</u>	<u>2,599</u>
Non-Departmental						
Contractual services	621,183		-0-	621,183	638,300	17,117
Depreciation - wastewater	613,615	(1)	(613,615)	-0-	-0-	-0-
Depreciation - water	453,332	(1)	(453,332)	-0-	-0-	-0-
Bad Debt	23,854		(23,854)	-0-	-0-	-0-
Total	<u>1,711,984</u>		<u>(1,090,801)</u>	<u>621,183</u>	<u>638,300</u>	<u>17,117</u>
Total - Water/ Wastewater	<u>3,898,731</u>		<u>1,413,583</u>	<u>5,312,314</u>	<u>5,652,975</u>	<u>340,661</u>
Total operating expense	<u>24,792,658</u>		<u>1,744,668</u>	<u>26,537,326</u>	<u>26,913,075</u>	<u>375,749</u>
Operating income (loss)	<u>7,901,491</u>		<u>182,039</u>	<u>8,083,530</u>	<u>6,754,025</u>	<u>1,329,505</u>
Non-operating Revenues (expenses):						
Investment income	443,255		(325,647)	117,608	90,000	27,608
Debt service	(697,225)	(2)	25,335	(671,890)	(691,000)	19,110
Total Non- operating Revenues (expenses)	<u>(253,970)</u>		<u>(300,312)</u>	<u>(554,282)</u>	<u>(601,000)</u>	<u>46,718</u>
Income (loss) before other financing uses	<u>7,647,521</u>		<u>(118,273)</u>	<u>7,529,248</u>	<u>6,153,025</u>	<u>1,376,223</u>

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

CITY OF GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS - ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing uses:					
Operating transfers out	<u>5,250,000</u>	<u>-0-</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>-0-</u>
Total other financing uses	<u>5,250,000</u>	<u>-0-</u>	<u>5,250,000</u>	<u>5,250,000</u>	<u>-0-</u>
Net profit (loss)	2,397,521	(118,273)	2,279,248	903,025	1,376,223
Contributed Capital & Retained Earnings 6/30/95	27,696,341	-0-	27,696,341	27,696,341	-0-
Prior Period Adjust. Contributed Capital & Retained Earnings 6/30/95 as adjusted	<u>(629,253)</u>	<u>-0-</u>	<u>(629,253)</u>	<u>(629,253)</u>	<u>-0-</u>
Contributed capital & Retained Earnings 6/30/96	<u>\$29,464,609</u>	<u>(\$ 118,273)</u>	<u>\$29,346,336</u>	<u>\$27,970,113</u>	<u>\$1,376,223</u>

Notes:

- (1) The city does not budget depreciation expense.
- (2) The city does not budget for accrued interest expense.
- (3) The city does budget for capital outlay.

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

CITY OF GRIFFIN, GEORGIA
 ENTERPRISE FUND
 LIGHT, WATER AND WASTEWATER DEPARTMENT
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 7,901,491
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,406,554
Changes in assets and liabilities	
(Increase) Decrease in accounts receivable	318,253
(Increase) Decrease in inventory	(96,861)
(Increase) Decrease in due from other funds	(53,469)
(Increase) Decrease in prepaid insurance	(16,368)
Increase (Decrease) in accounts payable	(118,360)
Increase (Decrease) in consumer deposits	11,530
Increase (Decrease) in accrued salaries	(45,304)
Prior period adjustment	(<u>629,253</u>)
Net cash provided by operating activities	<u>8,678,213</u>
Cash flows from non-capital financing activities	
Operating transfers out	(<u>5,250,000</u>)
Net cash provided by (used for) noncapital financing activities	(<u>5,250,000</u>)

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

CITY OF GRIFFIN, GEORGIA
 ENTERPRISE FUND
 LIGHT, WATER AND WASTEWATER DEPARTMENT
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996

Cash flows from capital and related financing activities	
Accrued interest and bond issue cost	(39,819)
Acquisition and construction of capital assets	(3,460,402)
Principal on short and long term obligations	(477,723)
Interest paid on short and long term debt	(<u>657,406</u>)
Net cash provided by (used for) capital and related financing activities	(<u>4,635,350</u>)
 Cash flows from investing activities	
Investment income	<u>443,255</u>
Net cash provided by investing activities	<u>443,255</u>
Net increase (decrease) in cash	(763,882)
 Cash and restricted cash, June 30, 1995	 <u>11,231,771</u>
 Cash and restricted cash, June 30, 1996	 <u>\$10,467,889</u>

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

CITY OF GRIFFIN, GEORGIA
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1996

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total Memorandum Only</u>
<u>ASSETS</u>				
Cash-Checking and money market	\$ 1,000	\$ 4,472	\$ 7,755	\$ 13,227
Certificates of Deposit and Investments	14,855,578	1,053,222	180,000	16,088,800
Land	-0-	77,223	-0-	77,223
Due from Gen. Fund	<u>-0-</u>	<u>22,286</u>	<u>-0-</u>	<u>22,286</u>
Total assets	<u>\$14,856,578</u>	<u>\$1,157,203</u>	<u>\$ 187,755</u>	<u>\$16,201,536</u>
<u>LIABILITIES</u>				
Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund balance, appropriated	<u>14,856,578</u>	<u>1,157,203</u>	<u>187,755</u>	<u>16,201,536</u>
Total Liabilities and Fund Balance	<u>\$14,856,578</u>	<u>\$ 1,157,203</u>	<u>\$ 187,755</u>	<u>\$16,201,536</u>

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

CITY OF GRIFFIN, GEORGIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total Memorandum Only</u>
REVENUE				
Interest & Dividends on investments	\$ 774,567	\$ 103,784	\$ 12,449	\$ 890,800
Gain (loss) on securities	507,130	-0-	-0-	507,130
Contributions from other funds	1,283,811	-0-	-0-	1,283,811
Sale of lots	-0-	31,618	-0-	31,618
Contributions from Airport Funds	<u>9,865</u>	<u>-0-</u>	<u>-0-</u>	<u>9,865</u>
Total revenue	2,575,373	135,402	12,449	2,723,224
EXPENDITURES				
Pension payments	1,081,451	-0-	-0-	1,081,451
Bank charges	-0-	3,957	184	4,141
Professional fees	<u>47,236</u>	<u>-0-</u>	<u>-0-</u>	<u>47,236</u>
Total expenditures	<u>1,128,687</u>	<u>3,957</u>	<u>184</u>	<u>1,132,828</u>
Excess of revenue over expenditures	1,446,686	131,445	12,265	1,590,396
Transfers to General Fund	<u>-0-</u>	<u>76,139</u>	<u>-0-</u>	<u>76,139</u>
Excess of revenue over expenditures and transfers	1,446,686	55,306	12,265	1,514,257
Fund balance, beginning of year	<u>13,409,892</u>	<u>1,101,897</u>	<u>175,490</u>	<u>14,687,279</u>
Fund balance, end of year	<u>\$14,856,578</u>	<u>\$ 1,157,203</u>	<u>\$ 187,755</u>	<u>\$16,201,536</u>

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

CITY OF GRIFFIN, GEORGIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total (Memorandum Only)</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 164,989	\$ 31,618	(\$ 184)	\$ 196,423
Changes in assets and liabilities				
(Increase) Decrease in due from other funds	<u>-0-</u>	<u>(2,059)</u>	<u>-0-</u>	<u>(2,059)</u>
Net cash provided by operating activities	<u>164,989</u>	<u>29,559</u>	<u>(184)</u>	<u>194,364</u>
Cash flows from non-capital financing activities				
Operating transfers out	<u>-0-</u>	<u>(76,139)</u>	<u>-0-</u>	<u>(76,139)</u>
Net cash provided by (used for) noncapital financing activities	<u>-0-</u>	<u>(76,139)</u>	<u>-0-</u>	<u>(76,139)</u>
Cash flows from capital and related financing activities	<u>-0-</u>	<u>(77,223)</u>	<u>-0-</u>	<u>(77,223)</u>

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

CITY OF GRIFFIN, GEORGIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total (Memorandum Only)</u>
Cash flows from investing activities				
Interest on investments	774,567	99,827	12,449	886,843
Gain (loss) on securities	<u>507,130</u>	<u>-0-</u>	<u>-0-</u>	<u>507,130</u>
Net cash provided by investing activities	<u>1,281,697</u>	<u>99,827</u>	<u>12,449</u>	<u>1,393,973</u>
Net increase (decrease) in cash	1,446,686	(23,976)	12,265	1,434,975
Cash and restricted cash beginning of year	<u>13,409,892</u>	<u>1,081,670</u>	<u>175,490</u>	<u>14,667,052</u>
Cash and restricted cash end of year	<u>\$14,856,578</u>	<u>\$ 1,057,694</u>	<u>\$ 187,755</u>	<u>\$16,102,027</u>

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

CITY OF GRIFFIN, GEORGIA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1996

General Fixed Assets

Land	\$ 1,872,408
Buildings	4,048,097
Street paving and bridges	3,299,558
Equipment	<u>9,341,949</u>

Total General Fixed Assets \$18,562,012

Investment in General Fixed Assets \$18,562,012

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

CITY OF GRIFFIN, GEORGIA
 STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Balance</u> <u>June 30, 1995</u>	<u>Obligations</u>	<u>Maturities</u>	<u>Debt Service</u> <u>Fund</u> <u>Operations</u>	<u>Balance</u> <u>June 30, 1996</u>
Amount available in Debt Service Fund	\$ 26,172	\$ -0-	\$ -0-	\$ -0-	\$ 26,172
Amount to be provided for Retirement of Long-term Debt	<u>1,290,907</u>	<u>1,561,413</u>	<u>(640,710)</u>	<u>-0-</u>	<u>2,211,610</u>
Total available and to be provided	<u>\$ 1,317,079</u>	<u>\$ 1,561,413</u>	<u>(\$ 640,710)</u>	<u>\$ -0-</u>	<u>\$ 2,237,782</u>
General long-term debt payable: General obligation	<u>\$ 1,317,079</u>	<u>\$ 1,561,413</u>	<u>(\$ 640,710)</u>	<u>\$ -0-</u>	<u>\$ 2,237,782</u>

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

CITY OF GRIFFIN, GEORGIA
 EMPLOYEE AID FUND SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 FOR THE YEAR ENDED JUNE 30, 1996

<u>FISCAL YEAR</u>	<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>PENSION OBLIGATION</u>	<u>PERCENT FUNDED</u>	<u>UNFUNDED OBLIGATION</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UNFUNDED OBLIGATION AS A PERCENT OF COVERED PAYROLL</u>
1987	5,686,782	11,319,407	50.2%	5,632,625	4,829,023	117.0%
1988	6,461,825	11,319,407	57.1%	4,857,582	5,407,444	90.0%
1989	7,400,049	10,795,000	68.5%	3,395,651	5,752,347	59.0%
1990	8,162,705	10,795,000	75.6%	2,632,995	6,825,012	38.6%
1991	9,311,891	12,320,224	75.6%	3,941,522	7,234,015	54.5%
1992	10,045,763	13,790,987	72.8%	3,745,224	7,171,353	52.2%
1993	11,227,913	16,665,988	67.4%	5,438,075	7,702,404	70.6%
1994	12,535,041	17,717,347	70.8%	5,182,306	9,638,110	53.8%
1995	13,409,892	19,814,733	67.7%	6,404,841	9,210,339	69.5%
1996	14,856,578	20,945,396	70.9%	6,088,818	9,672,247	63.0%

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

CITY OF GRIFFIN, GEORGIA
 EMPLOYEE AID FUND SUPPLEMENTARY INFORMATION
 REVENUES BY SOURCE AND EXPENSES BY TYPE
 FOR THE YEAR ENDED JUNE 30, 1996

REVENUES BY SOURCE

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Percentage of Annual Current P/R</u>	<u>Premium Tax</u>	<u>Investment Income</u>	<u>Total</u>
1987	278,861	5.8%	425,966	312,820	1,017,647
1988	330,919	6.1%	567,306	392,704	1,290,929
1989	408,020	7.1%	614,442	436,587	1,459,049
1990	385,203	5.6%	642,417	638,306	1,665,926
1991	364,935	5.0%	681,255	820,336	1,866,526
1992	1,007,534	14.0%	-0-	626,501	1,634,035
1993	1,140,686	14.8%	-0-	942,165	2,082,851
1994	1,245,086	15.0%	-0-	1,038,645	2,283,731
1995	1,221,323	15.0%	-0-	736,949	1,958,272
1996	1,293,676	15.1%	-0-	1,281,691	2,575,367

EXPENSES BY TYPE

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Total</u>
1987	448,333	60	448,393
1988	508,030	7,856	515,886
1989	568,864	2,059	570,923
1990	640,951	13	640,964
1991	715,795	1,545	717,340
1992	818,367	81,796	900,163
1993	861,905	38,796	900,701
1994	924,829	51,774	976,603
1995	1,034,705	48,716	1,083,421
1996	1,081,451	47,236	1,128,687

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

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Mayor and City Commission
The City of Griffin
Griffin, Georgia

We have audited the general purpose financial statements of the City of Griffin, Georgia, for the year ended June 30, 1996 and have issued our report thereon dated November 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of The City of Griffin, Georgia, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Activity Cycles

Treasury or financing
Revenues/receipts
Purchases/disbursements
External financial reporting
Payroll/personnel

General Requirements

Political activity
Davis-Bacon Act
Civil Rights
Cash Management
Federal financial reports

Financial Statement Captions

Cash and cash equivalents
Receivables
Inventory
Property and equipment
Payables and accrued liabilities
Fund Balance

Specific Requirements

Types of service
Eligibility
Matching, level of effort,
and earmark
Reporting

Accounting Applications

Receivables
Cash receipts
Purchasing and receiving
Accounts payables
Cash disbursements
Payroll
Property and equipment
General ledger

For all of the control categories listed above, we obtained and understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operations that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertion of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

In planning and performing our audit of the general purpose financial statements of the City of Griffin, Georgia for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of The City of Griffin, Georgia in a separate letter dated November 8, 1996.

This report is intended for the information of the audit committee, management, and The City Commission. However, this report is a matter of public record and its distribution is not limited.

Greenway, Smith & Hoisten, P.C.

Certified Public Accountants

November 8, 1996

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Mayor and Commission
The City of Griffin, Georgia
Griffin, Georgia

We have audited the general purpose financial statements of The City of Griffin, Georgia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to The City of Griffin, Georgia, is the responsibility of The City of Griffin, Georgia, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulation, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the audit committee, and management. However, this report is a matter of public record and its distribution is not limited.

Greenway, Smith & Haisten, P.C.

Certified Public Accountants

November 8, 1996

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Board of Commissioners
City of Griffin
Griffin, Georgia

We have audited the general purpose financial statements of the City of Griffin, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. These general purpose financial statements are the responsibility of City of Griffin management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, "Government Auditing Standards," issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Griffin taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Greenway, Smith & Haisten, P.C.

November 8, 1996

CITY OF GRIFFIN, GEORGIA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

<u>Program Name</u>	<u>FDAC</u>	<u>Grantor</u>	<u>Beg Bal</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Community Development, Block Grant	14.219	Housing and Urban Development	<u>\$ -0-</u>	<u>\$216,599</u>	<u>\$216,599</u>	<u>\$ -0-</u>
Total Federal Financial Assist.			<u>\$ -0-</u>	<u>\$ 216,599</u>	<u>\$216,599</u>	<u>\$ -0-</u>

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
City of Griffin
Griffin, Georgia

We have audited the general purpose financial statements of the City of Griffin, Georgia, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996. We have also audited the compliance of City of Griffin, Georgia, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 8, 1996.

We conducted our audits in accordance with generally accepted auditing standards; "Government Auditing Standards," issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Griffin, Georgia complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the City of Griffin, Georgia, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the City of Griffin, Georgia, and on the compliance of the City of Griffin, Georgia, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 8, 1996.

The management of the City of Griffin, Georgia, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting:

Revenue - Receipts
Expenditures - Purchasing
Expenditures - Payroll

Administrative:

Political Activity
Davis - Bacon Act
Civil Rights
Cash Management
Federal Financial Reports
Relocation Assistance and
Real Property Acquisition
Drug - Free Workplace Act
Administrative Requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996 the City of Griffin, Georgia expended one-hundred percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City of Griffin, Georgia's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Griffin, Georgia, in a separate letter dated November 8, 1996.

This report is intended for the information of management and the Board of Commissioners of the City of Griffin, Georgia. However, this report is a matter of public record and its distribution is not limited.

Greenway, Smith & Haisten, P.C.

November 8, 1996

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
City of Griffin
Griffin, Georgia

We have audited the general purpose financial statements of the City of Griffin, Georgia, as of and for the year ended June 30, 1996 and have issued our report thereon dated November 8, 1996

We have applied procedures to test the City of Griffin, Georgia's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal assistance, for the year ended June 30, 1996: Political activity, Davis Bacon Act, Civil Rights, Cash management, Federal financial reports, Drug-free Workplace Act, Administrative requirements, Relocation assistance and Real property Acquisition.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Griffin compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Griffin had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the audit committee, management, and the Federal Grantor Agencies. However, this report is a matter of public record and its distribution is not limited.

Greenway, Smith & Haisten, P.C.

Certified Public Accountants

November 8, 1996

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners
City of Griffin
Griffin, Georgia

We have audited the financial statements of the City of Griffin, Georgia, and for the year ended June 30, 1996, and have issued our report thereon dated November 8, 1996.

We have also audited the City of Griffin, Georgia's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the City of Griffin, Georgia is responsible for the City of Griffin, Georgia's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, "Government Auditing Standards" issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Government." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Griffin, Georgia's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above. We considered this result in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Griffin, Georgia complied in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management and the Board of Commissioners of the City of Griffin, Georgia. However, this report is a matter of public record and its distribution is not limited.

Greenway, Smith & Haisten, P.C.

November 8, 1996