

CITY OF GRIFFIN, GEORGIA

FINANCIAL STATEMENTS

JUNE 30, 1997

CITY OF GRIFFIN, GEORGIA
FINANCIAL STATEMENTS
AS OF JUNE 30, 1997
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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, 1997, 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, 1997, 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, 1997, 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 12, 1997 on our consideration of City of Griffin's internal control structure and a report dated November 12, 1997 on its compliance with laws and regulations.

Greenway, Smith + Hinton PC
Certified Public Accountants

November 12, 1997

CITY OF GRIFFIN, GEORGIA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1997

	Governmental Fund Types		Proprietary Fund Types	Fiduciary Fund Types	Account		Groups		Totals Memorandum Only	
	General	Debt Service			Enterprise	Trust and Agency	General Fixed Assets	General-Long Term Debt		
ASSETS										
Cash	\$ 266,006	\$ 5,509	\$ 358,227	\$ 38,609	\$ -	\$ -	\$ -	\$ 668,351		
Investments	2,923,110	8,693	-	17,998,937	-	-	-	20,930,740		
Receivables, net of allowances for uncollectible	-	-	4,221,766	-	-	-	-	4,221,766		
Property taxes receivable	160,736	10,842	-	-	-	-	-	171,578		
A/R other	87,319	-	-	-	-	-	-	87,319		
A/R Airport	42,739	-	-	-	-	-	-	42,739		
Due from other funds	15,429	-	119,735	33,324	-	-	-	168,488		
Prepaid expenses	133,909	-	90,786	-	-	-	-	224,695		
Inventories	81,418	-	835,552	-	-	-	-	916,870		
Restricted assets	-	-	21,691,375	-	-	-	-	21,691,375		
Deferred debt expense, net	-	-	939,603	-	-	-	-	939,603		
Property, plant and equipment, net of accumulated depreciation	-	-	34,899,109	77,223	22,200,254	-	-	57,176,586		
Amount available in Debt Service Fund	-	-	-	-	-	25,044	-	25,044		
Amount to be provided for Landfill postclosure	-	-	-	-	-	1,368,900	-	1,368,900		
For compensated absences	-	-	-	-	-	2,195,486	-	2,195,486		
Amount to be provided for retirement of general long- term debt	-	-	-	-	-	2,236,854	-	2,236,854		
Total Assets	<u>\$ 3,710,666</u>	<u>\$ 25,044</u>	<u>\$63,156,153</u>	<u>\$18,148,093</u>	<u>\$22,200,254</u>	<u>\$5,826,284</u>	<u>\$113,066,394</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, 1997

	Governmental Fund Types		Proprietary Fund Types	Fiduciary Fund Types	Accounts Groups		Totals
	General	Debt Service			Enterprise	Trust and Agency	
LIABILITIES							
Accounts payable	\$ 266,916	\$ -0-	\$ 394,160	\$ -0-	\$ -0-	\$ -0-	\$ 661,076
Checking overdraft	262,799	-0-	-0-	-0-	-0-	-0-	262,799
Due to other funds	153,058	-0-	15,429	-0-	-0-	-0-	168,487
Accrued expenses	47,168	-0-	761,520	-0-	-0-	-0-	808,688
Compensated absences	-0-	-0-	603,109	-0-	-0-	2,195,486	2,798,595
Consumer Deposits	-0-	-0-	951,565	-0-	-0-	-0-	951,565
Long-term debt	-0-	-0-	496,909	-0-	-0-	-0-	496,909
Notes payable	-0-	-0-	-0-	-0-	-0-	2,061,898	2,061,898
Capital lease obligation	-0-	-0-	-0-	-0-	-0-	1,368,900	1,368,900
Landfill obligation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
General obligations bonds payable	-0-	-0-	-0-	-0-	-0-	200,000	200,000
Revenue bonds payable	-0-	-0-	25,725,000	-0-	-0-	-0-	25,725,000
Total Liabilities	<u>729,941</u>	<u>-0-</u>	<u>28,947,692</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 826,284</u>	<u>35,503,917</u>
FUND EQUITY							
Contributed capital and retained earnings	-0-	-0-	34,033,954	-0-	-0-	-0-	34,033,954
Retained earnings - reserved	-0-	-0-	174,507	-0-	-0-	-0-	174,507
Investment in General	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fixed Assets	-0-	-0-	-0-	-0-	22,200,254	-0-	22,200,254
Fund balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Reserved	509,399	-0-	-0-	-0-	-0-	-0-	509,399
Undesignated	2,471,326	25,044	-0-	18,148,093	-0-	-0-	20,644,463
Total Fund Equity	<u>2,980,725</u>	<u>25,044</u>	<u>34,208,461</u>	<u>18,148,093</u>	<u>22,200,254</u>	<u>-0-</u>	<u>77,562,577</u>
Total Liabilities and Fund Equity	<u>\$ 3,710,666</u>	<u>\$ 25,044</u>	<u>\$ 63,156,153</u>	<u>\$ 18,148,093</u>	<u>\$ 22,200,254</u>	<u>\$ 5,826,284</u>	<u>\$ 113,066,494</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, 1997

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
REVENUES			
Property Taxes	\$ 2,973,569 ✓	\$ -0-	\$ 2,973,569
Alcoholic Beverage Taxes	514,257 ✓	-0-	514,257
Hotel/Motel Tax	49,612 ✓	-0-	49,612
Sales Tax	2,101,199	-0-	2,101,199
Insurance Premium Tax	753,073 ✓	-0-	753,073
Occupational Tax	737,354 ✓	-0-	737,354
Franchise Fees	590,330 ✓	-0-	590,330
Building Permits	131,346 ✓	-0-	131,346
Maps/Codes/Zoning	11,044 ✓	-0-	11,044
Law Enforcement Grant	108,235	-0-	108,235
Cemetery Fees	106,717	-0-	106,717
Sanitation Fees	2,874,343	-0-	2,874,343
Police Fines & Forfeitures	599,527	-0-	599,527
Golf Fees	258,974	-0-	258,974
Investment Income	73,020	-0-	73,020
Miscellaneous	685,479	-0-	685,479
CDBG Grants	<u>66,884</u>	<u>-0-</u>	<u>66,884</u>
 Total Revenues	 <u>12,634,963</u>	 <u>-0-</u>	 <u>12,634,963</u>
EXPENDITURES			
Current -			
City Commission	102,848	-0-	102,848
City Manager	177,720	-0-	177,720
Personnel	112,118	-0-	112,118
Legal	134,579	-0-	134,579
Zoning/Code Enforcement	198,041	-0-	198,041
Community Development	114,607	-0-	114,607
Finance	736,227	-0-	736,227
Public Works	2,393,250	-0-	2,393,250
Solid Waste	3,056,701	-0-	3,056,701
Fire	1,906,404	-0-	1,906,404

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, 1997

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
Police	3,098,026	-0-	3,098,026
Non-Departmental	5,092,987	-0-	5,092,987
Recycling/Clean Community	24,747	-0-	24,747
Principal Retirement	-0-	100,000	100,000
Interest and Fiscal Agent Fees	<u>-0-</u>	<u>9,379</u>	<u>9,379</u>
 Total Expenditures	 <u>17,148,255</u>	 <u>109,379</u>	 <u>17,257,634</u>
Excess (deficiency) of funds Available over Expenditures	(4,513,292)	(109,379)	(4,622,671)
 OTHER FINANCING SOURCES			
Transfers from other funds	<u>4,461,750</u>	<u>108,250</u>	<u>4,570,000</u>
 Total other financing sources	 <u>4,461,750</u>	 <u>108,250</u>	 <u>4,570,000</u>
Excess (deficiency) of funds available and other financing sources over expenditures	(51,542)	(1,129)	(52,671)
Fund Balance, Beginning of year	2,983,372	26,173	3,009,545
Prior Period Adjustment	<u>48,895</u>	<u>-0-</u>	<u>48,895</u>
 Fund Balance, Beginning of year as adjusted	 <u>3,032,267</u>	 <u>26,173</u>	 <u>3,058,440</u>
 Fund Balance, End of year	 <u>\$ 2,980,725</u>	 <u>\$ 25,044</u>	 <u>\$ 3,005,769</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, 1997

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property Taxes	\$ 2,770,001	\$ 2,973,569	\$ 203,568	\$ -0-	\$ -0-	\$ -0-
Alcoholic Beverage						
Taxes	508,200	514,257	6,057			
Hotel/Motel Tax	52,800	49,612	(3,188)			
Sales Tax	2,144,175	2,101,199	(42,976)			
Insurance Premium						
Tax	753,100	753,073	(27)			
Occupational Tax	751,000	737,354	(13,646)			
Franchise Fees	585,300	590,330	5,030			
Building Permits	130,000	131,346	1,346			
Maps/Codes/Zoning	12,000	11,044	(956)			
Law Enforcement Grant	-0-	108,235	108,235			
Cemetery Fees	107,000	106,717	(283)			
Sanitation Fees	2,827,300	2,874,343	47,043			
Police Fines & Forfeitures	604,500	599,527	(4,973)			
Golf Fees	254,800	258,974	4,174			
Investment Income	92,200	73,020	(19,180)			
Miscellaneous	674,300	685,479	11,179			
CDBG Grants	-0-	66,884	66,884			
Total Revenues	12,266,676	12,634,963	368,287	-0-	-0-	-0-

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, 1997

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES						
Current -						
City Commission	106,800	102,848	3,952	-0-	-0-	-0-
City Manager	175,700	177,720	(2,020)			
Personnel	110,800	112,118	(1,318)			
Legal	149,600	134,579	15,021			
Zoning/Code						
Enforcement	243,500	198,041	45,459			
Community Development	109,403	114,607	(5,204)			
Finance	718,331	736,227	(17,896)			
Public Works	2,379,739	2,393,250	(13,511)			
Sanitation	3,075,830	3,056,701	19,129			
Fire	1,912,400	1,906,404	5,996			
Police	3,049,822	3,098,026	(48,204)			
Non-Departmental	4,644,130	5,092,987	(448,857)			
Recycling/Clean Community	26,000	24,747	1,253			
Principal Retirement	-0-	-0-	-0-	-0-	100,000	(100,000)
Interest and Fiscal						
Agent Fees	-0-	-0-	-0-	-0-	9,379	(9,379)
Total Expenditures	16,702,055	17,148,255	(446,200)	-0-	109,379	(109,379)
Excess (deficiency) of funds available over expenditures	(4,435,379)	(4,513,292)	(77,913)	-0-	(109,379)	(109,379)

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, 1997

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Other financing sources						
Transfers from other funds	4,500,000	4,461,750	(38,250)	-0-	108,250	108,250
Total other financing sources	<u>4,500,000</u>	<u>4,461,750</u>	<u>(38,250)</u>	<u>-0-</u>	<u>108,250</u>	<u>108,250</u>
Excess (Deficiency) of funds available and other financing sources over expenditures & transfers	64,621	(51,542)	(116,163)	-0-	(1,129)	(1,129)
Fund balance, Beginning of year	2,983,372	2,983,372	-0-	26,173	26,173	-0-
Prior Period Adjustment	<u>48,895</u>	<u>48,895</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Beginning of year as restated	<u>3,032,267</u>	<u>3,032,267</u>	<u>-0-</u>	<u>26,173</u>	<u>26,173</u>	<u>-0-</u>
Fund balance, End of year	<u>\$ 3,096,888</u>	<u>\$ 2,980,725</u>	<u>(\$ 116,163)</u>	<u>\$ 26,173</u>	<u>\$ 25,044</u>	<u>(\$ 1,129)</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, 1997

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types</u>	<u>(Total Memorandum Only)</u>
Operating Revenues:			
Electricity sales	\$26,732,458	\$ -0-	\$26,732,458
Water sales	5,692,052	-0-	5,692,052
Wastewater sales	2,761,701	-0-	2,761,701
Investment income	-0-	1,647,223	1,647,223
Contributions from other funds	-0-	1,427,022	1,427,022
Lot sales	-0-	17,148	17,148
Contributions from Airport Funds	<u>-0-</u>	<u>10,851</u>	<u>10,851</u>
 Total operating Revenues	 35,186,211	 3,102,244	 38,288,455
 Operating Expenses:			
<u>Electric:</u>			
Office of Director	111,913	-0-	111,913
<u>Technical</u>			
Services	18,171,707	-0-	18,171,707
<u>Line</u>			
Construction	619,295	-0-	619,295
Non-Departmental	759,811	-0-	759,811
Depreciation	<u>205,544</u>	<u>-0-</u>	<u>205,544</u>
 Total - Electric	 <u>19,868,270</u>	 <u>-0-</u>	 <u>19,868,270</u>
 <u>Water-Wastewater</u>			
Office of Director	98,944	-0-	98,944
<u>Water</u>			
Production	1,014,766	-0-	1,014,766
<u>Water</u>			
Distribution	2,462,450	-0-	2,462,450
<u>Wastewater</u>			
Collection	157,247	-0-	157,247
<u>Wastewater</u>			
Treatment	566,876	-0-	566,876

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, 1997

	Proprietary Fund Types <u>Enterprise</u>	Fiduciary Fund <u>Type</u>	Totals (Memorandum Only) Primary <u>Government</u>
Meter Reading	103,799	-0-	103,799
Non-Departmental	952,999	-0-	952,999
Depreciation	<u>545,445</u>	<u>-0-</u>	<u>545,445</u>
 Total - Water & Wastewater	 <u>5,902,526</u>	 <u>-0-</u>	 <u>5,902,526</u>
 Pension Payments	 -0-	 1,049,069	 1,049,069
Other	<u>-0-</u>	<u>36,618</u>	<u>36,618</u>
 Total Operating Expenses	 <u>25,770,796</u>	 <u>1,085,687</u>	 <u>26,856,483</u>
 Operating Income (loss)	 <u>9,415,415</u>	 <u>2,016,557</u>	 <u>11,431,972</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, 1997

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Type</u>	<u>Total Memorandum Only</u>
Non-Operating Revenues (Expenses):			
Investment Revenue	831,117	-0-	831,117
Debt Service	<u>(1,148,002)</u>	<u>-0-</u>	<u>(1,148,002)</u>
Total Non-Operating Revenue (Expense)	(316,885)	-0-	(316,885)
Income (loss) Before Other Financing Uses	9,098,530	2,016,557	11,115,087
Other Financing uses:			
Operating Transfers Out	<u>4,500,000</u>	<u>70,000</u>	<u>4,570,000</u>
Total Other Financing Uses/Sources	<u>(4,500,000)</u>	<u>(70,000)</u>	<u>(4,570,000)</u>
Net Income (loss)	4,598,530	1,946,557	6,545,087
Contributed Capital & Retained Earnings, Beginning of Year	29,464,609	16,201,536	45,666,145
Prior Period Adjustment	<u>145,323</u>	<u>-0-</u>	<u>145,323</u>
Contributed Capital & Retained Earnings as restated	<u>29,609,932</u>	<u>16,201,536</u>	<u>45,811,468</u>
Contributed Capital & Retained Earnings, End of Year	<u>\$34,208,462</u>	<u>\$18,148,093</u>	<u>\$ 52,356,555</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>	<u>Totals Memorandum Only</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 9,415,415	\$ 369,334	\$ 9,784,749
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	750,989	-0-	750,989
Changes in Assets and Liabilities:			
(Increase) Decrease In Accounts Receivable	(300,240)	-0-	(300,240)
(Increase) Decrease In Inventory	21,145	-0-	21,145
(Increase) Decrease In Due from Other Funds	(192,036)	(11,038)	(203,074)
(Increase) Decrease In Prepaid Insurance	8,749	-0-	8,749
Increase (Decrease) in Accounts Payable	362,286	-0-	362,286
Increase (Decrease) in Consumer Deposits	(29,549)	-0-	(29,549)
Increase (Decrease) in Accrued Salaries	2,630	-0-	2,630
Increase (Decrease) in Compensated Absences	603,109	-0-	603,109
Increase (Decrease) in Accrued Interest Payable	746,865	-0-	746,865
Prior Period Adjustment	<u>145,323</u>	<u>-0-</u>	<u>145,323</u>
Net Cash Provided by Operating Activities	<u>11,534,686</u>	<u>358,296</u>	<u>11,892,982</u>
Cash Flows From Non- Capital Financing Activities			
Operating Transfers In (Out)	(4,500,000)	(70,000)	(4,570,000)

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, 1997

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types</u>	<u>Totals Memorandum Only</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(4,500,000)	(70,000)	(4,570,000)
Cash Flows From Capital And Related Financing Activities			
Accrued interest and bond issue cost	(682,078)	-0-	(682,078)
Proceeds from issuing bonds	13,535,000	-0-	13,535,000
Acquisition and con- struction of capital assets	(7,546,273)	-0-	(7,546,273)
Principal on short and long term obliga- tions	(505,460)	-0-	(505,460)
Interest paid on short and long term debt	(1,085,277)	-0-	(1,085,277)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>3,715,912</u>	<u>-0-</u>	<u>3,715,912</u>
Cash Flows From Investing Activities			
Interest on Invest- ments	831,115	978,915	1,810,030
Gain (loss) on Securities	<u>-0-</u>	<u>668,308</u>	<u>668,308</u>
Net Cash Provided by Investing Activities	<u>831,115</u>	<u>1,647,223</u>	<u>2,478,338</u>
Net Increase (Decrease) in Cash	11,581,713	1,935,519	13,517,232
Cash and Restricted Cash July 1, 1996	<u>10,467,889</u>	<u>16,102,027</u>	<u>26,569,916</u>
Cash and Restricted Cash June 30, 1997	<u>\$ 22,049,602</u>	<u>\$18,037,546</u>	<u>\$ 40,087,148</u>

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

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

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 Airport is jointly governed by the City of Griffin and Spalding County. However, based on this and other factors it is considered to be a joint venture and its operations are reported in a separate financial statement. 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, 1997

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, 1997

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, 1997

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, 1997

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 1997, the original budgeted revenues of \$16,514,450 were increased to \$16,766,676 for the General Fund and increased from \$35,239,000 to \$35,545,500 for the Enterprise Fund while the expenditures/expenses of \$17,404,553 were decreased to \$16,702,055 for the General Fund and increased from \$33,187,042 to 32,561,312 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, 1997

(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>1996</u>
General Fund	\$8.32
Debt Service Fund	<u>-0-</u>
	<u>\$8.32</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 1997 property tax revenues have been recorded as of June 30, 1997. The due date and collection dates that apply for the year ended June 30, 1997 were December 18, 1996 for each while the lien date was in April of 1997.

(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, 1997

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, 1997:

Electrical facilities and distribution system	\$13,360,822
Water purification facilities and distribution system	16,715,511
Wastewater treatment facilities and collection system	24,344,723
Equipment and other	<u>2,263,034</u>
Total property and equipment	56,674,090
Less: accumulated depreciation	(<u>21,774,981</u>)
Net property and equipment	<u>\$34,899,109</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, 1997

CASH AND INVESTMENTS

(A) CASH ON DEPOSITS

At June 30, 1997, the government's deposits were \$7,993,731. 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, 1997:

Category	
1	\$ 314,212
2	7,679,519
3	<u>-0-</u>
Total	<u>\$7,993,731</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, 1997

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.	Cost	Market
Investment in U.S					
Treasury Bills	\$16,163,438			\$16,136,438	\$16,298,990
U.S. Equities	14,603,408			\$14,603,408	16,702,055
International					
Equities	<u>1,639,698</u>			<u>1,639,698</u>	<u>1,965,107</u>
Treasury Bills					
	<u>\$32,379,544</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$32,379,544</u>	<u>\$34,966,152</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, 1997, balances of interfund amounts receivable or payable have been recorded, as shown below:

	<u>RECEIVABLES</u>	<u>PAYABLES</u>
General Fund	\$ 15,429	\$ 153,058
Enterprise Fund	119,735	15,429
Cemetery Trust Fund	<u>32,324</u>	<u>-0-</u>
	<u>\$ 168,488</u>	<u>\$ 168,487</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

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	\$ 1,798,261	\$ -0-	\$ -0-	\$ 1,798,261
Land	212,009	-0-	-0-	212,009
Streets and Bridges	646,609	-0-	-0-	646,609
Equipment	981,363	-0-	-0-	981,363
	<u>\$3,638,242</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,638,242</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, 1997 accumulated vacation and sick pay which amounted to:

	<u>Vacation</u>	<u>Sick</u>
General Fund	\$194,738	\$2,000,748
Enterprise Fund	<u>64,929</u>	<u>538,180</u>
	<u>\$259,667</u>	<u>\$2,538,928</u>

The General Fund amount is recorded in the General Long Term Debt Account Group while the Enterprise Fund is recorded as a liability 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, 1997

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>
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>\$ 460,000</u>	<u>\$ 40,865</u>	<u>\$ 500,865</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, 1997

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, 1997 was \$10,143,953.

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, 1997

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 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 \$1,437,306. 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 two years. Please note that the Pension Benefit Obligation is based on participant data as of July 1, 1996.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

CITY OF GRIFFIN EMPLOYEES' AID FUND

Schedule of Funding Progress (as required by GASB #25)

<u>Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (3) - (2)</u>	<u>Funded Ratio (2)/(3)</u>	<u>Annual Covered Payroll</u>	<u>UAAL as % of Payroll (4) / (6)</u>
July 1, 1992	\$10,045,763	\$18,267,891	\$8,222,128	55.0%	\$7,613,185	108.0%
July 1, 1994	\$12,535,041	\$22,434,478	\$9,899,437	55.9%	\$8,508,239	116.4 %
July 1, 1996	\$16,079,476	\$25,813,609	\$9,734,133	62.3%	\$8,642,184	112.6%

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

CITY OF GRIFFIN EMPLOYEES' AID FUND

Notes to required Supplemental Information (as required by GASB # 25)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 1996
Actuarial cost method	Enty Age Normal
Amortization method	Increasing payments of 5.0% per annum, closed
Remaining amortization period	20 years
Asset valuation method	Market value

Actuarial Assumptions:

Investment rate of return ^{1/}	8.00%
Projected salary increase ^{1/}	5.00%
Cost of living adjustments	2% every six months or 4.04% per annum

^{1/} Includes inflation at 5%.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

DEFINED BENEFIT PENSION PLAN
(continued)

Location of Historical Trend Information

Historical Trend information related to the pension plan, as available, is presented on pages 66 - 67. 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.

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.

Expenditures over Appropriations

The General Fund had expenditures over appropriations of \$446,200. Some of this is due to the fact that the City does not budget for expenses incurred in relation to grant money.

Subsequent Events

There were no reportable subsequent events for the year ended June 30, 1997.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

LONG-TERM DEBT

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

Descriptions	TOTAL	MATURITIES				
		1998	1999	2000	2001	2003-2009
General Long-term Dept Acct. Group:						
General Obligation Bonds:						
1969 Wastewater-5.5%	\$ 180,000	\$ 90,000	\$ 90,000	\$ -0-	\$ -0-	\$ -0-
1969 Fire Station-5.5%	20,000	10,000	10,000	-0-	-0-	-0-
Total general	200,000	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%	9,505,000	-0-	-0-	-0-	-0-	9,505,000
Series "A" 1988	2,685,000	580,000	515,000	535,000	555,000	580,000
Series "B" 1993	6,925,000	225,000	235,000	245,000	260,000	270,000
Series 96 5.4%	6,610,000	210,000	220,000	225,000	235,000	245,000
Series 97 5.125%	496,909	27,186	26,777	30,482	32,289	33,703
GEFA Note	26,221,909	962,186	996,777	1,035,482	1,082,289	21,016,472
Total Light, Water & Wastewater	26,421,909	1,062,186	1,096,777	1,035,482	1,082,289	21,016,472
Total Principal Maturities						
Interest Requirements:						
General Long-term debt	16,500	11,000	5,500	-0-	-0-	-0-
Light, Water & Wastewater Dept.	15,170,791	1,409,040	1,258,235	1,217,946	1,174,625	8,983,221
Total interest requirements	15,187,291	1,420,040	1,263,735	1,217,946	1,174,625	8,983,221
Total debt service	\$41,609,200	\$2,482,226	\$2,360,512	\$2,253,428	\$2,256,914	\$29,999,693

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

The Following is a summary of Bond/Debt Transactions of the City for the Fiscal year ended June 30, 1997.

	General Long Term Debt <u>Account Group</u>	Light, Water & Wastewater <u>Department</u>	Total <u>(Memo Only)</u>
Bonds/Debt payable at July 1, 1996	\$ 300,000	\$ 13,192,369	\$13,492,369
LESS -			
Bond Payments	(100,000)	(480,000)	(580,000)
GEFA Note Payments	-0-	(25,460)	(25,460)
ADD -			
Amortization of Bond Discount & Amortization of Bond Issue Cost	<u>-0-</u>	<u>13,535,000</u>	<u>13,535,000</u>
Bonds/Debt payable at June 30, 1997	<u>\$ 200,000</u>	<u>\$26,221,909</u>	<u>\$26,421,909</u>

SPECIAL ASSESSMENT DEBT

The City is not obligated at June 30, 1997 for any special assesement debt.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

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 \$3,019,727 at June 30, 1997, and accumulated amortization on those assets totaled \$957,829. 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, 1997

Year Ending <u>June 30</u>	<u>General Long-term debt account group</u>
1998	\$ 559,168
1999	464,245
2000	427,752
2001	404,285
Later years	<u>535,521</u>
Minimum lease payments for all capital leases	2,390,971
Less: Amount representing interest at the City's incremental borrowing rate	<u>354,117</u>
Present value of minimum lease payments	<u>\$2,036,854</u>

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

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. 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 \$1,368,900 as of March 10, 1997, which is based on the City's engineering firm estimate. The estimated total current cost of the postclosure care (\$1,368,900) is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were provided by third parties. 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.

PRIOR PERIOD ADJUSTMENT

General Fund:

The \$48,895 increase to Fund Balance arises from the fact that funds received during the fiscal year June 30, 1996 were reported as a liability instead of income that should have been restricted in fund balance. These funds are designated to be used to construct a new club house at the golf course.

Enterprise Fund

The \$145,323 increase in retained earnings is due to the fact that accounts receivable was understated by that amount at June 30, 1996. If this amount would have been correct at June 30, 1996 net income and retained earnings would have been \$145,323 more.

CITY OF GRIFFIN, GEORGIA
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 1997

ASSETS

Cash	\$ 266,006
Certificates of deposits and savings	2,923,110
Property taxes receivable	160,736
Occupational tax receivable	62,675
Prepaid expenses	133,909
A/R other	24,644
Due from Enterprise Fund	15,429
Due from Airport	42,739
Inventory, Central Supplies	<u>81,418</u>
Total assets	<u>\$3,710,666</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 266,916
Accrued salaries	47,168
Due to other funds:	
Enterprise Fund	119,734
Cemetery Trust Fund	33,324
Checking Overdraft	<u>262,799</u>
Total liabilities	<u>729,941</u>

FUND BALANCE

Reserved	
For local waste surcharge	74,441
For Fire Department	324,372
For Club House	110,586
Unreserved	
Undesignated	<u>2,471,326</u>
Total Fund Balance	<u>2,980,725</u>
Total Liabilities and Fund Balance	<u>\$3,710,666</u>

Breakdown ←

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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,770,001	\$ 2,973,569	\$203,568
Alcoholic beverage taxes	508,200	514,257	6,057
Hotel/Motel taxes	52,800	49,612	(3,188)
Sales tax	2,144,175	2,101,199	(42,976)
Insurance premium tax	753,100	753,073	(27)
Occupational Tax	751,000	737,354	(13,646)
Franchise Fees	585,300	590,330	5,030
Building Permits	130,000	131,346	1,346
Maps/Codes/Zoning	12,000	11,044	(956)
Law Enforcement Grant	-0-	108,235	108,235
Cemetery Fees	107,000	106,717	(283)
Sanitation Fees	2,827,300	2,874,343	47,043
Police Fines & Forfeitures	604,500	599,527	(4,973)
Golf Fees	254,800	258,974	4,174
Investment income	92,200	73,020	(19,180)
Miscellaneous	674,300	685,479	11,179
CDBG Grants	<u>-0-</u>	<u>66,884</u>	<u>66,884</u>
 Total Revenues	 <u>12,266,676</u>	 <u>12,634,963</u>	 <u>368,287</u>
EXPENDITURES			
City Commission			
Salary & Wages	61,800	61,800	-0-
Travel & Training	16,000	13,164	2,836
Contractual Services	20,000	17,481	2,519
Materials & Supplies	<u>9,000</u>	<u>10,403</u>	<u>(1,403)</u>
 Total	 <u>106,800</u>	 <u>102,848</u>	 <u>3,952</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
City Manager			
Salary & Wages	149,000	152,628	(3,628)
Travel & Training	5,000	4,437	563
Contractual Services	8,000	7,445	555
Materials & Supplies	5,500	5,783	(283)
Fuel	200	127	73
Maintenance & Repairs	1,000	606	394
Utilities	7,000	6,694	306
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>175,700</u>	<u>177,720</u>	<u>(2,020)</u>
Personnel			
Salary & Wages	101,900	102,241	(341)
Travel & Training	2,600	2,998	(398)
Contractual Services	300	841	(541)
Materials & Supplies	6,000	5,742	258
Maintenance & Repairs	<u>-0-</u>	<u>296</u>	<u>(296)</u>
Total	<u>110,800</u>	<u>112,118</u>	<u>(1,318)</u>
Legal			
City Attorney			
Travel & Training	2,500	2,604	(104)
Contractual Services	120,000	106,467	13,533
Materials & Supplies	<u>100</u>	<u>54</u>	<u>46</u>
Total	<u>122,600</u>	<u>109,125</u>	<u>13,475</u>
City Court			
Travel & Training	700	175	525
Contractual Services	26,200	25,225	975
Materials & Supplies	<u>100</u>	<u>54</u>	<u>46</u>
Total	<u>27,000</u>	<u>25,454</u>	<u>1,546</u>
Total - Legal	<u>149,600</u>	<u>134,579</u>	<u>15,021</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Zoning/Code Enforcement			
Salary & Wages	148,000	138,655	9,345
Travel & Training	3,500	4,113	(613)
Contractual Services	70,000	32,182	37,818
Materials & Supplies	7,000	6,234	766
Fuel	1,200	736	464
Maintenance & Repairs	1,300	1,626	(326)
Capital Outlay	<u>12,500</u>	<u>14,495</u>	<u>(1,995)</u>
Total	<u>243,500</u>	<u>198,041</u>	<u>45,459</u>
 Community Development			
Salary & Wages	23,765	23,765	-0-
Travel & Training	-0-	-0-	-0-
Contractual Services	15,000	58,500	(43,500)
Materials & Supplies	638	689	(51)
Contingency	<u>70,000</u>	<u>31,653</u>	<u>38,347</u>
Total	<u>109,403</u>	<u>114,607</u>	<u>(5,204)</u>
 Finance			
Office of Director			
Salary & Wages	118,800	112,978	5,822
Travel & Training	2,500	2,615	(115)
Contractual Services	6,900	9,020	(2,120)
Materials & Supplies	5,500	6,228	(728)
Fuel	450	336	114
Maintenance & Repairs	2,500	2,081	419
Capital Outlay	2,037	2,036	1
Utilities	<u>8,500</u>	<u>8,733</u>	<u>(233)</u>
Total	<u>147,187</u>	<u>144,027</u>	<u>3,160</u>
 Purchasing			
Salary & Wages	63,400	58,896	4,504
Travel & Training	500	955	(455)
Contractual Services	400	315	85
Materials & Supplies	1,000	1,037	(37)
Maintenance & Repairs	<u>1,300</u>	<u>1,362</u>	<u>(62)</u>
Total	<u>66,600</u>	<u>62,565</u>	<u>4,035</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, 1997

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

Tax & License			
Salary & Wages	51,500	51,391	109
Travel & Training	300	260	40
Contractual Services	12,000	13,812	(1,812)
Materials & Supplies	2,000	1,415	585
Capital Outlay	<u>1,504</u>	<u>1,504</u>	<u>-0-</u>
Total	<u>67,304</u>	<u>68,382</u>	<u>(1,078)</u>
Computer Services			
Salary & Wages	65,800	75,438	(9,638)
Travel & Training	200	127	73
Contractual Services	20,000	28,978	(8,978)
Materials & Supplies	26,000	23,006	2,994
Capital Outlay	4,440	4,440	-0-
Maintenance & Repair	<u>100</u>	<u>18</u>	<u>82</u>
Total	<u>116,540</u>	<u>132,007</u>	<u>(15,467)</u>
Customer Service			
Salary & Wages	203,500	205,213	(1,713)
Travel & Training	700	719	(19)
Contractual Services	1,500	11,220	(9,720)
Materials & Supplies	113,000	108,925	4,075
Maintenance & Repairs	<u>2,000</u>	<u>3,169</u>	<u>(1,169)</u>
Total	<u>320,700</u>	<u>329,246</u>	<u>(8,546)</u>
Total - Finance	<u>718,331</u>	<u>736,227</u>	<u>(17,896)</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Public Works</u>			
Office of Director			
Salary & Wages	108,000	108,439	(439)
Travel & Training	2,000	2,492	(492)
Contractual Services	15,000	10,557	4,443
Materials & Supplies	6,000	5,776	224
Fuel	300	204	96
Maintenance & Repairs	300	157	143
Utilities	2,300	2,397	(97)
Capital Outlay	<u>6,139</u>	<u>6 139</u>	<u>-0-</u>
Total	<u>140,039</u>	<u>136,161</u>	<u>3,878</u>
Cemetery			
Salary & Wages	222,500	222,920	(420)
Contractual Services	1,500	1,623	(123)
Materials & Supplies	15,000	11,936	3,064
Fuel	3,000	2,664	336
Maintenance & Repairs	13,000	14,108	(1,108)
Utilities	6,500	6,654	(154)
Travel & Training	500	521	(21)
Capital Outlay	<u>21,000</u>	<u>22,350</u>	<u>(1,350)</u>
Total	<u>283,000</u>	<u>282,776</u>	<u>224</u>
Streets/Drains/Sidewalks			
Salary & Wages	544,000	548,912	(4,912)
Travel & Training	1,500	1,011	489
Contractual Services	175,000	210,118	(35,118)
Materials & Supplies	95,000	91,030	3,970
Fuel	23,000	17,115	5,885
Maintenance & Repairs	75,000	73,441	1,559
Utilities	7,000	6,841	159
Capital Outlay	<u>123,000</u>	<u>115,739</u>	<u>7,261</u>
Total	<u>1,043,500</u>	<u>1,064,207</u>	<u>(20,707)</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, 1997

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

Garage			
Salary & Wages	98,000	98,454	(454)
Travel & Training	-0-	50	(50)
Contractual Services	8,000	8,449	(449)
Materials & Supplies	10,000	9,623	377
Fuel	500	253	247
Maintenance & Repairs	6,000	6,422	(422)
Utilities	<u>7,000</u>	<u>6,355</u>	<u>645</u>
Total	<u>129,500</u>	<u>129,606</u>	<u>(106)</u>
Sign Shop			
Salary & Wages	51,000	51,184	(184)
Travel & Training	600	842	(242)
Contractual Services	13,000	13,974	(974)
Materials & Supplies	20,000	17,590	2,410
Fuel	1,300	1,020	280
Maintenance & Repairs	3,000	3,031	(31)
Utilities	<u>400</u>	<u>426</u>	<u>(26)</u>
Total	<u>89,300</u>	<u>88,067</u>	<u>1,233</u>
Golf Course			
Salary & Wages	194,000	197,356	(3,356)
Travel & Training	800	150	650
Contractual Services	14,000	13,525	475
Materials & Supplies	80,000	79,008	992
Fuel	2,400	2,130	270
Maintenance & Repairs	24,000	29,485	(5,485)
Capital Outlay	24,000	32,998	(8,998)
Utilities	<u>10,000</u>	<u>9,935</u>	<u>65</u>
Total	<u>349,200</u>	<u>364,587</u>	<u>(15,387)</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
City Park			
Salary & Wages	95,000	95,011	(11)
Travel & Training	1,000	435	565
Contractual Services	32,000	32,194	(194)
Materials & Supplies	17,000	16,863	137
Fuel	1,500	1,125	375
Maintenance & Repairs	8,000	8,169	(169)
Utilities	10,000	9,279	721
Capital Outlay	<u>60,500</u>	<u>60,201</u>	<u>299</u>
Total	<u>225,000</u>	<u>223,277</u>	<u>1,723</u>
City Pool			
Salary & Wages	12,700	15,221	(2,521)
Materials & Supplies	4,000	4,828	(828)
Maintenance & Repairs	2,000	1,086	914
Utilities	<u>1,500</u>	<u>1,967</u>	<u>(467)</u>
Total	<u>20,200</u>	<u>23,102</u>	<u>(2,902)</u>
Stormwater			
Capital Outlay	<u>100,000</u>	<u>81,467</u>	<u>18,533</u>
Total Public Works	<u>2,379,739</u>	<u>2,393,250</u>	<u>(13,511)</u>
<u>Solid Waste</u>			
Office of Director			
Salary & Wages	115,000	115,353	(353)
Travel & Training	1,800	1,033	767
Contractual Services	36,000	33,342	2,658
Materials & Supplies	6,500	6,332	168
Fuel	650	487	163
Maintenance & Repairs	800	759	41
Utilities	16,800	16,451	349
Capital Outlay	<u>1,570</u>	<u>1,568</u>	<u>2</u>
Total	<u>179,120</u>	<u>175,325</u>	<u>3,795</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Commercial Collection			
Salary & Wages	95,000	95,465	(465)
Contractual Services	450,000	424,354	25,646
Materials & Supplies	5,000	5,156	(156)
Fuel	11,300	8,386	2,914
Maintenance & Repairs	45,000	53,327	(8,327)
Travel & Training	350	61	289
Capital Outlay	<u>81,580</u>	<u>81,581</u>	<u>(1)</u>
Total	<u>688,230</u>	<u>668,330</u>	<u>19,900</u>
 Residential Collection			
Salary & Wages	310,000	306,929	3,071
Travel & Training	400	758	(358)
Contractual Services	255,000	265,069	(10,069)
Materials & Supplies	9,000	8,567	433
Fuel	12,400	9,290	3,110
Maintenance & Repairs	<u>45,000</u>	<u>49,920</u>	<u>(4,920)</u>
Total	<u>631,800</u>	<u>640,533</u>	<u>(8,733)</u>
 Maintenance Shop			
Salary & Wages	103,000	103,889	(889)
Contractual Services	500	492	8
Materials & Supplies	4,000	3,351	649
Fuel	1,350	931	419
Maintenance & Repairs	2,500	3,670	(1,170)
Capital Outlay	-0-	-0-	-0-
Travel & Training	<u>300</u>	<u>260</u>	<u>40</u>
Total	<u>111,650</u>	<u>112,593</u>	<u>(943)</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, 1997

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

Sanitary Landfill			
Salary & Wages	4,563	4,564	(1)
Contractual Services	35,000	22,777	12,223
Materials & Supplies	18,000	18,422	(422)
Maintenance & Repairs	<u>-0-</u>	<u>509</u>	<u>(509)</u>
Total	<u>57,563</u>	<u>46,272</u>	<u>11,291</u>
Yard Waste Collection			
Salary & Wages	390,000	393,412	(3,412)
Travel & Training	500	319	181
Contractual Services	60,000	58,337	1,663
Materials & Supplies	9,000	6,295	2,705
Fuel	15,000	11,242	3,758
Maintenance & Repairs	58,000	60,294	(2,294)
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>532,500</u>	<u>529,899</u>	<u>2,601</u>
Animal Control			
Salary & Wages	62,000	62,019	(19)
Travel & Training	700	100	600
Contractual Services	16,000	15,226	774
Materials & Supplies	6,500	5,969	531
Fuel	2,500	1,504	996
Capital Outlay	-0-	-0-	-0-
Maintenance & Repairs	<u>2,500</u>	<u>2,565</u>	<u>(65)</u>
Total	<u>90,200</u>	<u>87,383</u>	<u>2,817</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, 1997

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

C & D Landfill			
Salary & Wages	47,000	46,741	259
Travel & Training	850	848	2
Contractual Services	55,000	57,903	(2,903)
Materials & Supplies	18,000	18,214	(214)
Fuel	8,000	9,243	(1,243)
Maintenance & Repairs	35,000	32,758	2,242
Utilities	1,200	1,053	147
Capital Outlay	<u>10,000</u>	<u>-0-</u>	<u>10,000</u>
Total	<u>175,050</u>	<u>166,760</u>	<u>8,290</u>
Composting Operations			
Salary & Wages	47,000	46,303	697
Contractual Services	46,000	45,227	773
Materials & Supplies	800	391	409
Fuel	2,000	1,888	112
Maintenance & Repairs	19,000	20,738	(1,738)
Utilities	1,000	859	141
Travel & Training	<u>200</u>	<u>200</u>	<u>-0-</u>
Total	<u>116,000</u>	<u>115,606</u>	<u>394</u>
Non-Departmental			
Contractual Services	<u>493,717</u>	<u>514,000</u>	(<u>20,283</u>)
Total	<u>493,717</u>	<u>514,000</u>	(<u>20,283</u>)
Total Solid Waste	<u>3,075,830</u>	<u>3,056,701</u>	<u>19,129</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Fire</u>			
<u>Office of Chief</u>			
Salary & Wages	112,000	111,986	14
Travel & Training	1,000	640	360
Contractual Services	400	195	205
Materials & Supplies	1,500	833	667
Fuel	800	553	247
Maintenance & Repairs	800	404	396
Utilities	<u>28,000</u>	<u>29,092</u>	<u>(1,092)</u>
Total	<u>144,500</u>	<u>143,703</u>	<u>797</u>
 <u>Fire Prevention</u>			
Salary & Wages	57,000	56,541	459
Travel & Training	1,200	700	500
Contractual Services	250	245	5
Materials & Supplies	3,500	3,352	148
Fuel	950	708	242
Capital Outlay	-0-	-0-	-0-
Maintenance & Repair	<u>4,300</u>	<u>4,121</u>	<u>179</u>
Total	<u>67,200</u>	<u>65,667</u>	<u>1,533</u>
 <u>Fire Suppression</u>			
Salary & Wages	1,535,000	1,542,438	(7,438)
Travel & Training	6,500	5,011	1,489
Contractual Services	50,000	41,949	8,051
Materials & Supplies	45,000	41,417	3,583
Fuel	4,200	2,975	1,225
Maintenance & Repairs	23,000	25,861	(2,861)
Capital Outlay	<u>37,000</u>	<u>37,383</u>	<u>(383)</u>
Total	<u>1,700,700</u>	<u>1,697,034</u>	<u>3,666</u>
Total Fire	<u>1,912,400</u>	<u>1,906,404</u>	<u>5,996</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, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Police</u>			
<u>Office of Chief</u>			
Salary & Wages	94,000	102,773	(8,773)
Travel & Training	3,000	2,746	254
Contractual Services	2,000	5,008	(3,008)
Materials & Supplies	7,000	6,573	427
Fuel	850	430	420
Maintenance & Repairs	1,000	753	247
Capital Outlay	<u>14,322</u>	<u>12,716</u>	<u>1,606</u>
Total	<u>122,172</u>	<u>130,999</u>	(8,827)
<u>Support Services</u>			
Salary & Wages	275,000	274,133	867
Travel & Training	1,500	2,026	(526)
Contractual Services	12,000	15,086	(3,086)
Materials & Supplies	12,000	12,067	(67)
Fuel	550	368	182
Maintenance & Repairs	6,000	5,797	203
Utilities	<u>21,000</u>	<u>21,583</u>	(583)
Total	<u>328,050</u>	<u>331,060</u>	(3,010)
<u>Community Services</u>			
Salary & Wages	1,480,000	1,491,517	(11,517)
Travel & Training	4,000	5,855	(1,855)
Contractual Services	5,400	4,382	1,018
Materials & Supplies	39,000	33,686	5,314
Fuel	37,000	28,020	8,980
Maintenance & Repairs	110,000	116,835	(6,835)
Capital Outlay	<u>84,800</u>	<u>75,881</u>	<u>8,919</u>
Total	<u>1,760,200</u>	<u>1,756,176</u>	<u>4,024</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, 1997

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

Investigative Services			
Salary & Wages	547,000	566,943	(19,943)
Travel & Training	2,500	2,436	64
Contractual Services	12,000	14,422	(2,422)
Materials & Supplies	12,000	14,510	(2,510)
Fuel	5,200	3,923	1,277
Maintenance & Repairs	4,500	4,167	333
Utilities	<u>2,200</u>	<u>2,555</u>	<u>(355)</u>
Total	<u>585,400</u>	<u>608,956</u>	<u>(23,556)</u>
Detention Center			
Salary & Wages	119,000	119,225	(225)
Contractual Services	89,000	93,261	(4,261)
Materials & Supplies	44,000	56,272	(12,272)
Maintenance & Repairs	<u>2,000</u>	<u>2,077</u>	<u>(77)</u>
Total	<u>254,000</u>	<u>270,835</u>	<u>(16,835)</u>
Total - Police	<u>3,049,822</u>	<u>3,098,026</u>	<u>(48,204)</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, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Recycle/Clean Community			
Contractual Services	<u>26,000</u>	<u>24,747</u>	<u>1,253</u>
Total	<u>26,000</u>	<u>24,747</u>	<u>1,253</u>
<u>Non-Departmental</u>			
Contractual Services	3,394,442	3,751,839	(357,397)
Contingency	<u>1,249,688</u>	<u>1,341,148</u>	<u>(91,460)</u>
Total	<u>4,644,130</u>	<u>5,092,987</u>	<u>(448,857)</u>
Total			
Expenditures	<u>16,702,055</u>	<u>17,148,255</u>	<u>(446,200)</u>
Excess (deficiency)			
of funds available			
over expenditures	(4,435,379)	(4,513,292)	(77,913)
Other Financing Sources			
Transfers from			
other funds	<u>4,500,000</u>	<u>4,461,750</u>	<u>(38,250)</u>
Total other			
financing sources	<u>4,500,000</u>	<u>4,461,750</u>	<u>(38,250)</u>
Excess (deficiency)			
of funds available			
and other financing			
sources over expenditures	<u>64,621</u>	<u>(51,542)</u>	<u>(116,163)</u>
Fund balance,			
beginning of year	2,983,372	2,983,372	-0-
Prior period adjustment			
Fund balance	<u>48,895</u>	<u>48,895</u>	<u>-0-</u>
Fund balance,			
beginning of year			
as adjusted	<u>3,032,267</u>	<u>3,032,267</u>	<u>-0-</u>
Fund balance,			
end of year	<u>\$ 3,096,888</u>	<u>\$ 2,980,725</u>	<u>(\$ 116,163)</u>

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

CITY OF GRIFFIN, GEORGIA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1997

ASSETS

Cash	\$	5,509
Savings account		8,693
Property taxes receivable (net of allowance for doubtful accounts of \$177)		<u>10,842</u>
Total assets	\$	<u>25,044</u>

LIABILITIES AND FUND BALANCE

Fund balance, appropriated	\$	<u>25,044</u>
Total liabilities and fund balance	\$	<u>25,044</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, 1997

REVENUES

Property taxes	\$ <u>-0-</u>
Total revenues	<u>-0-</u>

EXPENDITURES

Bond principal payments	100,000
Interest on bonds	8,250
Fiscal agent fees	<u>1,129</u>
Total expenditures	<u>109,397</u>

Excess (deficiency) of revenue over expenditures	(<u>109,397</u>)
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Transfers from General Fund	<u>108,250</u>
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Excess (deficiency) of Revenues over expenditures and transfers	(1,129)
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Fund balance, beginning of year	<u>26,173</u>
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Fund balance, end of year	\$ <u>25,044</u>
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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, 1997

ASSETS

CURRENT ASSETS

Cash	\$ 358,227
Accounts receivable	4,221,766
Materials and supplies at cost	835,552
Due from other funds	119,735
Prepaid insurance	90,786
Deferred debt expense, net	<u>939,603</u>
Total current assets	<u>6,565,669</u>

RESTRICTED ASSETS

Cash	2,687,955
Certificates of deposit and savings accounts	<u>19,003,420</u>
Total restricted assets	<u>21,691,375</u>

PROPERTY AND EQUIPMENT

Electrical facilities and distribution system	13,360,822
Water purification facilities and distribution system	16,715,511
Wastewater treatment facilities and collection system	24,334,723
Equipment and other	<u>2,263,034</u>
Total property and equipment	56,674,090
Less: accumulated depreciation	<u>21,774,981</u>
Net property and equipment	<u>34,899,109</u>
Total assets	<u>\$63,156,153</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, 1997

LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS

LIABILITIES

Current Maturities of Long Term Debt	\$ 962,352
Accounts payable	394,160
Accrued salaries	14,655
Consumer deposits	951,565
Due to other funds	15,429
Accrued Interest Payable	746,865
Compensated absences	<u>603,109</u>

Total current liabilities	3,688,135
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<u>LONG TERM DEBT</u>	<u>25,259,557</u>
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Total liabilities	<u>28,947,692</u>
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CONTRIBUTED CAPITAL AND RETAINED EARNINGS

Contributed Capital/Retained Earnings - June 30, 1976	11,349,226
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Subsequent to June 30, 1976:

Contributed Capital	3,601,320
Retained Earnings	19,083,408
Retained Earnings - Reserved - Service Additions	<u>174,507</u>

Total contributed capital and retained earnings	<u>34,208,461</u>
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Total liabilities, contributed capital, and retained earnings	<u><u>\$63,156,153</u></u>
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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, 1997

	<u>Actual</u>	Adjustment to Budgetary Basis	Actual on Budgetary Basis	<u>Budget</u>	Variance Favorable (Unfavorable)
Operating Revenues:					
Electric					
Residential Ser.	\$ 7,172,718	\$ -0-	\$ 7,172,718	\$ 7,450,000	(\$ 277,282)
General Ser.	10,024,996		10,024,996	10,200,000	(175,004)
Industrial/ Comm. Service	2,595,848		2,595,848	2,600,000	(4,152)
Temporary Ser.	3,865		3,865	2,500	1,365
Services/Fees	117,456		117,456	105,000	12,456
Sales Tax Collected	1,323,897		1,323,897	1,350,000	(26,103)
Fuel Adjustment	4,877,294		4,877,294	5,000,000	(122,706)
Delinquent Penalties	616,384		616,384	455,000	161,384
Miscellaneous	-0-		-0-	-0-	-0-
Total Electric	<u>26,732,458</u>	<u>-0-</u>	<u>26,732,458</u>	<u>27,162,500</u>	<u>(430,042)</u>
Water Department					
Residential Service	1,261,073		1,261,073	1,272,500	(11,427)
Industrial/Comm.	1,514,942		1,514,942	1,500,000	14,942
Service Fees	59,236		59,236	45,000	14,236
Tapping Meters	33,110		33,110	27,000	6,110
County Service	911,949	1,911,722	2,823,671	2,855,000	(31,329)
Miscellaneous	20		20	500	(480)
Total Water Department	<u>3,780,330</u>	<u>1,911,722</u>	<u>5,692,052</u>	<u>5,700,000</u>	<u>(7,948)</u>
Wastewater Department					
Residential Service	1,418,594		1,418,594	1,420,000	(1,406)
General Service	1,089,596		1,089,596	1,085,000	4,596
Service Fees	27,228		27,228	15,000	12,228
Tapping Meters	8,254		8,254	5,000	3,254
Sewer Assesments	174,507	(174,507)	-0-	-0-	-0-
Miscellaneous	43,522		43,522	8,000	35,522
Total Wastewater Department	<u>2,761,701</u>	<u>(174,507)</u>	<u>2,587,194</u>	<u>2,533,000</u>	<u>54,194</u>
 Total operating revenues	 <u>33,274,489</u>	 <u>(1,737,215)</u>	 <u>35,011,704</u>	 <u>35,395,500</u>	 <u>(383,796)</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, 1997

	<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	80,636		80,636	80,000	(636)
Travel & training	6,528		6,528	6,000	(528)
Contractual services	5,925		5,925	7,500	1,575
Materials & supplies	8,405		8,405	3,000	(5,405)
Fuel	55		55	100	45
Maintenance & repairs	2,532		2,532	2,500	(32)
Utilities	7,832		7,832	8,000	168
Capital Outlay	<u>-0-</u>	<u>23,886</u>	<u>23,886</u>	<u>28,700</u>	<u>4,814</u>
Total	<u>111,913</u>	<u>23,886</u>	<u>135,799</u>	<u>135,800</u>	<u>1</u>
Technical Services					
Salary & wages	270,668		270,668	260,000	(10,668)
Travel & training	3,215		3,215	3,000	(215)
Contractual services	17,763,939		17,763,939	18,300,000	536,061
Materials & supplies	20,700		20,700	30,000	9,300
Fuel	5,052		5,052	5,400	348
Maintenance & repairs	39,515		39,515	60,000	20,485
Utilities	68,618		68,618	67,000	(1,618)
Capital outlay	<u>-0-</u>	<u>181,935</u>	<u>181,935</u>	<u>220,000</u>	<u>38,065</u>
Total	<u>18,171,707</u>	<u>181,935</u>	<u>18,353,642</u>	<u>18,945,400</u>	<u>591,758</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, 1997

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Line Construction					
Salary & wages	434,316		434,316	430,000	(4,316)
Contractual services	89,889		89,889	95,000	5,111
Materials & supplies	16,511		16,511	18,000	1,489
Fuel	8,516		8,516	8,500	(16)
Maintenance & repairs	62,879		62,879	65,000	2,121
Utilities	7,184		7,184	7,000	(184)
Contingency	-0-		-0-	10,000	10,000
Capital outlay	-0-	(3) 598,366	598,366	530,000	(68,366)
Total	<u>619,295</u>	<u>598,366</u>	<u>1,217,661</u>	<u>1,163,500</u>	<u>(54,161)</u>
Non-Departmental					
Salary & wages	85,488		85,488	86,100	612
Contractual services	714,952		714,952	726,550	11,598
Depreciation	205,544	(205,544) (1)	-0-	-0-	-0-
Total	<u>1,005,984</u>	<u>(205,544)</u>	<u>800,440</u>	<u>812,650</u>	<u>12,210</u>
Total - Electric	<u>19,908,899</u>	<u>598,643</u>	<u>20,507,542</u>	<u>21,057,350</u>	<u>549,808</u>
Water - Wastewater					
Office of Director					
Salary & wages	89,217		89,217	89,000	(217)
Travel & training	1,147		1,147	1,500	353
Contractual services	3,455		3,455	4,000	545
Materials & supplies	3,268		3,268	3,600	332
Fuel	884		884	900	16
Maint. & repairs	973		973	800	(173)
Total	<u>98,944</u>	<u>-0-</u>	<u>98,944</u>	<u>99,800</u>	<u>856</u>
Water Production					
Salary & wages	322,839		322,839	322,000	(839)
Travel & training	2,149		2,149	2,200	51
Contractual services	6,807		6,807	6,700	(107)
Materials & supplies	201,807		201,807	165,000	(36,807)
Fuel	1,571		1,571	1,800	229
Maintenance & repairs	37,913		37,913	34,000	(3,913)
Utilities	441,680		441,680	410,000	(31,680)
Capital outlay	-0-	(3) 516,412	516,412	557,000	40,588
Total	<u>1,014,766</u>	<u>516,412</u>	<u>1,531,178</u>	<u>1,498,700</u>	<u>(32,478)</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, 1997

	<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	361,386		361,386	360,000	(1,386)
Travel & training	1,647		1,647	1,200	(447)
Contractual services	1,599	1,911,722	1,913,321	1,950,000	36,679
Materials & supplies	66,241		66,241	53,000	(13,241)
Fuel	10,847		10,847	11,000	153
Maintenance & repairs	63,667		63,667	50,000	(13,667)
Utilities	4,712		4,712	4,700	(12)
Capital outlay	-0-	(3) 776,428	776,428	658,000	(118,428)
Total	<u>510,099</u>	<u>2, 688,150</u>	<u>3,198,249</u>	<u>3,087,900</u>	<u>(110,349)</u>
Wastewater Collection					
Salary & wages	119,809		119,809	119,950	141
Travel & training	736		736	800	64
Contractual services	1,953		1,953	1,100	(853)
Materials & supplies	13,912		13,912	13,000	(912)
Fuel	4,680		4,680	4,500	(180)
Maintenance & repairs	14,429		14,429	15,000	571
Utilities	1,728		1,728	1,500	(228)
Capital outlay	-0-	(3) 187,152	187,152	238,000	50,848
Total	<u>157,247</u>	<u>187,152</u>	<u>344,399</u>	<u>393,850</u>	<u>49,451</u>
Wastewater Treatment					
Salary & wages	312,743		312,743	319,900	7,157
Travel & training	3,658		3,658	2,300	(1,358)
Contractual services	608		608	100	(508)
Materials & supplies	51,444		51,444	46,000	(5,444)
Fuel	7,367		7,367	7,200	(167)
Maintenance & repairs	19,632		19,632	23,000	3,368
Utilities	171,424		171,424	157,000	(14,424)
Capital outlay	-0-	(3) 21,661	21,661	21,700	39
Total	<u>566,876</u>	<u>21,661</u>	<u>588,537</u>	<u>577,200</u>	<u>(11,337)</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, 1997

	<u>Actual</u>	Adjustment to Budgetary Basis	Actual on Budgetary Basis	<u>Budget</u>	Variance Favorable (Unfavorable)
<hr/>					
Meter Reading					
Salary & wages	85,485		85,485	86,100	615
Travel & training	-0-		-0-	50	50
Contractual Services	8,394		8,394	6,500	(1,894)
Materials & supplies	2,968		2,968	2,800	(168)
Fuel	3,521		3,521	3,500	(21)
Maintenance & repairs	2,273		2,273	2,500	227
Utilities	1,158		1,158	1,300	142
Capital outlay	-0-	(3)	-0-	-0-	-0-
Total	<u>103,799</u>		<u>103,799</u>	<u>102,750</u>	<u>(1,049)</u>
Non-Departmental					
Contractual services	731,999	-0-	731,999	691,383	(40,166)
General Fund Services	221,000	-0-	221,000	221,000	-0-
Depreciation - wastewater	324,003	(1) (324,003)	-0-	-0-	-0-
Depreciation - water	<u>221,442</u>	<u>(221,442)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>1,498,444</u>	<u>(545,445)</u>	<u>952,999</u>	<u>912,833</u>	<u>(40,166)</u>
Total - Water/ Wastewater	<u>3,950,175</u>	<u>2,867,930</u>	<u>6,818,105</u>	<u>6,673,033</u>	<u>(185,701)</u>
Total operating expense	<u>23,859,074</u>	<u>3,466,573</u>	<u>27,325,647</u>	<u>27,730,383</u>	<u>404,736</u>
Operating income (loss)	<u>9,415,415</u>	<u>(1,729,358)</u>	<u>7,686,057</u>	<u>7,665,117</u>	<u>20,940</u>
Non-operating Revenues (expenses):					
Investment income	831,117	(585,468)	245,649	150,000	95,649
Debt service	<u>(1,148,002)</u>	(2) <u>791,360</u>	<u>(356,642)</u>	<u>(330,929)</u>	<u>(25,713)</u>
Total Non- operating Revenues (expenses)	<u>(316,885)</u>	<u>205,892</u>	<u>(110,993)</u>	<u>(180,929)</u>	<u>69,936</u>
Income (loss) before other financing uses	<u>9,098,530</u>	<u>(1,523,466)</u>	<u>7,575,064</u>	<u>7,484,188</u>	<u>90,876</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, 1997

	<u>Actual</u>	Adjustment to Budgetary <u>Basis</u>	Actual on Budgetary <u>Basis</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Other financing uses:					
Operating transfers out	<u>4,500,000</u>	<u>-0-</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>-0-</u>
Total other financing uses	<u>4,500,000</u>	<u>-0-</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>-0-</u>
Net profit (loss)	4,598,530	(1,523,466)	3,075,064	2,984,188	90,876
Contributed Capital & Retained Earnings 6/30/96	29,464,609	-0-	29,464,609	29,464,609	-0-
Prior Period Adjust. Contributed Capital & Retained Earnings 6/30/96 as adjusted	<u>145,323</u>	<u>-0-</u>	<u>145,323</u>	<u>145,323</u>	<u>-0-</u>
	<u>29,609,932</u>	<u>(1,523,466)</u>	<u>29,609,932</u>	<u>29,609,932</u>	<u>-0-</u>
Contributed capital & Retained Earnings 6/30/97	<u>\$34,208,462</u>	<u>(\$ 1,523,466)</u>	<u>\$32,684,996</u>	<u>\$32,594,120</u>	<u>\$ 90,876</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, 1997

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 9,415,415
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	750,989
Changes in assets and liabilities	
(Increase) Decrease in accounts receivable	(300,240)
(Increase) Decrease in inventory	21,145
Increase (Decrease) in due from other funds	(192,036)
(Increase) Decrease in prepaid insurance	8,749
Increase (Decrease) in accounts payable	362,286
Increase (Decrease) in consumer deposits	(29,549)
Increase (Decrease) in accrued salaries	2,630
Increase (Decrease) in compensated absences	603,109
Increase (Decrease) in accrued interest payable	746,865
Prior period adjustment	<u>145,323</u>
Net cash provided by operating activities	<u>11,534,686</u>
Cash flows from non-capital financing activities	
Operating transfers out	(<u>4,500,000</u>)
Net cash provided by (used for) noncapital financing activities	(<u>4,500,000</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, 1997

Cash flows from capital and related financing activities	
Accrued interest and bond issue cost	(682,078)
Acquisition and construction of capital assets	(7,546,273)
Principal on short and long term obligations	(505,460)
Interest paid on short and long term debt	(1,085,277)
Proceeds from bond issuance	<u>13,535,000</u>
Net cash provided by (used for) capital and related financing activities	<u>3,715,912</u>
 Cash flows from investing activities	
Investment income	<u>813,115</u>
Net cash provided by investing activities	<u>831,115</u>
Net increase (decrease) in cash	11,581,713
Cash and restricted cash, June 30, 1996	<u>10,467,889</u>
Cash and restricted cash, June 30, 1997	<u>\$22,049,602</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, 1997

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total Memorandum Only</u>
<u>REVENUE</u>				
Interest & Dividends on investments	\$ 894,474	\$ 74,515	\$ 9,926	\$ 978,915
Gain (loss) on securities	662,359	5,949	-0-	668,308
Contributions from other funds	1,427,022	-0-	-0-	1,427,022
Sale of lots	-0-	17,148	-0-	17,148
Contributions from Airport Funds	<u>10,851</u>	<u>-0-</u>	<u>-0-</u>	<u>10,851</u>
Total revenue	2,994,706	97,612	9,926	3,102,244
<u>EXPENDITURES</u>				
Pension payments	1,049,069	-0-	-0-	1,049,069
Bank charges	-0-	4,025	-0-	4,025
Professional fees	<u>32,593</u>	<u>-0-</u>	<u>-0-</u>	<u>32,593</u>
Total expenditures	<u>1,081,662</u>	<u>4,025</u>	<u>-0-</u>	<u>1,085,687</u>
Excess of revenue over expenditures	1,913,044	93,587	9,926	2,016,557
Transfers to General Fund	<u>-0-</u>	<u>70,000</u>	<u>-0-</u>	<u>70,000</u>
Excess of revenue over expenditures and transfers	1,913,044	23,587	9,926	1,946,557
Fund balance, beginning of year	<u>14,856,578</u>	<u>1,157,203</u>	<u>187,755</u>	<u>16,201,536</u>
Fund balance, end of year	<u>\$16,769,622</u>	<u>\$ 1,180,790</u>	<u>\$ 197,681</u>	<u>\$18,148,093</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, 1997

	<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	\$ 356,211	\$ 13,123	\$ -0-	\$ 369,334
Changes in assets and liabilities				
(Increase) Decrease in due from other funds	<u>-0-</u>	<u>(11,038)</u>	<u>-0-</u>	<u>(11,038)</u>
Net cash provided by operating activities	<u>356,211</u>	<u>2,085</u>	<u>-0-</u>	<u>358,296</u>
Cash flows from non-capital financing activities				
Operating transfers out	<u>-0-</u>	<u>(70,000)</u>	<u>-0-</u>	<u>(70,000)</u>
Net cash provided by (used for) noncapital financing activities	<u>-0-</u>	<u>(70,000)</u>	<u>-0-</u>	<u>(70,000)</u>
Cash flows from capital and related financing activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

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, 1997

	<u>Balance</u> <u>June 30, 1996</u>	<u>Obligations</u>	<u>Maturities</u>	Debt Service Fund <u>Operations</u>	<u>Balance</u> <u>June 30, 1997</u>
Amount available in Debt Service Fund	\$ 26,172	\$ -0-	\$ -0-	(\$ 1,128)	\$ 26,172
Amount to be provided for Retirement of Long-term Debt	<u>840,194</u>	<u>2,057,112</u>	<u>660,452</u>	<u>-0-</u>	<u>2,236,854</u>
Total available and to be provided	<u>\$ 866,366</u>	<u>\$ 2,057,112</u>	<u>\$ 660,452</u>	<u>(\$ 1,128)</u>	<u>\$ 2,261,898</u>
General long-term debt payable: General obligation	<u>\$ 866,366</u>	<u>\$ 2,057,112</u>	<u>\$ 660,452</u>	<u>(\$ 1,128)</u>	<u>\$ 2,261,898</u>

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, 1997

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
1997	1,437,873	15.1%	-0-	1,556,833	2,994,706

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
1997	1,049,609	32,593	1,081,662

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, 1997 and have issued our report thereon dated November 12, 1997.

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 an 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.

In planning and performing our audit of the general purpose financial statements of the City of Griffin, Georgia for the year ended June 30, 1997, 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 12, 1997.

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.


Certified Public Accountants

November 12, 1997

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, 1997, and have issued our report thereon dated November 12, 1997.

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 12, 1997