

CITY OF GRIFFIN, GEORGIA

FINANCIAL STATEMENTS

JUNE 30, 1998

CITY OF GRIFFIN, GEORGIA
FINANCIAL STATEMENTS
AS OF JUNE 30, 1998
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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, 1998, 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. 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, 1998, 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, 1998, 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 10, 1998 on our consideration of City of Griffin's internal control structure and its compliance with laws and regulations.


Certified Public Accountants

November 10, 1998

CITY OF GRIFFIN, GEORGIA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1998

	<u>Governmental Fund Types</u>		<u>Debt Service</u>	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types Trust and Agency</u>	<u>Account Groups</u>		<u>Totals Memorandum Only</u>
	<u>General</u>					<u>Fixed Assets</u>	<u>General-Long Term Debt</u>	
	\$	9						
ASSETS								
Cash	\$ 237,641	9	\$ 9	\$ 668,174	\$ 45,484	\$ -	\$ -	\$ 951,508
Investments	3,864,164	48,153	48,153	-	20,218,569	-	-	24,130,886
Receivables, net of allowances for uncollectible	64,519	-	-	5,102,593	-	-	-	5,167,112
Property taxes receivable	335,230	10,842	10,842	-	-	-	-	346,122
A/R other	19,734	-	-	-	-	-	-	19,734
A/R Airport	44,648	-	-	-	-	-	-	44,648
Due from other funds	76,166	-	-	119,735	33,429	-	-	229,330
Prepaid expenses	159,534	-	-	115,388	-	-	-	274,922
Inventories	-	-	-	978,777	-	-	-	978,777
Restricted assets	-	-	-	21,748,929	-	-	-	21,748,929
Deferred debt expense, net	-	-	-	881,207	-	-	-	881,207
Property, plant and equipment, net of accumulated depreciation	-	-	-	38,445,775	77,225	22,828,777	-	61,351,775
Amount available in Debt Service Fund	-	-	-	-	-	-	59,004	59,004
Amount to be provided for Landfill postclosure	-	-	-	-	-	-	1,368,900	1,368,900
For compensated absences	-	-	-	-	-	-	2,090,974	2,090,974
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	1,838,815	1,838,815
Total Assets	<u>\$ 4,801,656</u>	<u>\$ 59,004</u>	<u>\$ 59,004</u>	<u>\$ 68,060,578</u>	<u>\$ 20,374,705</u>	<u>\$ 22,828,777</u>	<u>\$ 5,571,513</u>	<u>\$ 121,482,263</u>

CITY OF GRIFFIN, GEORGIA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1998

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Accounts Groups</u>		<u>Totals</u>
	<u>General</u>	<u>Debt Service</u>			<u>Enterprise</u>	<u>Trust and Agency</u>	
<u>LIABILITIES</u>							
Accounts payable	\$ 588,776	\$ -	\$ 739,100	\$ -	\$ -	\$ -	\$ 1,327,876
Due to other funds	153,163	-	76,166	-	-	-	229,329
Accrued expenses	95,823	-	640,343	-	-	-	756,166
Compensated absences	-	-	578,384	-	-	2,090,794	2,669,178
Consumer	-	-	1,003,186	-	-	-	1,003,186
Deposits	-	-	469,557	-	259,557	-	469,557
Long-term debt	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	1,797,819	1,797,819
Capital lease obligation	-	-	-	-	-	1,368,900	1,368,900
Landfill obligation	-	-	-	-	-	-	-
General obligations bonds	-	-	-	-	-	100,000	100,000
Revenue bonds payable	-	-	-	-	-	-	-
Revenue bonds payable	-	-	24,790,000	-	-	-	24,790,000
Total Liabilities	<u>837,762</u>	<u>-</u>	<u>28,296,736</u>	<u>-</u>	<u>-</u>	<u>5,357,513</u>	<u>34,549,201</u>
<u>FUND EQUITY</u>							
Contributed capital	-	-	-	-	-	-	-
Retained earnings	-	-	59,541,975	-	-	-	59,541,975
Retained earnings - reserved	-	-	221,867	-	-	-	221,867
Investment in General	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	22,828,777	-	22,828,777
Fund balance	495,593	59,004	-	-	-	-	554,597
Reserved	3,468,281	-	-	20,374,705	-	-	23,842,986
Undesignated	-	-	-	-	-	-	-
Total Fund Equity	<u>3,963,874</u>	<u>59,044</u>	<u>39,763,842</u>	<u>20,374,705</u>	<u>22,828,777</u>	<u>-</u>	<u>86,990,202</u>
Total Liabilities and Fund Equity	<u>\$ 4,801,636</u>	<u>\$ 59,044</u>	<u>\$ 68,060,578</u>	<u>\$ 20,374,705</u>	<u>\$ 22,828,777</u>	<u>\$ -</u>	<u>\$ 121,482,213</u>

CITY OF GRIFFIN, GEORGIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 1998

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
REVENUES			
Property Taxes	\$ 3,166,400	\$ -0-	\$ 3,166,400
Alcoholic Beverage Taxes	540,672	-0-	540,672
Hotel/Motel Tax	38,851	-0-	38,851
Sales Tax	2,847,386	-0-	2,847,386
Insurance Premium Tax	810,480	-0-	810,480
Occupational Tax	729,663	-0-	729,663
Franchise Fees	622,009	-0-	622,009
Building Permits	165,661	-0-	165,661
Maps/Codes/Zoning	15,465	-0-	15,465
Cemetery Fees	106,340	-0-	106,340
Sanitation Fees	3,119,398	-0-	3,119,398
Police Fines & Forfeitures	411,091	-0-	411,091
Golf Fees	437,609	-0-	437,609
Investment Income	87,343	-0-	87,343
Miscellaneous	283,420	-0-	283,420
CDBG Grants	<u>171,205</u>	<u>-0-</u>	<u>171,205</u>
 Total Revenues	 <u>13,552,993</u>	 <u>-0-</u>	 <u>13,552,993</u>
EXPENDITURES			
Current -			
City Commission	115,703	-0-	115,703
City Manager	138,314	-0-	138,314
Personnel	121,918	-0-	121,918
Legal	109,882	-0-	109,882
Building Safety & Zoning	285,801	-0-	285,801
Community Development	70,724	-0-	70,724
Finance	751,843	-0-	751,843
Public Works	2,696,399	-0-	2,696,399
Solid Waste	2,848,178	-0-	2,848,178
Fire	2,010,970	-0-	2,010,970

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, 1998

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
Police	3,347,335	-0-	3,347,335
Non-Departmental	4,729,664	-0-	4,729,664
Recycling/Clean Community	29,178	-0-	29,178
Principal Retirement	-0-	100,000	100,000
Interest and Fiscal Agent Fees	<u>-0-</u>	<u>15,540</u>	<u>15,540</u>
 Total Expenditures	 <u>17,255,909</u>	 <u>115,540</u>	 <u>17,371,449</u>
 Excess (deficiency) of funds Available over Expenditures	 (3,702,916)	 (115,540)	 (3,818,456)
 OTHER FINANCING SOURCES			
 Transfers from other funds	 3,699,967	 149,500	 3,849,467
Utility Fund Support	<u>520,000</u>	<u>-0-</u>	<u>520,000</u>
 Total other financing sources	 <u>4,219,967</u>	 <u>149,500</u>	 <u>4,369,467</u>
 Excess (deficiency) of funds available and other financing sources over expenditures	 517,051	 33,960	 551,011
Fund Balance, Beginning of year	2,980,725	25,044	3,005,769
Prior Period Adjustment	(<u>29,495</u>)	<u>-0-</u>	(<u>29,495</u>)
 Fund Balance, Beginning of year as adjusted	 <u>2,951,230</u>	 <u>25,044</u>	 <u>2,976,274</u>
 Fund Balance, End of year	 <u>\$ 3,468,281</u>	 <u>\$ 59,004</u>	 <u>\$ 3,527,285</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, 1998

	General Fund			Debt Service		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u> (Unfavorable)	Variance Favorable
REVENUES						
Property Taxes	\$ 3,177,798	\$ 3,166,400	(\$ 11,398)	\$ -0-	\$ -0-	\$ -0-
Alcoholic Beverage						
Taxes	532,500	540,672	8,172			
Hotel/Motel Tax	38,500	38,851	351			
Sales Tax	2,409,000	2,847,386	438,386			
Insurance Premium						
Tax	808,280	810,480	2,200			
Occupational Tax	723,000	729,663	6,663			
Franchise Fees	618,300	622,009	4,009			
Building Permits	156,000	165,661	9,661			
Maps/Codes/Zoning	16,000	15,465	(535)			
Cemetery Fees	104,000	106,340	2,340			
Sanitation Fees	2,907,100	3,119,398	212,298			
Police Fines & Forfeitures	437,600	411,091	(26,509)			
Golf Fees	405,700	437,609	31,909			
Investment Income	96,000	87,343	(8,657)			
Miscellaneous	396,050	283,420	(112, 630)			
CDBG Grants	-0-	171,205	171,205			
Total Revenues	12,825,528	13,552,993	727,465	-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, 1998

	General Fund			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES						
Current -						
City Commission	115,730	115,703	27	-0-	-0-	-0-
City Manager	136,100	138,314	(2,214)			
Personnel	121,600	121,918	(318)			
Legal	110,450	109,882	568			
Building Safety & Zoning	281,025	285,801	(4,776)			
Community Development	71,140	70,724	416			
Finance	734,390	751,843	(17,453)			
Public Works	2,672,213	2,696,399	(24,186)			
Sanitation	2,863,655	2,848,178	15,477			
Fire	1,992,667	2,010,970	(18,303)			
Police	3,299,489	3,347,335	(47,846)			
Non-Departmental	4,280,308	4,729,664	(449,356)			
Recycling/Clean Community	27,000	29,178	(2,178)			
Principal Retirement	-0-	-0-	-0-	-0-	100,000	(100,000)
Interest and Fiscal Agent Fees	-0-	-0-	-0-	-0-	15,540	(15,540)
Total Expenditures	<u>16,705,767</u>	<u>17,255,909</u>	<u>(550,142)</u>	<u>-0-</u>	<u>115,540</u>	<u>(115,540)</u>
Excess (deficiency) of funds available over expenditures	(3,880,239)	(3,702,916)	177,323	-0-	(115,540)	(115,540)

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, 1998

	General Fund			Debt Service		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other financing sources						
Utility Fund Support	520,000	520,000	-0-	-0-	-0-	-0-
Transfers from other funds	<u>4,000,000</u>	<u>3,699,967</u>	(300,033)	<u>-0-</u>	<u>149,500</u>	<u>149,500</u>
Total other financing sources	<u>4,520,000</u>	<u>4,219,967</u>	(300,033)	<u>-0-</u>	<u>149,500</u>	<u>149,500</u>
Excess (Deficiency) of funds available and other financing sources over expenditures & transfers	639,761	517,051	(122,710)	-0-	33,960	33,960
Fund balance, Beginning of year	2,980,725	2,980,725	-0-	25,044	25,044	-0-
Prior Period Adjustment	(29,495)	(29,495)	-0-	-0-	-0-	-0-
Beginning of year as restated	<u>2,951,230</u>	<u>2,951,230</u>	-0-	<u>25,044</u>	<u>25,044</u>	-0-
Fund balance, End of year	<u>\$ 3,590,991</u>	<u>\$ 3,468,281</u>	(\$ 122,710)	<u>\$ 25,044</u>	<u>\$ 59,004</u>	<u>\$ 33,960</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, 1998

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Types</u>	Total (Memorandum Only) Primary <u>Government</u>
Operating Revenues:			
Electricity sales	\$28,860,944	\$ -0-	28,860,944
Water sales	6,042,315	-0-	6,042,315
Wastewater sales	2,627,190	-0-	2,627,190
Investment income	-0-	2,143,034	2,143,034
Contributions from other funds	-0-	1,482,241	1,482,241
Lot sales	-0-	3,850	3,850
Contributions from Airport Funds	<u>-0-</u>	<u>12,386</u>	<u>12,386</u>
 Total operating Revenues	 37,530,449	 3,641,511	 41,171,960
Operating Expenses:			
<u>Electric:</u>			
Office of Director Technical Services	210,149	-0-	210,149
Line Construction	19,164,447	-0-	19,164,447
Non-Departmental Depreciation	660,219	-0-	660,219
	745,496	-0-	745,496
	<u>396,921</u>	<u>-0-</u>	<u>396,921</u>
 Total - Electric	 <u>21,177,232</u>	 <u>-0-</u>	 <u>21,177,232</u>
<u>Water-Wastewater</u>			
Office of Director Water Production	128,106	-0-	128,106
Water Distribution	1,084,738	-0-	1,084,738
Wastewater Collection	2,601,420	-0-	2,601,420
Wastewater Treatment	170,262	-0-	170,262
	661,682	-0-	661,682

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, 1998

	Proprietary Fund Types <u>Enterprise</u>	Fiduciary Fund <u>Type</u>	Totals (Memorandum Only) Primary <u>Government</u>
Meter Reading	104,195	-0-	104,195
Non-Departmental	830,170	-0-	830,170
Depreciation	<u>1,053,792</u>	<u>-0-</u>	<u>1,053,792</u>
 Total - Water & Wastewater	 <u>6,634,365</u>	 <u>-0-</u>	 <u>6,634,365</u>
 Pension Payments	 -0-	 1,319,244	 1,319,244
Other	<u>-0-</u>	<u>46,187</u>	<u>46,187</u>
 Total Operating Expenses	 <u>27,811,597</u>	 <u>1,365,431</u>	 <u>29,177,028</u>
 Operating Income (loss)	 <u>9,718,852</u>	 <u>2,276,080</u>	 <u>11,994,932</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, 1998

	<u>Proprietary Fund Types Enterprise</u>	<u>Fiduciary Fund Type</u>	<u>Total Memorandum Only</u>
Non-Operating Revenues (Expenses):			
Investment Revenue	942,952	-0-	942,952
Debt Service	(<u>1,353,782</u>)	<u>-0-</u>	(<u>1,353,782</u>)
 Total Non-Operating Revenue (Expense)	 (<u>410,830</u>)	 -0-	 (<u>410,830</u>)
 Income (loss) Before Other Financing Uses	 9,308,022	 2,276,080	 11,584,102
Other Financing uses:			
Operating Transfers Out	<u>3,800,000</u>	<u>49,467</u>	<u>3,849,467</u>
 Total Other Financing Uses/Sources	 <u>3,800,000</u>	 <u>49,467</u>	 - <u>3,849,467</u>
 Net Income (loss)	 5,508,022	 2,226,613	 7,734,635
 Contributed Capital & Retained Earnings, Beginning of Year	 <u>34,033,954</u>	 <u>18,148,094</u>	 <u>52,182,048</u>
 Contributed Capital & Retained Earnings, End of Year	 <u>\$39,541,976</u>	 <u>\$20,374,707</u>	 <u>\$ 59,916,683</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, 1998

	Proprietary Fund Types <u>Enterprise</u>	Fiduciary Fund <u>Type</u>	<u>Total Memorandum Only</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 9,718,852	\$ 133,046	\$ 9,851,898
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	1,450,713	1,406,554	1,450,713
Changes in Assets and Liabilities:			
(Increase) Decrease In Accounts Receivable	(880,827)	-0-	(880,827)
(Increase) Decrease In Inventory	(143,225)	-0-	(143,225)
(Increase) Decrease In Due from Other Funds	60,737	(105)	60,632
(Increase) Decrease In Prepaid Insurance	(24,602)	-0-	(24,602)
Increase (Decrease) in Accounts Payable	344,940	-0-	344,940
Increase (Decrease) in Consumer Deposits	51,621	-0-	51,621
Increase (Decrease) in Accrued Salaries	10,084	-0-	10,084
(Increase) Decrease In Compensated Absences	(24,725)	-0-	(24,725)
(Increase) Decrease In Accrued Interest Payable	(<u>131,261</u>)	<u>-0-</u>	(<u>131,261</u>)
Net Cash Provided by Operating Activities	<u>10,432,307</u>	<u>132,941</u>	<u>10,565,248</u>
Cash Flows From Non- Capital Financing Activities			
Operating Transfers In (Out)	(<u>3,800,000</u>)	(<u>49,467</u>)	(<u>3,849,467</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, 1998

	<u>Proprietary Fund Types Enterprise</u>	Totals (Memorandum Only) Primary <u>Government</u>	Totals (Memorandum Only) Reporting <u>Entity</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(3,800,000)	(49,467)	(3,849,467)
Cash Flows From Capital And Related Financing Activities			
Grant Revenues	-0-	-0-	-0-
Accrued interest and bond issue cost	58,396	-0-	58,396
Acquisition and con- struction of capital assets	(4,997,379)	-0-	(4,997,379)
Principal on short and long term obliga- tions	(962,352)	-0-	(962,352)
Interest paid on short and long term debt	(1,353,783)	-0-	(1,353,783)
Sewerage Assessments	<u>47,360</u>	<u>-0-</u>	<u>47,360</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(7,207,758)</u>	<u>-0-</u>	<u>7,207,758</u>
Cash Flows From Investing Activities			
Interest on Invest- ments	942,952	1,292,055	2,235,007
Gain (loss) on Securities	<u>-0-</u>	<u>850,979</u>	<u>850,979</u>
Net Cash Provided by Investing Activities	<u>942,952</u>	<u>2,143,034</u>	<u>3,085,986</u>
Net Increase (Decrease) in Cash	367,501	2,226,508	2,594,009
Cash and Restricted Cash July 1, 1997	<u>22,049,602</u>	<u>18,037,545</u>	<u>40,087,147</u>
Cash and Restricted Cash June 30, 1998	<u>\$ 22,417,103</u>	<u>\$20,264,053</u>	<u>\$ 42,681,156</u>

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

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

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, 1998

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, 1998

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.

In accordance with GASB Statement 20, "Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting," the City applies all applicable GASB pronouncements as well as pronouncements issued by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions, and Accounting Research Bulletins, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Also, the City elected not to apply FASB pronouncements issued on or after December 1, 1989.

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, 1998

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, 1998

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 1998, the original budgeted revenues of \$17,733,500 were decreased to \$17,345,528 for the General Fund and increased from \$36,018,344 to \$36,850,744 for the Enterprise Fund while the expenditures/expenses of \$17,951,989 were decreased to \$16,705,767 for the General Fund and decreased from \$34,367,700 to 33,491,037 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, 1998

(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>	
General Fund	\$8.32
Debt Service Fund	<u>.28</u>
	<u>\$8.60</u>

Property taxes are levied on a calendar year basis near the end of the respective calendar year. The city records the taxes as revenues when levied, since no legal right to the taxes exists prior to that time. Therefore, no calendar 1998 property tax revenues have been recorded as of June 30, 1998. The due date and collection dates that apply for the year ended June 30, 1998 were December 18, 1997 for each while the lien date was in April of 1998.

(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, 1998

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, 1998:

Electrical facilities and distribution system	\$14,027,243
Water purification facilities and distribution system	17,687,559
Wastewater treatment facilities and collection system	27,693,633
Equipment and other	<u>2,263,034</u>
Total property and equipment	61,671,469
Less: accumulated depreciation	<u>23,225,694</u>
Net property and equipment	<u>\$38,445,775</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, 1998

(K) CAPITALIZED INTEREST

Interest is capitalized only in funds that utilize the accrual basis of accounting. Interest is capitalized on construction projects with the amount capitalized equal to the amount paid and/or accrued at the completion of the construction project.

(L) DISCOUNTS, PREMIUMS & ISSUANCE COSTS

Discounts, premiums, and issuance cost are recorded as deferred debt expense on the proprietary fund and amortized over the life of the debt. There were no discounts, premiums or issuance cost in relation to the governmental funds.

(M) PREPAID EXPENSES

The city uses the allocation method of accounting for prepaid items, whereby an asset is established at the date of payment and subsequently amortized over the accounting periods that are expected to benefit from the initial payment.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

CASH AND INVESTMENTS

(A) CASH ON DEPOSITS

At June 30, 1998, the government's deposits were \$10,065,977. 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	\$ 400,000
2	9,665,977
3	-0-
Total	<u>\$10,065,977</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, 1998

CASH AND INVESTMENTS (continued)

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

	-----Risk Category----			-----Total -----	
	1.	2.	3.	<u>Cost</u>	<u>Market</u>
Investment in U.S. Treasury Bills	\$17,955,164			\$17,955,164	\$17,955,164
U.S. Equities	17,147,338			17,147,338	19,627,924
International Equities	<u>1,823,847</u>	_____	_____	<u>1,823,847</u>	<u>2,301,105</u>
	<u>\$36,926,349</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$36,926,349</u>	<u>\$39,884,193</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, 1998, balances of interfund amounts receivable or payable have been recorded, as shown below:

	<u>RECEIVABLES</u>	<u>PAYABLES</u>
General Fund	\$ 76,166	\$ 153,163
Enterprise Fund	119,735	76,166
Cemetery Trust Fund	<u>33,429</u>	<u>-0-</u>
	<u>\$ 229,330</u>	<u>\$ 229,329</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

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	\$ 82,945	\$ -0-	\$ -0-	\$ 82,945
Land	123,909	-0-	-0-	123,909
Streets and Bridges	29,314	-0-	-0-	29,314
Equipment	<u>392,354</u>	<u>-0-</u>	<u>-0-</u>	<u>392,354</u>
	<u>\$628,522</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 628,522</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, 1998 accumulated vacation and sick pay which amounted to:

	<u>Vacation</u>	<u>Sick</u>
General Fund	\$174,952	\$1,915,842
Enterprise Fund	<u>63,589</u>	<u>514,795</u>
	<u>\$238,541</u>	<u>\$2,430,637</u>

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. Amounts reserved for 1998 are as follows:

General Fund - Local Waste Surcharge	\$ 32,920
General Fund - Encumbrances	69,212
General Fund - SPLOST	393,461
Enterprise Fund - Service Additions	<u>221,867</u>
	<u>\$717,460</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

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>
1999	155,000	13,816	168,816
2000	<u>160,000</u>	<u>4,680</u>	<u>164,680</u>
Totals	<u>\$ 315,000</u>	<u>\$ 18,496</u>	<u>\$ 333,496</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, 1998

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, 1998 was \$.

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, 1998

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 \$1,482,241. The rate for the year ended June 30, 1998 is expected to be 15.10%.

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

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

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

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

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, 1998

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	Entry 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, 1998

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

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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 City also carries Workers Compensation Insurance to insure against on the job accidents.

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 \$550,142. 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, 1998.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

LONG-TERM DEBT

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

Descriptions	MATURITIES						
	TOTAL	1999	2000	2001	2002	2003	2004-2009
General Long-term Dept Acct. Group:							
General Obligation Bonds:							
1969 Wastewater-5.5%	\$ 90,000	\$ 90,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
1969 Fire							
Station-5.5%	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total general							
Long-term debt	100,000	100,000	-0-	-0-	-0-	-0-	-0-
Light, Water & Wastewater Dept.:							
Combined Public Utility Rev.							
Refunding and Improv. Bonds							
Series 1993-3.10%-5.20%							
Series "A" 1993	9,505,000	-0-	-0-	-0-	-0-	600,000	8,905,000
Series "B" 1993	2,185,000	515,000	535,000	555,000	580,000	-0-	-0-
Series 96 5.4%	6,700,000	235,000	245,000	260,000	270,000	285,000	5,405,000
Series 97	6,400,000	220,000	225,000	235,000	245,000	255,000	5,220,000
GEFA Note	<u>469,557</u>	<u>28,777</u>	<u>30,482</u>	<u>32,289</u>	<u>34,203</u>	<u>362,230</u>	<u>307,576</u>
Total Light, Water & Wastewater	<u>25,259,557</u>	<u>996,777</u>	<u>1,035,482</u>	<u>1,082,289</u>	<u>1,129,203</u>	<u>1,176,230</u>	<u>19,837,576</u>
Total Principal Maturities	25,359,557	1,096,777	1,035,482	1,082,289	1,129,203	1,176,230	19,837,576
INTEREST REQUIREMENTS:							
General Long-term debt	5,500	5,500	-0-	-0-	-0-	-0-	-0-
Light, Water & Wastewater Dept.							
Total interest requirements	<u>13,761,751</u>	<u>1,258,235</u>	<u>1,217,946</u>	<u>1,174,625</u>	<u>1,127,724</u>	<u>1,076,880</u>	<u>7,906,341</u>
Total debt service	<u>13,767,251</u>	<u>1,263,735</u>	<u>1,217,946</u>	<u>1,174,625</u>	<u>1,127,724</u>	<u>1,076,880</u>	<u>7,906,341</u>
	<u>\$39,126,808</u>	<u>\$2,360,512</u>	<u>\$2,253,428</u>	<u>\$2,256,914</u>	<u>\$2,256,927</u>	<u>\$2,253,110</u>	<u>\$27,743,917</u>

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

The Following is a summary of Bond/Debt Transactions of the City for the Fiscal year ended June 30, 1998.

	Compensated Absences	Capital Leases	Landfill Obligation	General Obligation Bonds Payable	Total General Long Term Debt	Light, Water & Wastewater Department
July 1, 1997	\$ 2,195,486	\$ 2,061,898	\$ 1,368,900	\$200,000	\$5,826,284	\$26,221,909
LESS -						
Bond & Note Payment Lease Payments		(476,428)		(100,000)	(100,000) (476,428)	(962,352)
ADD -						
Lease Obligations Compensated Absences		212,350 <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	212,350 (104,692)	<u>-0-</u>
June 30, 1998	<u>\$ 2,090,794</u>	<u>\$1,797,820</u>	<u>\$1,368,900</u>	<u>\$100,000</u>	<u>\$5,357,514</u>	<u>\$25,259,557</u>

SPECIAL ASSESSMENT DEBT

The City is not obligated at June 30, 1998 for any special assesment debt.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1998

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

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

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

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$2,862,885 at June 30, 1998, and accumulated amortization on those assets totaled \$1,065,066. 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, 1998.

Year Ending June 30	General Long-term debt account group
1999	\$ 520,142
2000	479,618
2001	440,461
2002	316,101
Later years	<u>258,864</u>
Minimum lease payments for all capital leases	2,015,186
Less: Amount representing interest at the City's incremental borrowing rate	<u>240,226</u>
Present value of minimum lease payments	<u><u>\$1,774,960</u></u>

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

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 \$29,495 decrease to Fund Balance arises from the fact that payables were understated at June 30, 1997.

YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The City has completed an inventory of computer systems and other equipment necessary to conducting operations. The City has identified the following systems requiring year 2000 remediation:

- * Financial reporting, tax collection, payroll and employee benefit systems. The City has remediated its financial reporting, tax collection, payroll and employee benefit system. Validation and testing of these systems were complete as of December 31, 1998.
- * Water distribution, electrical distribution, water and electrical billing. The City is in the process of remediating these systems and will be testing them in 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be Year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom The City does business will be year 2000 ready.

CITY OF GRIFFIN, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1998

ASSETS

Cash	\$ 237,641
Certificates of deposits and savings	3,864,164
Property taxes receivable	335,230
Occupational tax receivable	64,519
Prepaid expenses	159,534
A/R other	19,734
Due from Enterprise Fund	76,166
Due from Airport	<u>44,648</u>
 Total assets	 <u>\$4,801,636</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 588,776
Accrued salaries	95,823
Due to other funds:	
Enterprise Fund	119,734
Cemetery Trust Fund	<u>33,429</u>
Total liabilities	<u>837,762</u>

FUND BALANCE

Reserved	
For local waste surcharge	32,920
For encumbrances	69,212
For SPLOST	393,461
Unreserved	
Undesignated	<u>3,468,281</u>
 Total Fund Balance	 <u>3,963,874</u>

Total Liabilities and Fund Balance \$4,801,636

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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 3,177,798	\$ 3,166,400	(\$ 11,398)
Alcoholic beverage taxes	532,500	540,672	8,172
Hotel/Motel taxes	38,500	38,851	351
Sales tax	2,409,000	2,847,386	438,386
Insurance premium tax	808,280	810,480	2,200
Occupational Tax	723,000	729,663	6,663
Franchise Fees	618,000	622,009	4,009
Building Permits	156,000	165,661	9,661
Maps/Codes/Zoning	16,000	15,465	(535)
Cemetery Fees	104,000	106,340	2,340
Sanitation Fees	2,907,100	3,119,398	212,298
Police Fines & Forfeitures	437,600	411,091	(26,509)
Golf Fees	405,700	437,609	31,909
Investment income	96,000	87,343	(8,657)
Miscellaneous	396,050	171,205	171,205
CDBG Grants	<u>-0-</u>	<u>283,420</u>	<u>(112,630)</u>
 Total Revenues	 <u>12,825,528</u>	 <u>13,552,993</u>	 <u>727,465</u>
 EXPENDITURES			
City Commission			
Salary & Wages	61,800	60,350	1,450
Travel & Training	20,000	19,848	152
Contractual Services	16,800	17,780	(980)
Utilities	1,000	1,336	(336)
Capital Outlay	9,130	9,128	2
Materials & Supplies	<u>7,000</u>	<u>7,261</u>	<u>(261)</u>
 Total	 <u>115,730</u>	 <u>115,703</u>	 <u>27</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<hr style="border-top: 1px dashed black;"/>			
City Manager			
Salary & Wages	108,000	109,483	(1,483)
Travel & Training	6,000	6,635	(635)
Contractual Services	10,000	10,732	(732)
Materials & Supplies	4,500	3,744	756
Maintenance & Repairs	500	316	184
Utilities	2,000	2,303	(303)
Capital Outlay	<u>5,100</u>	<u>5,101</u>	<u>(1)</u>
Total	<u>136,100</u>	<u>138,314</u>	<u>(2,214)</u>
Personnel			
Salary & Wages	108,500	109,099	(599)
Travel & Training	2,800	3,309	(509)
Contractual Services	2,400	2,437	(37)
Materials & Supplies	5,000	4,904	96
Maintenance & Repairs	900	833	67
Utilities	<u>2,000</u>	<u>1,336</u>	<u>664</u>
Total	<u>121,600</u>	<u>121,918</u>	<u>318</u>
Legal			
City Attorney			
Travel & Training	2,500	2,471	29
Contractual Services	81,000	80,573	427
Materials & Supplies	<u>100</u>	<u>31</u>	<u>69</u>
Total	<u>83,600</u>	<u>83,075</u>	<u>525</u>
City Court			
Travel & Training	300	287	13
Contractual Services	26,500	26,494	6
Materials & Supplies	<u>50</u>	<u>26</u>	<u>24</u>
Total	<u>26,850</u>	<u>26,807</u>	<u>43</u>
Total - Legal	<u>110,450</u>	<u>109,882</u>	<u>568</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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Building Safety & Zoning			
Salary & Wages	196,000	197,096	(1,096)
Travel & Training	8,000	7,949	51
Contractual Services	50,000	52,452	(2,452)
Materials & Supplies	5,000	5,067	(67)
Fuel	1,400	1,233	167
Maintenance & Repairs	5,500	6,886	(1,386)
Utilities	2,300	2,295	5
Capital Outlay	<u>12,825</u>	<u>12,823</u>	<u>2</u>
Total	<u>281,025</u>	<u>285,801</u>	<u>(4,776)</u>
 Community Development			
Contractual Services	30,000	29,584	416
Capital Outlay	<u>41,140</u>	<u>41,140</u>	<u>-0-</u>
Total	<u>71,140</u>	<u>70,724</u>	<u>416</u>
 Finance			
Office of Director			
Salary & Wages	120,000	122,089	(2,089)
Travel & Training	1,600	1,585	15
Contractual Services	8,800	9,015	(215)
Materials & Supplies	9,000	13,779	(4,779)
Fuel	300	124	176
Maintenance & Repairs	800	965	(165)
Capital Outlay	6,400	6,626	(226)
Utilities	<u>8,700</u>	<u>9,723</u>	<u>(1,023)</u>
Total	<u>155,600</u>	<u>163,906</u>	<u>(8,306)</u>
 Purchasing			
Salary & Wages	57,000	57,038	(38)
Travel & Training	2,200	2,044	156
Contractual Services	1,300	1,287	13
Materials & Supplies	500	348	152
Capital Outlay	<u>2,780</u>	<u>2,780</u>	<u>-0-</u>
Total	<u>63,780</u>	<u>63,497</u>	<u>283</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, 1998

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

Tax & License			
Salary & Wages	53,500	53,786	(286)
Travel & Training	500	471	29
Contractual Services	8,600	8,141	459
Materials & Supplies	2,000	1,940	60
Maintenance & Repair	100	96	4
Capital Outlay	<u>460</u>	<u>458</u>	<u>2</u>
 Total	 <u>65,160</u>	 <u>64,892</u>	 <u>268</u>
 Computer Services			
Salary & Wages	79,000	80,497	(1,497)
Travel & Training	300	226	74
Contractual Services	28,500	44,190	(15,690)
Materials & Supplies	25,000	25,111	(111)
Maintenance & Repair	<u>500</u>	<u>362</u>	<u>138</u>
 Total	 <u>133,300</u>	 <u>150,386</u>	 <u>(17,086)</u>
 Customer Service			
Salary & Wages	190,000	191,692	(1,692)
Travel & Training	50	50	0
Contractual Services	9,000	8,847	153
Materials & Supplies	115,000	106,189	8,811
Maintenance & Repairs	<u>2,500</u>	<u>2,384</u>	<u>116</u>
 Total	 <u>316,550</u>	 <u>309,162</u>	 <u>7,388</u>
 Total - Finance	 <u>734,390</u>	 <u>751,843</u>	 <u>(17,453)</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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Public Works</u>			
Office of Director			
Salary & Wages	123,800	124,729	(929)
Travel & Training	3,700	3,877	(177)
Contractual Services	13,000	13,330	(330)
Materials & Supplies	5,600	6,809	(1,209)
Fuel	600	526	74
Maintenance & Repairs	500	444	56
Utilities	2,800	3,109	(309)
Capital Outlay	9,857	9,857	-0-
Total	<u>159,857</u>	<u>162,681</u>	<u>(2,824)</u>
Cemetery			
Salary & Wages	227,500	227,091	409
Contractual Services	50	39	11
Materials & Supplies	6,300	6,291	9
Fuel	12,500	14,253	1,753
Maintenance & Repairs	3,500	3,526	(26)
Utilities	14,000	12,111	1,889
Travel & Training	6,200	6,529	(329)
Capital Outlay	20,616	20,616	-0-
Total	<u>290,666</u>	<u>290,456</u>	<u>210</u>
Streets			
Salary & Wages	585,000	579,536	5,464
Travel & Training	1,000	1,318	318
Contractual Services	205,000	159,788	45,212
Materials & Supplies	110,000	119,964	(9,964)
Fuel	25,000	25,482	(482)
Maintenance & Repairs	95,000	99,931	(4,931)
Utilities	5,000	4,790	210
Capital Outlay	86,766	71,599	15,167
Total	<u>1,112,766</u>	<u>1,062,408</u>	<u>50,358</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, 1998

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

Garage			
Salary & Wages	102,000	102,370	(370)
Travel & Training	-0-	16	(16)
Contractual Services	6,500	7,335	(835)
Materials & Supplies	12,000	11,879	121
Fuel	550	564	(14)
Maintenance & Repairs	5,000	3,951	1,049
Utilities	13,000	13,158	(158)
Capital Outlay	<u>8,497</u>	<u>8,497</u>	<u>-0-</u>
Total	<u>147,547</u>	<u>147,770</u>	(223)
Sign Shop			
Salary & Wages	51,000	50,148	852
Travel & Training	350	361	(11)
Contractual Services	3,900	3,886	14
Materials & Supplies	32,000	34,228	(2,228)
Fuel	1,400	1,282	118
Maintenance & Repairs	2,500	2,489	11
Utilities	700	620	80
Capital Outlay	<u>17,052</u>	<u>17,052</u>	<u>-0-</u>
Total	<u>108,902</u>	<u>110,066</u>	(1,164)
Golf Course			
Salary & Wages	231,000	230,839	161
Travel & Training	500	513	(13)
Contractual Services	23,000	26,066	(3,066)
Materials & Supplies	68,000	70,976	(2,976)
Fuel	3,000	2,655	345
Maintenance & Repairs	23,000	28,393	(5,393)
Utilities	8,500	9,577	(1,077)
Capital Outlay	<u>129,485</u>	<u>131,836</u>	<u>(2,351)</u>
Total	<u>486,485</u>	<u>500,855</u>	(14,370)

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, 1998

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

City Park			
Salary & Wages	100,000	95,155	4,845
Travel & Training	-0-	16	(16)
Contractual Services	33,000	32,106	894
Materials & Supplies	21,000	21,091	(91)
Fuel	1,500	1,477	23
Maintenance & Repairs	13,000	12,212	788
Utilities	7,500	9,398	(1,898)
Capital Outlay	<u>24,490</u>	<u>24,443</u>	<u>47</u>
Total	<u>200,490</u>	<u>195,898</u>	<u>4,592</u>
City Pool			
Salary & Wages	15,000	12,790	2,210
Materials & Supplies	3,200	4,320	1,120
Maintenance & Repairs	1,500	817	683
Utilities	<u>1,700</u>	<u>1,781</u>	(81)
Total	<u>21,400</u>	<u>19,708</u>	<u>1,692</u>
Stormwater			
Salary & Wages	6,100	11,276	(5,176)
Contractual Services	-0-	2,892	(2,892)
Material & Supplies	1,000	-0-	1,000
Capital Outlay	<u>137,000</u>	<u>192,389</u>	(55,389)
Total	<u>144,100</u>	<u>206,557</u>	(62,457)
Total Public Works	<u>2,672,313</u>	<u>2,696,399</u>	(24,186)
Solid Waste			
Office of Director			
Salary & Wages	123,500	123,727	(227)
Travel & Training	2,000	1,771	229
Contractual Services	34,000	39,426	(5,426)
Materials & Supplies	7,000	6,909	91
Fuel	775	680	95
Maintenance & Repairs	1,000	1,005	(5)
Utilities	<u>17,000</u>	<u>17,509</u>	(509)
Total	<u>185,275</u>	<u>191,027</u>	(5,752)

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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Commercial Collection			
Salary & Wages	98,000	97,023	977
Travel & Training	400	398	2
Contractual Services	350,000	350,989	(989)
Material & Supplies	4,000	4,763	(763)
Fuel	15,000	13,609	1,391
Maintenance & Repair	34,000	40,581	(6,581)
Capital Outlay	<u>18,948</u>	<u>18,948</u>	<u>-0-</u>
Total	<u>520,348</u>	<u>526,311</u>	<u>(5,963)</u>
Residential Collection			
Salary & Wages	280,000	295,293	(15,293)
Travel & Training	370	522	(152)
Contractual Services	214,000	235,764	(21,762)
Materials & Supplies	5,500	5,244	256
Fuel	16,000	15,286	714
Maintenance & Repairs	<u>32,000</u>	<u>32,881</u>	<u>(881)</u>
Total	<u>547,780</u>	<u>584,990</u>	<u>(37,120)</u>
Maintenance Shop			
Salary & Wages	110,000	107,476	2,524
Contractual Services	1,550	1,773	(223)
Materials & Supplies	3,500	3,270	230
Fuel	1,900	1,582	318
Maintenance & Repairs	2,000	2,857	(857)
Capital Outlay	<u>15,000</u>	<u>887</u>	<u>14,113</u>
Total	<u>133,950</u>	<u>117,845</u>	<u>16,105</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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<hr style="border-top: 1px dashed black;"/>			
Sanitary Landfill			
Contractual Services	28,000	25,844	2,156
Materials & Supplies	5,000	4,925	75
Capital Outlay	<u>43,850</u>	<u>43,850</u>	<u>-0-</u>
Total	<u>76,850</u>	<u>74,619</u>	<u>2,231</u>
Yard Waste Collection			
Salary & Wages	430,000	426,091	3,909
Travel & Training	60	209	(149)
Contractual Services	46,000	41,770	4,230
Materials & Supplies	6,200	8,429	(2,229)
Fuel	15,200	13,382	1,818
Maintenance & Repairs	30,000	28,708	1,292
Capital Outlay	<u>20,400</u>	<u>20,400</u>	<u>-0-</u>
Total	<u>547,860</u>	<u>538,989</u>	<u>8,871</u>
Animal Control			
Salary & Wages	63,000	67,029	(4,029)
Travel & Training	300	313	(13)
Contractual Services	31,000	30,787	213
Materials & Supplies	5,000	3,885	1,115
Fuel	2,400	2,187	213
Maintenance & Repairs	<u>3,000</u>	<u>2,912</u>	<u>88</u>
Total	<u>104,700</u>	<u>107,113</u>	<u>(2,413)</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, 1998

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

C & D Landfill			
Salary & Wages	58,500	58,094	406
Travel & Training	310	391	(81)
Contractual Services	63,000	62,974	26
Materials & Supplies	8,000	10,414	2,414
Fuel	7,500	7,527	(27)
Maintenance & Repairs	25,000	22,802	2,198
Utilities	800	964	(164)
Capital Outlay	<u>8,500</u>	<u>9,551</u>	<u>(1,051)</u>
Total	<u>171,610</u>	<u>172,717</u>	<u>(1,107)</u>
Composting Operations			
Salary & Wages	60,000	58,966	1,034
Materials & Supplies	750	931	(181)
Fuel	2,100	1,805	295
Maintenance & Repairs	21,000	20,309	691
Utilities	550	454	96
Travel & Training	120	120	-0-
Contractual Services	<u>175</u>	<u>172</u>	<u>3</u>
Total	<u>84,695</u>	<u>82,757</u>	<u>1,938</u>
Non-Departmental			
Social Security	119,000	106,422	12,578
Worker's Compensation	36,497	-0-	36,497
Group Health Insurance	165,000	180,248	(15,248)
Pension	<u>170,000</u>	<u>165,140</u>	<u>4,860</u>
Total	<u>490,497</u>	<u>451,810</u>	<u>38,687</u>
Total Solid Waste	<u>2,863,655</u>	<u>2,848,178</u>	<u>15,477</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, 1998

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

Fire			
Office of Chief			
Salary & Wages	119,000	119,954	(954)
Travel & Training	900	705	195
Contractual Services	300	365	(65)
Materials & Supplies	900	899	1
Fuel	800	796	4
Maintenance & Repairs	500	378	122
Utilities	35,500	37,310	(1,810)
Capital Outlays	<u>24,060</u>	<u>36,659</u>	<u>(12,599)</u>
Total	<u>181,960</u>	<u>197,066</u>	<u>(15 106)</u>
Fire Prevention			
Salary & Wages	58,500	58,945	(445)
Travel & Training	1,300	1,235	65
Contractual Services	200	240	(40)
Materials & Supplies	3,000	2,916	84
Fuel	1,300	1,127	173
Maintenance & Repair	<u>1,200</u>	<u>1,373</u>	<u>(173)</u>
Total	<u>65,500</u>	<u>65,836</u>	<u>(336)</u>
Fire Suppression			
Salary & Wages	1,590,000	1,592,579	(2,579)
Travel & Training	5,000	3,601	1,399
Contractual Services	54,000	52,176	1,824
Materials & Supplies	43,000	46,103	(3,103)
Fuel	4,600	4,053	547
Maintenance & Repairs	24,000	24,948	(948)
Capital Outlay	<u>24,607</u>	<u>24,608</u>	<u>(1)</u>
Total	<u>1,745,207</u>	<u>1,748,068</u>	<u>(2,861)</u>
Total Fire	<u>1,992,667</u>	<u>2,010,970</u>	<u>(18,303)</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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Police</u>			
Office of Chief			
Salary & Wages	104,000	104,983	(983)
Travel & Training	3,500	3,590	(90)
Contractual Services	4,900	4,863	37
Materials & Supplies	3,500	3,493	61
Fuel	800	704	96
Maintenance & Repairs	600	472	128
Utilities	-0-	94	(94)
Capital Outlay	<u>5,739</u>	<u>5,739</u>	<u>-0-</u>
Total	<u>123,039</u>	<u>123,884</u>	(845)
Support Services			
Salary & Wages	275,000	275,049	(49)
Travel & Training	2,000	2,382	(382)
Contractual Services	11,000	12,057	(1,057)
Materials & Supplies	15,000	17,592	(2,592)
Fuel	650	545	105
Maintenance & Repairs	10,000	11,083	(1,083)
Utilities	<u>17,000</u>	<u>17,819</u>	(819)
Total	<u>330,650</u>	<u>336,527</u>	(5,877)
Community Services			
Salary & Wages	1,520,000	1,531,234	(11,234)
Travel & Training	8,000	8,021	(21)
Contractual Services	6,500	6,837	(337)
Materials & Supplies	28,000	31,241	(3,241)
Fuel	48,000	41,866	6,134
Maintenance & Repairs	85,000	84,838	162
Capital Outlay	<u>126,200</u>	<u>126,000</u>	<u>-0-</u>
Total	<u>1,821,500</u>	<u>1,830,037</u>	(8,537)

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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Investigative Services			
Salary & Wages	605,000	594,636	10,364
Travel & Training	3,000	2,534	466
Contractual Services	17,000	18,168	(1,168)
Materials & Supplies	13,000	13,212	(212)
Fuel	6,000	5,125	(875)
Maintenance & Repairs	5,200	5,701	(501)
Utilities	3,400	3,566	(166)
Capital Outlay	<u>34,000</u>	<u>34,000</u>	<u>-0-</u>
Total	<u>686,600</u>	<u>676,942</u>	<u>9,658</u>
Detention Center			
Salary & Wages	5,200	1,387	3,813
Contractual Services	295,000	344,202	(49,202)
Materials & Supplies	36,000	33,048	2,952
Maintenance & Repairs	<u>1,500</u>	<u>1,308</u>	<u>192</u>
Total	<u>337,700</u>	<u>379,945</u>	<u>(42,245)</u>
Total - Police	<u>3,299,489</u>	<u>3,347,335</u>	<u>(47,846)</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, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Recycle/Clean Community			
Contractual Services	<u>27,000</u>	<u>29,178</u>	(2,178)
Total	<u>27,000</u>	<u>29,178</u>	(2,178)
<u>Non-Departmental</u>			
Contractual Services	3,347,191	3,418,590	(71,399)
Contingency	<u>933,117</u>	<u>1,311,074</u>	(377,957)
Total	<u>4,280,308</u>	<u>4,729,664</u>	(449,356)
Total Expenditures	<u>16,705,767</u>	<u>17,255,909</u>	(550,142)
Excess (deficiency) of funds available over expenditures	(3,880,239)	(3,702,916)	(177,323)
Other Financing Sources			
Transfers from other funds	4,000,000	3,699,967	(300,033)
Utility Fund Support	<u>520,000</u>	<u>520,000</u>	<u>-0-</u>
Total other financing sources	<u>4,520,000</u>	<u>4,219,967</u>	(300,033)
Excess (deficiency) of funds available and other financing sources over expenditures	<u>639,761</u>	<u>517,051</u>	(122,710)
Fund balance, beginning of year	<u>2,980,725</u>	<u>2,980,725</u>	<u>-0-</u>
Prior period adjustment	(29,495)	(29,495)	<u>-0-</u>
Fund balance, unreserved beginning of year as restated	<u>2,951,230</u>	<u>2,951,230</u>	<u>-0-</u>
Fund balance, unreserved end of year	<u>\$ 3,590,991</u>	<u>\$ 3,468,281</u>	(\$ 122,710)

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

CITY OF GRIFFIN, GEORGIA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1998

ASSETS

Cash	\$	9
Savings account		48,153
Property taxes receivable (net of allowance for doubtful accounts of \$177)		<u>10,842</u>
Total assets	\$	<u>59,004</u>

LIABILITIES AND FUND BALANCE

Fund balance, appropriated	\$	<u>59,004</u>
Total liabilities and fund balance	\$	<u>59,004</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, 1998

REVENUES

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

EXPENDITURES

Bond principal payments	100,000
Interest on bonds	13,750
Fiscal agent fees	<u>1,790</u>
Total expenditures	<u>115,540</u>

Excess (deficiency) of revenue over expenditures	(<u>115,540</u>)
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Transfers from General Fund	<u>149,500</u>
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Excess (deficiency) of Revenues over expenditures and transfers	33,960
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Fund balance, beginning of year	<u>25,044</u>
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Fund balance, end of year	<u>\$ 59,004</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, 1998

ASSETS

CURRENT ASSETS

Cash	\$ 668,174
Accounts receivable	5,102,593
Materials and supplies at cost	978,777
Due from other funds	119,735
Prepaid insurance	115,388
Deferred debt expense, net	<u>881,207</u>
Total current assets	<u>7,865,874</u>

RESTRICTED ASSETS

Cash	2,941,261
Certificates of deposit and savings accounts	<u>18,807,668</u>
Total restricted assets	<u>21,748,929</u>

PROPERTY AND EQUIPMENT

Electrical facilities and distribution system	14,027,243
Water purification facilities and distribution system	17,687,559
Wastewater treatment facilities and collection system	27,693,633
Equipment and other	<u>2,263,034</u>
Total property and equipment	61,671,469
Less: accumulated depreciation	<u>23,225,694</u>
Net property and equipment	<u>38,445,775</u>
Total assets	<u>\$68,060,578</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, 1998

LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS

LIABILITIES

Current Maturities of Long Term Debt	\$ 996,777
Accounts payable	739,100
Accrued salaries	24,739
Consumer deposits	1,003,186
Due to other funds	76,166
Accrued Interest Payable	615,604
Compensated absences	<u>578,384</u>
Total current liabilities	4,033,956

LONG TERM DEBT 24,262,780

Total liabilities 28,296,736

CONTRIBUTED CAPITAL AND RETAINED EARNINGS

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

Subsequent to June 30, 1976:

Contributed Capital	3,601,320
Retained Earnings	24,591,429
Retained Earnings - Reserved - Service Additions	<u>221,867</u>
Total contributed capital and retained earnings	<u>39,763,842</u>

Total liabilities, contributed capital,
 and retained earnings \$68,060,578

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, 1998

	<u>Actual</u>	Adjustment to Budgetary Basis	Actual on Budgetary Basis	<u>Budget</u>	Variance Favorable (Unfavorable)
Operating Revenues:					
Electric					
Residential Ser.	\$ 7,665,331	\$ -0-	\$ 7,665,331	\$ 7,300,000	\$ 365,331
General Ser.	10,977,566		10,977,466	10,500,000	477,566
Industrial/ Comm. Service	2,696,080		2,696,080	2,700,000	(3,920)
Temporary Ser.	5,750		5,750	5,500	250
Services/Fees	187,110		187,110	170,000	17,110
Sales Tax Collected	1,610,211		1,610,211	1,580,000	30,211
Fuel Adjustment	5,122,230		5,122,230	5,045,000	77,230
Delinquent Penalties	596,557		596,557	600,000	(3,443)
Miscellaneous	109		109	100	9
Total Electric	<u>28,860,944</u>	<u>-0-</u>	<u>28,860,944</u>	<u>27,900,600</u>	<u>960,344</u>
Water Department					
Residential Service	1,297,862		1,297,862	1,290,000	7,862
Industrial/Comm.	1,574,844		1,574,844	1,600,000	(25,156)
Service Fees	57,199		57,199	45,000	12,199
Tapping Meters	44,122		44,122	33,000	11,122
County Service	2,912,146		2,912,146	3,062,000	(149,854)
Williamson water sales	10,205		10,205	10,500	(295)
Williamson contact payment	3,844		3,844	3,844	-0-
Zebulon water sales	55,138		55,138	54,200	938
DOT reimbursement	84,512		84,512	84,000	512
Miscellaneous	2,443		2,443	2,500	(57)
Total Water Department	<u>6,042,315</u>	<u>-0-</u>	<u>6,042,315</u>	<u>6,185,044</u>	<u>(142,729)</u>
Wastewater Department					
Residential Service	1,447,179		1,447,179	1,439,000	8,179
General Service	1,104,437		1,104,437	1,110,000	(5,563)
Service Fees	31,974		31,974	30,000	1,974
Tapping Meters	43,580		43,580	40,000	3,580
Miscellaneous	20		20	100	(80)
Total Wastewater Department	<u>2,627,190</u>	<u>-0-</u>	<u>2,627,190</u>	<u>2,619,100</u>	<u>8,090</u>
 Total operating revenues	 <u>37,530,449</u>	 <u>-0-</u>	 <u>37,530,449</u>	 <u>36,704,744</u>	 <u>825,705</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, 1998

	<u>Actual</u>	Adjustment to Budgetary Basis	Actual on Budgetary Basis	<u>Budget</u>	Variance Favorable (Unfavorable)
Operating Expenses:					
<u>Electric</u>					
Office of Director					
Salary & wages	94,139		94,139	91,820	(2,319)
Travel & training	3,282		3,282	4,000	718
Contractual services	9,541		9,541	8,800	(741)
Materials & supplies	3,266		3,266	3,200	(66)
Fuel	59		59	100	41
Maintenance & repairs	1,969		1,969	2,100	131
Utilities	9,531		9,531	8,400	(1,131)
Marketing	88,362		88,362	100,000	11,638
Capital Outlay	<u>-0-</u>	<u>15,684</u>	<u>15,684</u>	<u>15,684</u>	<u>-0-</u>
Total	<u>210,149</u>	<u>15,684</u>	<u>225,833</u>	<u>234,104</u>	<u>8,271</u>
Technical Services					
Salary & wages	320,223		320,223	335,000	14,777
Travel & training	6,194		6,194	6,000	(194)
Contractual services	18,674,928		18,674,928	18,650,000	(24,928)
Materials & supplies	25,960		25,960	26,000	40
Fuel	3,993		3,993	4,700	707
Maintenance & repairs	73,626		73,626	65,000	(8,626)
Utilities	59,523		59,523	35,000	(24,523)
Capital outlay	<u>-0-</u>	<u>211,744</u>	<u>211,744</u>	<u>223,763</u>	<u>12,019</u>
Total	<u>19,164,447</u>	<u>211,744</u>	<u>19,376,191</u>	<u>19,345,463</u>	<u>(30,728)</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, 1998

	<u>Actual</u>	Adjustment to Budgetary Basis	Actual on Budgetary Basis	<u>Budget</u>	Variance Favorable (Unfavorable)
Line Construction					
Salary & wages	438,165		438,165	428,000	(10,165)
Contractual services	112,121		112,121	105,000	(7,121)
Materials & supplies	30,904		30,904	17,000	(13,904)
Fuel	6,798		6,798	6,800	2
Maintenance & repairs	64,857		64,857	65,000	143
Utilities	7,374		7,374	7,200	(174)
Capital outlay	-0-	438,993	438,993	369,209	(69,784)
Total	<u>660,219</u>	<u>438,993</u>	<u>1,099,212</u>	<u>998,209</u>	<u>(101,003)</u>
Non-Departmental					
Contractual services	732,696		732,696	743,534	10,838
Contingency	12,800		12,800	12,800	-0-
Depreciation	396,921	(396,921)	-0-	-0-	-0-
Total	<u>1,142,417</u>	<u>(396,921)</u>	<u>745,496</u>	<u>756,334</u>	<u>10,838</u>
Total - Electric	<u>21,177,232</u>	<u>269,500</u>	<u>21,446,732</u>	<u>21,334,110</u>	<u>(112,622)</u>
Water - Wastewater					
Office of Director					
Salary & wages	116,583		116,583	116,000	(583)
Travel & training	1,467		1,467	1,500	33
Contractual services	5,308		5,308	4,800	(508)
Materials & supplies	3,603		3,603	3,600	(3)
Fuel	704		704	1,000	296
Maint. & repairs	332		332	500	168
Utilities	109		109	-0-	(109)
Capital outlay	-0-	21,495	21,495	20,004	(1,491)
Total	<u>128,106</u>	<u>21,495</u>	<u>149,601</u>	<u>147,404</u>	<u>(2,197)</u>
Water Production					
Salary & wages	320,136		320,136	331,000	10,864
Travel & training	384		384	500	116
Contractual services	7,481		7,481	7,100	(381)
Materials & supplies	203,797		203,797	170,000	(33,797)
Fuel	2,344		2,344	1,500	(844)
Maintenance & repairs	33,384		33,384	35,000	1,616
Utilities	517,212		517,212	420,000	(97,212)
Capital outlay	-0-	134,627	134,627	123,221	(11,406)
Total	<u>1,084,738</u>	<u>134,627</u>	<u>1,219,365</u>	<u>1,088,321</u>	<u>(131,044)</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, 1998

	<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	365,994		365,994	365,000	(994)
Travel & training	465		465	600	135
Contractual services	20,628		20,628	-0-	(20,628)
County contract	2,060,160		2,060,160	1,894,000	(166,160)
Materials & supplies	54,185		54,185	35,000	(19,185)
Fuel	10,190		10,190	11,500	1,310
Maintenance & repairs	83,234		83,234	70,000	(13,234)
Utilities	6,564		6,564	5,500	(1,064)
Capital outlay	-0-	368,346	368,346	241,538	(126,808)
Total	<u>2,601,420</u>	<u>368,346</u>	<u>2,969,766</u>	<u>2,623,138</u>	<u>(346,628)</u>
Wastewater Collection					
Salary & wages	121,793		121,793	158,358	36,565
Travel & training	1,345		1,345	1,500	155
Contractual services	2,125		2,125	2,000	(125)
Materials & supplies	15,261		15,261	15,000	(261)
Fuel	4,685		4,685	5,500	815
Maintenance & repairs	22,865		22,865	18,000	(4,865)
Utilities	2,188		2,188	1,800	(388)
Capital outlay	-0-	54,097	54,097	18,500	(35,597)
Total	<u>170,262</u>	<u>54,097</u>	<u>224,359</u>	<u>220,658</u>	<u>(3,701)</u>
Wastewater Treatment					
Salary & wages	337,130		337,130	336,000	(1,130)
Travel & training	1,609		1,609	1,600	(9)
Contractual services	13,993		13,993	15,000	1,007
Materials & supplies	68,026		68,026	54,000	(14,026)
Fuel	7,822		7,822	8,500	678
Maintenance & repairs	33,793		33,793	38,000	4,207
Utilities	199,309		199,309	184,000	(15,309)
Capital outlay	-0-	58,067	58,067	58,065	(2)
Total	<u>661,682</u>	<u>58,067</u>	<u>719,749</u>	<u>695,165</u>	<u>(24,584)</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, 1998

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Meter Reading					
Salary & wages	95,317		95,317	95,200	(117)
Travel & training	-0-		-0-	-0-	-0-
Contractual Services	167		167	6,000	5,833
Materials & supplies	2,882		2,882	3,000	118
Fuel	3,544		3,544	4,000	456
Maintenance & repairs	1,220		1,220	1,500	280
Utilities	1,065		1,065	1,200	135
Capital outlay	-0-	19,971	19,971	19,971	-0-
Total	<u>104,195</u>	<u>19,971</u>	<u>124,166</u>	<u>130,871</u>	<u>6,705</u>
Non-Departmental					
Contractual services	798,776	-0-	798,776	851,201	52,425
Contingency	31,394		31,394	30,000	(1,394)
Depreciation - water	439,821	(439,821)	-0-	-0-	-0-
Depreciation - wastewater	<u>613,971</u>	<u>(613,971)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>1,883,962</u>	<u>(1,053,792)</u>	<u>830,170</u>	<u>881,201</u>	<u>51,031</u>
Total - Water/ Wastewater	<u>6,634,365</u>	<u>(397,189)</u>	<u>6,237,176</u>	<u>5,786,758</u>	<u>(450,418)</u>
Total operating expense	<u>27,811,597</u>	<u>(127,689)</u>	<u>27,683,908</u>	<u>27,120,868</u>	<u>(563,040)</u>
Operating income (loss)	9,718,852	127,689	9,846,541	9,583,876	262,665
Non-operating Revenues (expenses):					
Investment income	942,952	(652,505)	290,447	146,000	(144,447)
Debt service	<u>(1,353,782)</u>	<u>(962,352)</u>	<u>(2,316,134)</u>	<u>(2,370,168)</u>	<u>(54,034)</u>
Total Non- operating Revenues (expenses)	<u>(410,830)</u>	<u>(1,614,857)</u>	<u>(2,025,687)</u>	<u>(2,224,168)</u>	<u>(198,481)</u>
Income (loss) before other financing uses	9,308,022	(1,487,168)	7,820,854	7,359,708	461,146

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, 1998

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing uses:					
Operating transfers out	<u>3,800,000</u>	<u>-0-</u>	<u>3,800,000</u>	<u>4,000,000</u>	<u>200,000</u>
Total other financing uses	<u>3,800,000</u>	<u>-0-</u>	<u>3,800,000</u>	<u>4,000,000</u>	<u>200,000</u>
Net profit (loss)	5,508,022	(1,487,168)	4,020,854	3,359,708	661,146
Contributed Capital & Retained Earnings 6/30/97	<u>34,033,954</u>	<u>-0-</u>	<u>34,033,954</u>	<u>34,033,954</u>	<u>-0-</u>
Contributed capital & Retained Earnings 6/30/98	<u>\$39,541,976</u>	<u>(\$ 1,487,168)</u>	<u>\$38,054,808</u>	<u>\$37,393,662</u>	<u>\$ 661,146</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, 1998

Reconciliation of operating
 income to net cash provided
 by operating activities:

Operating income \$ 9,718,852

Adjustments to reconcile
 operating income to net
 cash provided by operating activities:

Depreciation 1,450,713

Changes in assets and
 liabilities

(Increase) Decrease in
 accounts receivable (880,827)

(Increase) Decrease in
 inventory (143,225)

(Increase) Decrease in
 due from other funds 60,737

(Increase) Decrease in
 prepaid insurance (24,602)

Increase (Decrease) in
 accounts payable 344,940

Increase (Decrease) in
 consumer deposits 51,621

Increase (Decrease) in
 accrued salaries 10,084

Increase (Decrease) in
 compensated absences (24,725)

Increase (Decrease) in
 accrued interest payable (131,261)

Net cash provided by
 operating activities 10,432,307

Cash flows from non-
 capital financing activities

Operating transfers out (3,800,000)

Net cash provided
 by (used for)
 noncapital finan-
 cing activities

(3,800,000)

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, 1998

Cash flows from capital and related financing activities	
Accrued interest and bond issue cost	58,396
Acquisition and construction of capital assets	(4,997,379)
Principal on short and long term obligations	(962,352)
Interest paid on short and long term debt	(1,353,783)
Sewerage Assessments - Reserved	<u>47,360</u>
Net cash provided by (used for) capital and related financing activities	<u>(7,207,758)</u>
Cash flows from investing activities	
Investment income	<u>942,952</u>
Net cash provided by investing activities	<u>942,952</u>
Net increase (decrease) in cash	367,501
Cash and restricted cash, June 30, 1997	<u>22,049,602</u>
Cash and restricted cash, June 30, 1998	<u>\$22,417,103</u>

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

CITY OF GRIFFIN, GEORGIA
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1998

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	<u>Total Memorandum Only</u>
<u>ASSETS</u>				
Cash-Checking and money market	\$ 3,454	\$ 33,883	\$ 8,147	\$ 45,484
Certificates of Deposit and Investments	18,971,185	1,051,887	195,497	20,218,569
Land	-0-	77,223	-0-	77,223
Due from Gen. Fund	<u>-0-</u>	<u>33,429</u>	<u>-0-</u>	<u>33,429</u>
Total assets	<u>\$18,974,639</u>	<u>\$1,196,422</u>	<u>\$ 203,644</u>	<u>\$20,374,705</u>
<u>LIABILITIES</u>				
Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund balance, appropriated	<u>18,974,639</u>	<u>1,196,422</u>	<u>203,644</u>	<u>20,374,705</u>
Total Liabilities and Fund Balance	<u>\$18,974,639</u>	<u>\$ 1,196,422</u>	<u>\$ 203,644</u>	<u>\$20,374,705</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, 1998

	<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	\$ 1,219,268	\$ 66,824	\$ 5,963	\$ 1,292,055
Gain (loss) on securities	851,872	(893)	-0-	850,979
Contributions from other funds	1,482,241	-0-	-0-	1,482,241
Sale of lots	-0-	3,850	-0-	3,850
Contributions from Airport Funds	<u>12,386</u>	<u>-0-</u>	<u>-0-</u>	<u>12,386</u>
Total revenue	3,565,767	69,781	5,963	3,641,511
<u>EXPENDITURES</u>				
Pension payments	1,319,244	-0-	-0-	1,319,244
Bank charges	-0-	4,682	-0-	4,682
Professional fees	<u>41,505</u>	<u>-0-</u>	<u>-0-</u>	<u>41,505</u>
Total expenditures	<u>1,360,749</u>	<u>4,682</u>	<u>-0-</u>	<u>1,365,431</u>
Excess of revenue over expenditures	2,205,018	65,099	5,963	2,276,080
Transfers to General Fund	<u>-0-</u>	<u>49,467</u>	<u>-0-</u>	<u>49,467</u>
Excess of revenue over expenditures and transfers	2,205,018	15,632	5,963	2,226,613
Fund balance, beginning of year	<u>16,769,622</u>	<u>1,180,790</u>	<u>197,682</u>	<u>18,148,094</u>
Fund balance, end of year	<u>\$18,974,640</u>	<u>\$ 1,196,422</u>	<u>\$ 203,645</u>	<u>\$20,374,707</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, 1998

	<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	\$ 133,878	\$ (832)	(\$ -0-)	\$ 133,046
Changes in assets and liabilities				
(Increase) Decrease in due from other funds	_____ -0-	(_____ 105)	_____ -0-	(_____ 105)
Net cash provided by operating activities	_____ 133,878	(_____ 937)	_____ -0-	_____ 132,941
Cash flows from non-capital financing activities				
Operating transfers out	_____ -0-	(_____ 49,467)	_____ -0-	(_____ 49,467)
Net cash provided by (used for) noncapital financing activities	_____ -0-	(_____ 49,467)	_____ -0-	(_____ 49,467)
Cash flows from capital and related financing activities	_____ -0-	(_____ -0-)	_____ -0-	(_____ -0-)

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, 1998

	<u>Employee Aid Fund</u>	<u>Cemetery Trust Fund</u>	<u>Mausoleum Trust Fund</u>	Total (Memorandum Only)
Cash flows from investing activities				
Interest on investments	1,219,268	66,824	5,963	1,292,055
Gain (loss) on securities	<u>851,872</u>	<u>(893)</u>	<u>-0-</u>	<u>850,979</u>
Net cash provided by investing activities	<u>2,071,140</u>	<u>65,931</u>	<u>5,963</u>	<u>2,143,034</u>
Net increase (decrease) in cash	2,205,018	15,527	5,963	2,226,508
Cash and restricted cash beginning of year	<u>16,769,621</u>	<u>1,070,243</u>	<u>197,681</u>	<u>18,037,545</u>
Cash and restricted cash end of year	<u>\$18,974,639</u>	<u>\$ 1,085,770</u>	<u>\$ 203,644</u>	<u>\$20,264,053</u>

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

CITY OF GRIFFIN, GEORGIA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1998

General Fixed Assets

Land	\$ 2,208,327
Buildings	5,929,303
Street paving and bridges	3,975,481
Equipment	<u>10,715,666</u>

Total General Fixed Assets \$22,828,777

Investment in General Fixed Assets \$22,828,777

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, 1998

	<u>Balance</u> <u>June 30, 1997</u>	<u>Obligations</u>	<u>Maturities</u>	<u>Debt Service</u> <u>Fund</u> <u>Operations</u>	<u>Balance</u> <u>June 30, 1998</u>
Amount available in Debt Service Fund	\$ 25,034	\$ -0-	\$ -0-	\$ 33,970	\$ 59,004
Amount to be provided for Retirement of Long-term Debt	<u>2,236,864</u>	<u>212,350</u>	<u>610,399</u>	<u>-0-</u>	<u>1,838,815</u>
Total available and to be provided	<u>\$ 2,261,898</u>	<u>\$ 212,350</u>	<u>\$ 610,399</u>	<u>\$ 33,970</u>	<u>\$ 1,897,819</u>
General long-term debt payable: General obligation	<u>\$ 2,261,898</u>	<u>\$ 212,350</u>	<u>\$ 610,399</u>	<u>\$ 33,970</u>	<u>\$ 1,897,819</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, 1998

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	15.0%	-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

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

GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF 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 as of and for the year ended June 30, 1998, and have issued our report thereon dated November 10, 1998. We conducted our audit in accordance with generally accepted Auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The City of Griffin, Georgia internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of The City of Griffin, Georgia in a separate letter dated November 10, 1998.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Greenway, Smith & Haisten, P.C.

November 10, 1998