

CITY OF GRIFFIN, GEORGIA

FINANCIAL STATEMENTS

JUNE 30, 1999

CITY OF GRIFFIN, GEORGIA  
 FINANCIAL STATEMENTS  
 AS OF JUNE 30, 1999  
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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, 1999, 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, 1999, 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, 1999, 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.

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 1999, on our consideration of City of Griffin, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of City of Griffin, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Broomway, Smith & Neisten, P.C.*

September 9, 1999

CITY OF GRIFFIN, GEORGIA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Total Memorandum Only
	General	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	Long-Term Debt	General	Long-Term Debt	Memorandum Only	
<b>ASSETS</b>										
Cash	\$ 1,457,975	\$ 36	\$ 1,359,535	\$ 351,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,169,117	
Investments	5,066,787			22,955,127					28,021,914	
Receivables, net of allowances for uncollectible	45,089		5,637,339						5,682,428	
Property taxes receivable	311,826								311,826	
A/R other	44,648								0	44,648
A/R Airport	664,680		412,454	50,087					1,127,221	
Due from other funds	227,818		178,300						406,118	
Prepaid expenses			1,277,382						1,277,382	
Inventories			24,328,090						24,328,090	
Restricted assets			822,811						822,811	
Deferred debt expense, net										
Property, plant and equipment, net of accumulated depreciation			44,974,018	94,735	25,320,799			36	70,389,552	
Amount available in Debt Service Fund										
Amount to be provided for Landfill postclosure							1,368,900		1,368,900	
Amount to be provided for compensated absences							2,554,988		2,554,988	
Amount to be provided for retirement of general long-term debt							2,293,696		2,293,696	
<b>Total Assets</b>	<b>\$ 7,818,823</b>	<b>\$ 36</b>	<b>\$ 77,850,964</b>	<b>\$ 23,451,520</b>	<b>\$ 25,320,799</b>	<b>\$ 6,217,620</b>	<b>\$ 141,798,727</b>			

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

CITY OF GRIFFIN, GEORGIA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1999 (Continued)

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Total Memorandum Only
	Debt Service		Enterprise		Trust and Agency		General			
	General	Service	Debt	Enterprise	Trust and Agency	General Fixed Assets	Long-Term Debt	Debt	Debt	
<b>LIABILITIES</b>										
Accounts payable	\$ 450,909	\$ 0	\$ 1,206,572	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,657,481
Due to other funds	169,821		957,399							1,127,220
Accrued expenses	99,800		34,397							134,197
Compensated absences			667,926				2,554,988			3,222,914
Consumer deposits			1,085,112							1,085,112
Long-term debt notes payable			667,185							667,185
Capital lease obligation			171,787							2,465,519
Landfill obligation										1,368,900
Deferred revenues			5,632,190							5,632,190
General obligations bonds payable										0
Revenue bonds payable			23,850,482							23,850,482
<b>Total Liabilities</b>	720,530	0	34,273,050	0	0	0	6,217,620			41,211,200
<b>FUND EQUITY</b>										
Contributed capital										0
Retained earnings			44,363,415							44,363,415
Retained earnings- reserved			353,464							353,464
Investment in General Fixed Assets										0
Fund Balance Reserved	?	927,939	36		23,451,520		25,320,799			25,320,799
Undesignated		6,170,354								24,379,495
<b>Total Fund Equity</b>	?	7,098,293	36	44,716,879	23,451,520		25,320,799		0	100,587,527
<b>Total Liabilities and Fund Equity</b>	<u>\$ 7,818,823</u>	<u>\$ 36</u>	<u>\$ 78,989,929</u>		<u>\$ 23,451,520</u>	<u>\$ 25,320,799</u>	<u>\$ 6,217,620</u>		<u>\$ 141,798,727</u>	

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



CITY OF GRIFFIN, GEORGIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 JUNE 30, 1999

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	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandums Only</u>
REVENUES			
Property Taxes	\$ 4,241,475	\$ 0	\$ 4,241,475
Alcoholic Beverage Taxes	582,236	0	582,236
Hotel/Motel Tax	37,983	0	37,983
Sales Tax	3,314,580	0	3,314,580
Insurance Premium Tax	837,870	0	837,870
Occupational Tax	743,904	0	743,904
Franchise Fees	634,795	0	634,795
Building Permits	160,079	0	160,079
Maps/Codes/Zoning	6,729	0	6,729
Cemetery Fees	124,563	0	124,563
Sanitation Fees	3,581,926	0	3,581,926
Police Fines & Forfeitures	140,514	0	140,514
Golf Fees	437,901	0	437,901
Investment Income	143,612	0	143,612
Miscellaneous	1,211,055	0	1,211,055
ISTEA Grants	97,500	0	97,500
COP	<u>125,242</u>	<u>0</u>	<u>125,242</u>
 Total Revenues	 <u>16,422,054</u>	 <u>0</u>	 <u>16,422,054</u>

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

CITY OF GRIFFIN, GEORGIA  
 COMBINED STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 JUNE 30, 1999 (Continued)

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandums Only</u>
EXPENDITURES			
Current -			
City Commission	130,539	0	130,539
City Manager	147,725	0	147,725
Personnel	139,285	0	139,285
Legal	111,822	0	111,822
Building Safety & Zoning	326,096	0	326,096
Community Development	266,602	0	266,602
Finance	800,037	0	800,037
Public Works	2,722,291	0	2,722,291
Solid Waste	3,359,541	0	3,359,541
Fire	2,225,344	0	2,225,344
Police	3,747,946	0	3,747,946
Non-Departmental	4,370,432	0	4,370,432
Principal Retirement		100,000	100,000
Interest and Fiscal Agent Fees		2,750	2,750
	<u>18,347,660</u>	<u>102,750</u>	<u>18,450,410</u>
Total Expenditures			
Excess (deficiency) of funds available over expenditures	(1,925,606) ✓	(102,750)	(2,028,356)

*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, 1999 (Continued)

	<u>General</u>	<u>Debt Service</u>	<u>Total Memorandum Only</u>
OTHER FINANCING SOURCES			
Transfers from other funds	3,445,825	43,782	3,489,607
Utility fund support	<u>1,614,200</u>	<u>0</u>	<u>1,614,200</u>
Total other financing sources	5,060,025	43,782	5,103,807
Excess (Deficiency) of funds available and other financing sources over expenditures	3,134,419	(58,968)	3,075,451
(Increase) Decrease in fund balance reservations	<u>(432,346)</u>	<u>0</u>	<u>(432,346)</u>
Net change in unreserved fund balance for year	2,702,073	(58,968)	2,643,105
Fund Balance, Beginning of Year	<u>3,468,281</u>	<u>59,004</u>	<u>3,527,285</u>
Fund Balance, End of Year	<u>\$ 6,170,354</u>	<u>\$ 36</u>	<u>\$ 6,170,390</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, 1999

	General Fund			Debt Service Fund			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES							
Property Taxes	\$ 3,684,000	\$ 4,241,475	\$ 557,475	\$ 0	\$ 0	\$ 0	0
Alcoholic Beverage Taxes	570,100	582,236	12,136	0	0	0	0
Hotel/Motel Tax	37,000	37,983	983	0	0	0	0
Sales Tax	2,197,320	3,314,580	1,117,260	0	0	0	0
Insurance Premium Tax	837,869	837,870	1	0	0	0	0
Occupational Tax	757,000	743,904	(13,096)	0	0	0	0
Franchise Fees	634,745	634,795	50	0	0	0	0
Building Permits	15,000	160,079	10,079	0	0	0	0
Maps/Codes/Zoning	5,500	6,729	1,229	0	0	0	0
Cemetery Fees	113,500	124,653	11,153	0	0	0	0
Sanitation Fees	3,650,000	3,581,926	(68,074)	0	0	0	0
Police Fines & Forfeitures	-139,500	140,514	1,014	0	0	0	0
Golf Fees	-462,300	437,901	(24,399)	0	0	0	0
Investment Income	154,600	143,612	(10,988)	0	0	0	0
Miscellaneous	607,455	1,211,055	603,600	0	0	0	0
ISTEA Grants	300,000	97,500	(202,500)	0	0	0	0
COP Grant Funds	28,000	125,242	97,242	0	0	0	0
Total Revenues	14,328,889	16,422,054	2,093,165	0	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, 1999 (Continued)

	General Fund			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>						
Current -						
City Commission	\$ 112,800	\$ 130,539	\$ (17,739)	\$ 0	\$ 0	\$ 0
City Manager	146,730	147,725	(995)	0	0	0
Personnel	143,000	139,285	3,715	0	0	0
Legal	114,850	111,822	3,028	0	0	0
Building Safety & Zoning	317,100	326,096	(8,996)	0	0	0
Community Development	350,000	266,602	83,398	0	0	0
Finance	827,682	800,037	27,645	0	0	0
Public works	2,832,782	2,722,291	110,491	0	0	0
Sanitation	3,412,943	3,359,541	53,402	0	0	0
Fire	2,303,114	2,225,344	77,770	0	0	0
Police	3,650,968	3,747,946	(96,978)	0	0	0
Non-Departmental	4,654,401	4,370,432	283,969	0	0	0
Recycling/Clean Community						
Principal Retirement					100,000	(100,000)
Interest and Fiscal					2,750	(2,750)
Agent Fees						
<b>Total Expenditures</b>	<b>18,866,370</b>	<b>18,347,660</b>	<b>518,710</b>	<b>0</b>	<b>102,750</b>	<b>(102,750)</b>
<b>Excess (deficiency) of funds available over expenditures</b>	<b>(4,537,481)</b>	<b>(1,925,606)</b>	<b>(2,611,875)</b>	<b>0</b>	<b>(102,750)</b>	<b>(102,750)</b>

Full year transfer  
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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, 1999 (Continued)

	General Fund		Variance Favorable (Unfavorable)	Debt Service Fund		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Other financing sources						
Utility fund support	\$ 585,400	\$ 1,614,200	\$ 1,028,800	\$ 0		
Transfers from other funds	4,850,000	3,445,825	(1,404,175)	0	43,782	43,782
Total other financing sources	<u>5,435,400</u>	<u>5,060,025</u>	<u>(375,375)</u>	<u>0</u>	<u>43,782</u>	<u>43,782</u>
Excess (deficiency) of funds available and other financing sources over expenditures & transfers	897,919	3,134,419	2,236,500	(58,968)	(58,968)	(58,968)
(Increase) decrease in fund balance reservations	<u>(432,346)</u>	<u>(432,346)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in unreserved fund balance for the year	465,573	2,702,073	2,236,500	0	0	0
Fund Balance, Beginning of Year	<u>3,468,281</u>	<u>3,468,281</u>	<u>0</u>	<u>0</u>	<u>59,004</u>	<u>59,004</u>
Fund Balance, End of Year	<u>\$ 3,933,854</u>	<u>\$ 6,170,354</u>	<u>\$ 2,236,500</u>	<u>\$ 0</u>	<u>\$ 36</u>	<u>\$ 36</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/FUND BALANCES  
 ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND  
 COMPONENT UNITS FOR YEAR ENDED JUNE 30, 1999

	<u>Enterprise Fund</u>	<u>Fiduciary Fund Types</u>	Totals (memo only) <u>Primary Government</u>
<b>OPERATING REVENUES</b>			
Electricity sales	\$ 30,656,519		\$ 30,656,519
Water sales	6,278,958		6,278,958
Wastewater sales	3,064,049		3,064,049
Gas sales	861,127		861,127
Stormwater sales	1,211,275		1,211,275
Investment income		2,721,507	2,721,507
Contributions from other funds		1,620,558	1,620,558
Lot sales		20,859	20,859
Contributions from Airport funds		<u>12,674</u>	<u>12,674</u>
 Total Operating Revenues	 42,071,928	 4,375,598	 46,447,526
<b>OPERATING EXPENSES</b>			
<b>Electric</b>			
Office of director	429,077	0	429,077
Technical services	21,065,125	0	21,065,125
Line construction	741,648	0	741,648
Non-Departmental	773,598	0	773,598
Depreciation	<u>457,859</u>	<u>0</u>	<u>457,859</u>
 Total Electric	 23,467,307	 0	 23,467,307
<b>Water - Wastewater</b>			
Office of director	124,743	0	124,743
Water production	1,191,604	0	1,191,604
Water distribution	2,539,014	0	2,539,014
Wastewater collection	217,454	0	217,454
Wastewater treatment	736,129	0	736,129
Meter reading	119,546	0	119,546
Non-Departmental	895,399	0	895,399
Depreciation	<u>1,319,834</u>	<u>0</u>	<u>1,319,834</u>
 Total Water - Wastewater	 7,143,723	 0	 7,143,723
<b>Natural Gas</b>			
Non-Departmental	<u>964,818</u>	<u>0</u>	<u>964,818</u>
 Total Natural Gas	 964,818	 0	 964,818

*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/FUND BALANCES  
 ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND  
 COMPONENT UNITS FOR YEAR ENDED JUNE 30, 1999 (Continued)

	Enterprise Fund	Fiduciary Fund Types	Totals (memo only) Primary Government
Stormwater			
Office of director	300,863	0	300,863
Operations and maintenance	264,076	0	264,076
Non-departmental	179,159	0	179,159
Depreciation	<u>30,368</u>	<u>0</u>	<u>30,368</u>
Total Stormwater	<u>774,466</u>	<u>0</u>	<u>774,466</u>
Pension payments	0	1,173,094	1,173,094
Other	<u>0</u>	<u>80,528</u>	<u>80,528</u>
	0	1,253,622	1,253,622
Total Operating Expenses	<u>32,350,314</u>	<u>1,253,622</u>	<u>33,603,936</u>
Operating income (loss)	9,721,614	3,121,976	12,843,590
Nonoperating revenues (expenses)			
Investment revenue	948,446	0	948,446
Sewer assessments	131,597		131,597
Debt service	<u>(1,304,174)</u>	<u>0</u>	<u>(1,304,174)</u>
Total Nonoperating Revenues (Expenses)	<u>(224,131)</u>	<u>0</u>	<u>(224,131)</u>
Income (loss) before operating transfers	9,497,483	3,121,976	12,619,459
Operating transfers in (out)	<u>(4,544,445)</u>	<u>(45,162)</u>	<u>(4,589,607)</u>
Net income (loss)	4,953,038	3,076,814	8,029,852
(Increase) in retained earnings reserved for sewer assessment	<u>(131,597)</u>	<u>0</u>	<u>0</u>
Net change in unreserved retained earnings for the year	4,821,441	3,076,814	8,029,852
Retained earnings - unreserved July 1, 1998	<u>39,541,976</u>	<u>20,374,706</u>	<u>59,916,682</u>
Retained earnings - unreserved July 1, 1999	<u>\$ 44,363,417</u>	<u>\$ 23,451,520</u>	<u>\$ 67,946,534</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, SIMILAR TRUST FUNDS,  
 AND COMPONENT UNITS FOR YEAR ENDED JUNE 30, 1999

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	<u>Enterprise Fund</u>	<u>Fiduciary Fund Types</u>	<u>Totals (memo only) Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 9,721,614	\$ 400,469	\$10,122,083
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	1,808,061	0	1,808,061
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	(534,746)	0	(534,746)
(Increase) decrease in inventory	(298,605)	0	(298,605)
(Increase) decrease in prepaid insurance	(62,912)	0	(62,912)
(Increase) decrease in due from other funds	248,715	(16,658)	232,057
(Increase) decrease in deferred debt expense	58,395	0	58,395
Increase (decrease) in accounts payable	467,472	0	467,472
(Increase) decrease in accrued expenses	9,658	0	9,658
Increase (decrease) in compensated absences	89,542	0	89,542
Increase (decrease) in due to other funds	339,799	0	339,799
Increase (decrease) in consumer deposits	81,926	0	81,926
Increase (decrease) in accrued interest payable	<u>(613,231)</u>	<u>0</u>	<u>(613,231)</u>
Net cash provided by operating activities	11,315,688	383,811	11,699,499
Cash flows from non-capital financing activities			
Operating transfers out	<u>(4,544,445)</u>	<u>(45,162)</u>	<u>(4,589,607)</u>
Net cash provided (used) by non-capital financing activities	(4,544,445)	(45,162)	(4,589,607)

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

CITY OF GRIFFIN, GEORGIA  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS  
 AND COMPONENT UNITS FOR YEAR ENDED JUNE 30, 1999 (Continued)

	<u>Enterprise Fund</u>	<u>Fiduciary Fund Types</u>	<u>Totals (memo only) Primary Government</u>
Cash flows from capital and related financing activities			
Accrued interest and bond issue cost	(58,395)	0	(58,395)
Sewerage assessments	131,597	0	131,597
Proceeds from GEFA note payable	254,514	0	254,514
Proceeds from capital lease financing	201,100	0	201,100
Interest paid	(1,245,778)	0	(1,245,778)
Fixed asset acquisitions	(8,336,304)	(17,512)	(8,353,816)
Principal payments on capital lease & debt	<u>(1,028,091)</u>	<u>0</u>	<u>(1,028,091)</u>
Net cash provided (used) by capital and related financing activities	(10,081,357)	(17,512)	(10,098,869)
Cash flows from investing activities			
Investment income	<u>948,446</u>	<u>2,721,507</u>	<u>3,669,953</u>
Net cash provided by investing activities	<u>948,446</u>	<u>2,721,507</u>	<u>3,669,953</u>
Net increase (decrease) in cash	(2,361,668)	3,042,644	680,976
Cash and restricted cash, June 30, 1998	<u>22,417,103</u>	<u>20,264,054</u>	<u>42,681,157</u>
Cash and restricted cash, June 30, 1999	<u>\$ 20,055,435</u>	<u>\$ 23,306,698</u>	<u>\$ 43,362,133</u>

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

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

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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, 1999 (Continued)

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Excluded from the Reporting Entity are the following:

- Griffin Spalding County Hospital Authority
- Griffin Spalding County Development Authority
- 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:

**1. Governmental Fund Types**

- a. 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.
- b. 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.
- c. Special Revenue Fund - Special Revenue Fund is 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, 1999 (Continued)

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2. Proprietary Fund Types

- a. 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, Natural Gas Fund, and Stormwater Fund are 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

3. Fiduciary Fund Types

- a. 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, Non-Expendable Trust, Pension Trust, and Agency Funds. Non-Expendable 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 Non-Expendable Trust Funds:

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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- 1) Employee Aid Fund - Accounts for the activities of the City's pension plan.
- 2) Cemetery Trust Fund - Accounts for the portion of the proceeds from sales of cemetery lots held in trust for the maintenance of the cemetery.
- 3) Mausoleum Trust Fund - Accounts for the proceeds from the sale of crypt space which is used for insurance for the maintenance of the mausoleum.

4. 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.

- a. 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.
- b. 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.

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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 with the current year 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.

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 Non-Expendable 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).

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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 1999, the original budgeted revenues of \$19,257,820 were increased to \$19,764,289 for the General Fund and increased from \$39,443,202 to \$42,104,977 for the Enterprise Fund while the expenditures/expenses of \$19,892,401 were decreased to \$18,866,370 for the General Fund and increased from \$35,183,546 to \$41,794,565 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.

F. CASH AND INVESTMENTS

For purposes of the statement of cash flows, the Proprietary Fund considers 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.



CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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	\$ 9.59
Debt Service Fund	<u>0</u>
	<u>\$ 9.59</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 1999 property tax revenues have been recorded as of June 30, 1999. The due date and collection dates that apply for the year ended June 30, 1999 were December 18, 1999 for each while the lien date was in April of 1999.

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, 1999 (Continued)

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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, 1999.

Electrical facilities and distribution system	\$ 15,756,251
Water purification facilities and distribution system	18,639,769
Wastewater treatment facilities and collection system	31,853,166
Equipment and other	<u>3,230,024</u>
Total property and equipment	69,479,210
Less: Accumulated depreciation	<u>25,003,387</u>
Net Property and Equipment	<u>\$ 44,475,823</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	20 - 40 years
Wastewater treatment facilities and collection system	20 - 40 years
Equipment and other	5 - 10 years

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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.

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.

CASH AND INVESTMENTS

A. CASH ON DEPOSITS

At June 30, 1999, the government's deposits were \$13,424,492. 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.

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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The governments deposits are classified as follows at June 30, 1999:

Category

1	\$ 500,000
2	12,924,492
3	<u>0</u>
Total	<u>\$ 13,424,492</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:

1. 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 (2) below to the extent unconditionally guaranteed by the United States of America;
2. 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;
3. Direct and general agreement secured by any one or more of the securities described in clauses (1) or (2) above.
4. 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, 1999 (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	\$ 29,489,658			\$ 29,489,658	\$ 29,018,134
U.S. Equities	5,006,363			5,006,363	7,608,786
International Equities	<u>2,369,498</u>			<u>2,369,498</u>	<u>2,395,107</u>
	<u>\$ 36,865,519</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,865,519</u>	<u>\$ 39,022,027</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.

CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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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, 1999 balances of interfund amounts receivable or payable have been recorded, as shown below:

	<u>RECEIVABLES</u>	<u>PAYABLES</u>	
General Fund	\$ 664,670	\$ 169,822	
Utility Fund	361,807	617,600	
Cemetery Trust Fund	50,087	0	
Natural Gas Utility	0	242,072	
Stormwater Utility	50,647	97,727	
	<u>\$ 1,127,211</u>	<u>\$ 1,127,221</u>	

SUMMARY OF CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets for the year ended June 30, 1999 is as follows:

	<u>ADDITIONS</u>	<u>RETIRED</u>	<u>SALVAGE</u>	<u>NET CHANGE</u>
Real Property Improvements	\$ 822,455			\$ 822,455
Land	35,126			35,126
Streets and Bridges	750,461			750,461
Equipment	883,981			883,981
	<u>\$ 2,492,023</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,492,023</u>

CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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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, 1999 accumulated vacation and sick pay which amounted to:

	<u>VACATION</u>	<u>SICK</u>
General Fund	\$ 234,214	\$ 2,320,773
Utility Fund	80,515	563,564
Stormwater Fund	4,051	19,796
	<u>\$ 318,780</u>	<u>\$ 2,904,133</u>

FUND EQUITY

Reserves represent those portions of fund equity not appropriate 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 1999 are as follows:

General Fund - Local Waste Surcharge	\$ 62,597
General Fund - Encumbrances	17,172
General Fund - SPLOST	848,170
Enterprise Fund - Service Additions	353,464
	<u>\$ 1,281,403</u>

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>Revenue Bonds</u>	<u>Interest Requirements</u>	<u>Total Debt Service</u>
<u>Year</u>	<u>Series 1991</u>	<u>Requirements</u>	<u>Service</u>
2000	\$ 160,000	\$ 4,680	\$ 164,680
Totals	<u>\$ 160,000</u>	<u>\$ 4,680</u>	<u>\$ 164,680</u>

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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 therefore, 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

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.



CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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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, 1999 was \$9,017,727.

As of June 30, 1999, 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>130</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 Griffin-Spalding 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, 1999 (Continued)

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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 \$1,633,232. The rate for the year ended June 30, 1999 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, 1998. Significant actuarial assumptions used in the valuation include (a) a long-term rate of return on investments of 8% per annum, compounded annually (b) a future salary increase of 5% per annum, compounded annually (c) participant termination rates based on age and sex of employees, (d) varying retirement rates for ages 55 through 65. Also the actuarial cost method used to calculate the pension benefit obligation was the prorated unit credit cost method.

It is the practice of the City to have the actuarial valuation done every two years. Please note that the Pension Benefit Obligation is based on participant data as of July 1, 1998

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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Location of Historical Trend Information

Historical Trend information related to the pension plan, as available, is presented on pages 36-37. 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 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.

SUBSEQUENT EVENTS

There were no reportable subsequent events for the year ended June 30, 1999.

CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

LONG-TERM DEBT

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

DESCRIPTIONS	TOTAL	2000	MATURITIES					2005 - 2009
			2001	2002	2003	2004		
Light, Water & Wastewater Dept.: Combined Public Utility Rev. Refunding and Improv. Bonds Series 1993 - 3.10% - 5.20% Series "A" 1993 Series "B" 1993 Series 96 5.4% Series 97 GEFA Note	\$ 9,505,000 1,670,000 6,465,000 6,180,000 <u>440,780</u>	\$ 0 535,000 245,000 225,000 <u>30,482</u>	\$ 0 555,000 260,000 235,000 <u>32,289</u>	\$ 0 580,000 270,000 245,000 <u>34,203</u>	\$ 600,000 0 285,000 255,000 <u>36,230</u>	\$ 630,000 0 300,000 270,000 <u>38,378</u>	\$ 8,275,000 0 5,105,000 4,950,000 <u>269,198</u>	
Total Light, Water & Wastewater	<u>24,260,780</u>	<u>1,035,482</u>	<u>1,082,289</u>	<u>1,129,203</u>	<u>1,176,230</u>	<u>1,238,378</u>	<u>18,599,198</u>	
Total Principal Maturities	24,260,780	1,035,482	1,082,289	1,129,203	1,176,230	1,238,378	18,599,198	
INTEREST REQUIREMENTS: Light, Water & Wastewater Dept.	<u>12,188,538</u>	<u>1,217,510</u>	<u>1,174,163</u>	<u>1,127,235</u>	<u>1,076,880</u>	<u>1,023,875</u>	<u>6,568,875</u>	
Total Interest Requirements	<u>12,188,538</u>	<u>1,217,510</u>	<u>1,174,163</u>	<u>1,127,235</u>	<u>1,076,880</u>	<u>1,023,875</u>	<u>6,568,875</u>	
Total Debt Service	<u>\$ 36,449,318</u>	<u>\$ 2,252,992</u>	<u>\$ 2,256,452</u>	<u>\$ 2,256,438</u>	<u>\$ 2,253,110</u>	<u>\$ 2,262,253</u>	<u>\$ 25,168,073</u>	

CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

The following is summary of Bond/Debt Transactions of the City for the fiscal year ended June 30, 1999.

	Compensated Absences	Capital Leases	Landfill Obligation	General Obligation Bonds Payable	Total General Long-Term Debt	Light, Water & Wastewater Department
July 1, 1997	\$ 2,090,794	\$ 1,797,820	\$ 1,368,900	\$ 100,000	\$ 5,826,284	\$ 25,259,557
LESS -						
Bond & Note Payment Lease Payments		565,928		(100,000)	(100,000) 565,928	(998,777)
ADD -						
Lease Obligations		1,061,840			1,061,840	0
Compensated Absences	464,194	0	0	0	464,194	0
June 30, 1998	<u>\$ 2,554,988</u>	<u>\$ 2,293,732</u>	<u>\$ 1,368,900</u>	<u>\$ 0</u>	<u>\$ 6,686,390</u>	<u>\$ 24,260,780</u>

SPECIAL ASSESSMENT DEBT

The City is not obligated at June 30, 1999 for any special assessment debt.

CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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

The related bond ordinances specify that the City account for Debt Service obligations of the Light, Water and Wastewater Department through a Sinking Fund, restrict the flow of cash between funds and comply with various other covenants of the ordinances. The Sinking Fund is accounted for within the Enterprise Fund established for the Light, Water and Wastewater Department.

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

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$3,544,623 at June 30, 1999, and accumulated amortization on those assets totaled \$1,250,892. 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, 1999.

<u>Year Ending, June 30</u>	<u>General Long-Term Debt Account Group</u>
2000	\$ 745,923
2001	715,994
2002	531,812
2003	455,174
Later Years	<u>70,866</u>
Minimum lease payments for all capital leases	2,519,769
Less: Amount representing interest at the City's incremental borrowing rate	<u>226,038</u>
Present value of minimum lease payments	<u>\$ 2,293,731</u>

CITY OF GRIFFIN, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999 (Continued)

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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.

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  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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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%
July 1, 1998	\$ 21,929,029	\$ 29,779,677	\$ 7,850,648	73.6%	\$ 9,750,599	80.5%



CITY OF GRIFFIN, GEORGIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999 (Continued)

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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, 1998
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  
 GENERAL FUND  
 BALANCE SHEET  
 JUNE 30, 1999

ASSETS

Cash	\$ 1,457,975
Certificates of deposits and savings	5,066,787
Property taxes receivable	311,826
Occupational tax receivable	45,089
Prepaid expenses	227,818
A/R other	0
Due from Enterprise Fund	566,953
Due from Airport	44,648
Due from other funds	<u>97,727</u>
 Total Assets	 <u>\$ 7,818,823</u>

LIABILITIES AND FUND BALANCE

<b>LIABILITIES</b>	
Accounts payable	\$ 450,909
Accrued salaries	99,800
Due to other funds	
Enterprise Fund	119,734
Cemetery Trust Fund	<u>50,087</u>
 Total Liabilities	 720,530
 <b>FUND BALANCE</b>	
Reserved	
For local waste surcharge	62,597
For encumbrances	17,172
For SPLOST	848,170
Unreserved	
Undesignated	<u>6,170,354</u>
 Total Fund Balance	 <u>7,098,293</u>
 Total Liabilities and Fund Balance	 <u>\$ 7,818,823</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property Taxes	\$ 3,684,000	\$ 4,241,475	\$ 557,475
Alcoholic Beverage Taxes	570,100	582,236	12,136
Hotel/Motel Taxes	37,000	37,983	983
Sales Tax	2,197,320	3,314,580	1,117,260
Insurance Premium Tax	837,869	837,870	1
Occupational Tax	757,000	743,904	(13,096)
Franchise Fees	634,745	634,795	50
Building Permits	150,000	160,079	10,079
Maps/Codes/Zoning	5,500	6,729	1,229
Cemetery Fees	113,500	124,653	11,153
Sanitation Fees	3,650,000	3,581,926	(68,074)
Police Fines & Forfeitures	139,500	140,514	1,014
Golf Fees	462,300	437,901	(24,399)
Investment Income	154,600	143,612	(10,988)
ISTEA Grants	300,000	97,500	(202,500)
COP Grant Funds	28,000	125,242	97,242
Miscellaneous	<u>607,455</u>	<u>1,211,055</u>	<u>603,600</u>
Total Revenues	14,328,889	16,422,054	2,093,165
<b>EXPENDITURES</b>			
City Commission			
Salary & wages	61,800	61,800	0
Travel & training	20,000	31,781	(11,781)
Contractual services	20,000	23,241	(3,241)
Material & supplies	6,000	11,672	(5,672)
Utilities	2,000	2,045	(45)
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total	112,800	130,539	(17,739)
City Manager			
Salary & wages	115,000	109,972	5,028
Travel & training	7,500	11,713	(4,213)
Contractual services	15,000	16,286	(1,286)
Material & supplies	3,000	3,813	(813)
Maintenance & repairs	400	297	103
Utilities	2,600	2,414	186
Capital outlay	<u>3,230</u>	<u>3,230</u>	<u>0</u>
Total	146,730	147,725	995

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Personnel			
Salary & wages	122,000	117,719	4,281
Travel & training	2,000	3,140	(1,140)
Contractual services	4,000	5,295	(1,295)
Material & supplies	4,900	8,869	(3,969)
Maintenance & repairs	400	374	26
Utilities	1,700	2,045	(345)
Capital outlay	8,000	1,843	6,157
Total	<u>143,000</u>	<u>139,285</u>	<u>3,715</u>
Legal			
City Attorney			
Travel & training	2,500	3,654	(1,154)
Contractual services	85,000	81,166	3,834
Material & supplies	100		100
Total	<u>87,600</u>	<u>84,820</u>	<u>2,780</u>
City Court			
Travel & training	550	501	49
Contractual services	26,700	26,501	199
Material & supplies			0
Total	<u>27,250</u>	<u>27,002</u>	<u>248</u>
Total Legal	<u>114,850</u>	<u>111,822</u>	<u>3,028</u>
Zoning/Code Enforcement			
Salary & wages	215,000	227,933	(12,933)
Travel & training	9,000	7,043	1,957
Contractual services	62,000	58,856	3,144
Material & supplies	9,500	10,191	(691)
Fuel	1,400	1,344	56
Maintenance & repairs	3,200	3,554	(354)
Utilities	1,900	2,045	(145)
Capital outlay	15,100	15,130	(30)
Total	<u>317,100</u>	<u>326,096</u>	<u>(8,996)</u>

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

CITY OF GRIFFIN, GEORGIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, TRANSFERS, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Community Development			
Contractual services	50,000	16,886	33,114
Capital outlay	<u>300,000</u>	<u>249,716</u>	<u>50,284</u>
Total	350,000	266,602	83,398
Finance			
Office of Director			
Salary & wages	125,537	128,631	(3,094)
Travel & training	3,500	6,361	(2,861)
Contractual services	25,000	15,944	9,056
Maintenance & supplies	9,500	12,989	(3,489)
Fuel	100	23	77
Maintenance & repairs	3,500	3,261	239
Utilities	9,000	9,129	(129)
Capital outlay	<u>8,000</u>	<u>7,923</u>	<u>77</u>
Total	184,137	184,261	(124)
Purchasing			
Salary & wages	48,000	47,345	655
Travel & training	2,500	1,279	1,221
Contractual services	2,000	1,528	472
Material & supplies	500	340	160
Material & repairs	750		750
Capital outlay	<u>2,000</u>	<u>2,128</u>	<u>(128)</u>
Total	55,750	52,620	3,130
Tax & License			
Salary & wages	61,295	55,229	6,066
Travel & training	500	76	424
Contractual services	10,000	8,787	1,213
Material & supplies	6,500	5,713	787
Maintenance & repairs	500	608	(108)
Capital outlay	<u>7,200</u>	<u>4,553</u>	<u>2,647</u>
Total	85,995	74,966	11,029

*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, 1999 (Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Computer Services			
Salary & wages	82,000	83,418	(1,418)
Travel & training	2,000		2,000
Contractual services	30,000	30,070	(70)
Material & supplies	15,000	11,719	3,281
Maintenance & repairs	200	606	(406)
Capital outlay	7,200	8,119	(919)
Total	136,400	133,932	2,468
Customer Service			
Salary & wages	205,500	200,971	4,529
Travel & training	200		200
Contractual services	12,000	32,779	(20,779)
Material & supplies	122,000	104,168	17,832
Maintenance & repairs	1,500	1,829	(329)
Capital outlay	24,200	14,511	9,689
Total	365,400	354,258	11,142
Total Finance	827,682	800,037	27,645
Public Works			
Office of Director			
Salary & wages	117,162	117,718	(556)
Travel & training	2,100	3,288	(1,188)
Contractual services	14,200	10,599	3,601
Material & supplies	5,000	6,410	(1,410)
Fuel	650	316	334
Maintenance & repairs	1,000	19	981
Utilities	3,200	364	2,836
Capital outlay	3,002	3,002	(3,002)
Total	143,312	141,716	1,596

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cemetery			
Salary & wages	243,515	239,696	3,819
Travel & training	250		250
Contractual services	3,000	2,912	88
Material & supplies	15,000	15,420	(420)
Fuel	3,500	2,469	1,031
Maintenance & repairs	15,000	13,777	1,223
Utilities	10,500	10,365	135
Capital outlay	<u>9,174</u>	<u>2,549</u>	<u>6,625</u>
Total	299,939	287,188	12,751
Streets/Drains/Sidewalks			
Salary & wages	525,093	580,357	(55,264)
Travel & training	2,000	2,337	(337)
Contractual services	187,000	174,102	12,898
Material & supplies	93,000	111,212	(18,212)
Fuel	25,000	15,038	9,962
Maintenance & repairs	75,000	74,925	75
Utilities	359,000	314,146	44,854
Capital outlay	<u>65,000</u>	<u>43,191</u>	<u>21,809</u>
Total	1,331,093	1,315,308	15,785
Garage			
Salary & wages	105,750	104,770	980
Travel & training		439	(439)
Contractual services	10,000	14,692	(4,692)
Material & supplies	12,000	15,040	(3,040)
Fuel	550	244	306
Maintenance & repairs	5,000	5,136	(136)
Utilities	11,000	12,300	(1,300)
Capital outlay	<u>9,316</u>	<u>9,316</u>	<u>0</u>
Total	153,616	161,937	(8,321)

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Sign Shop			
Salary & wages	51,790	50,225	1,565
Travel & training	1,000	184	816
Contractual services	500	364	136
Material & supplies	25,000	28,342	(3,342)
Fuel	1,500	735	765
Maintenance & repairs	2,000	3,950	(1,950)
Utilities	2,000	867	1,133
Capital outlay	<u>9,800</u>	<u>3,807</u>	<u>5,993</u>
Total	93,590	88,474	5,116
Golf Course			
Salary & wages	282,410	274,328	8,082
Travel & training	1,500	569	931
Contractual services	65,000	53,183	11,817
Material & supplies	80,000	92,050	(12,050)
Fuel	3,500	1,113	2,387
Maintenance & repairs	25,000	13,519	11,481
Utilities	20,000	17,569	2,431
Capital outlay	<u>92,300</u>	<u>97,360</u>	<u>(5,060)</u>
Total	569,710	549,691	20,019
City Park			
Salary & wages	110,614	84,549	26,065
Travel & training	800	100	700
Contractual services	33,000	36,832	(3,832)
Material & supplies	15,000	19,472	(4,472)
Fuel	1,800	1,182	618
Maintenance & repairs	15,000	5,906	9,094
Utilities	8,000	7,890	110
Capital outlay	<u>5,000</u>	<u>2,783</u>	<u>2,217</u>
Total	189,214	158,714	30,500

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
City Pool			
Salary & wages	15,308	11,710	3,598
Material & supplies	4,000	3,848	152
Maintenance & repairs	4,000	140	3,860
Utilities	4,000	3,565	435
Contingency	<u>25,000</u>		<u>25,000</u>
Total	<u>52,308</u>	<u>19,263</u>	<u>33,045</u>
Total Public Works	2,832,782	2,722,291	110,491
 Solid Waste			
Office of Director			
Salary & wages	146,885	143,948	2,937
Travel & training	2,000	1,444	556
Contractual services	30,000	31,429	(1,429)
Material & supplies	7,200	7,734	(534)
Fuel	750	551	199
Maintenance & repairs	500	780	(280)
Utilities	<u>19,000</u>	<u>20,965</u>	<u>(1,965)</u>
Total	206,335	206,851	(516)
 Commercial Collection			
Salary & wages	108,000	105,497	2,503
Travel & training	500	390	110
Contractual services	230,000	270,290	(40,290)
Material & supplies	10,000	10,378	(378)
Fuel	12,800	11,179	1,621
Maintenance & repairs	45,000	58,398	(13,398)
Capital outlay	<u>24,214</u>	<u>24,214</u>	<u>0</u>
Total	430,514	480,346	(49,832)

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Residential Collection			
Salary & wages	335,000	298,472	36,528
Travel & training	600	300	300
Contractual services	160,000	173,861	(13,861)
Material & supplies	11,000	11,191	(191)
Fuel	13,000	10,864	2,136
Maintenance & repairs	19,000	21,264	(2,264)
Capital outlay	<u>14,480</u>	<u>2,600</u>	<u>11,880</u>
Total	553,080	518,552	34,528
Maintenance Shop			
Salary & wages	116,400	111,898	4,502
Travel & training	500		500
Contractual services	600	929	(329)
Material & supplies	5,100	6,615	(1,515)
Fuel	1,100	1,007	93
Maintenance & repairs	2,300	2,413	(113)
Capital outlay	<u>16,670</u>	<u>2,037</u>	<u>14,633</u>
Total	142,670	124,899	17,771
Sanitary Landfill			
Contractual services	25,000	20,288	4,712
Material & supplies	3,000	88	2,912
Capital outlay	<u>20,000</u>	<u>1,401</u>	<u>18,599</u>
Total	48,000	21,777	26,223
C&D Landfill			
Salary & wages	83,675	79,616	4,059
Travel & training	800	789	11
Contractual services	69,500	63,174	6,326
Material & supplies	12,000	8,160	3,840
Fuel	7,000	6,765	235
Maintenance & repairs	30,000	26,624	3,376
Utilities	1,500	1,971	(471)
Capital outlay	<u></u>	<u>2,534</u>	<u>(2,534)</u>
Total	204,475	189,633	14,842

*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, 1999 (Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Transfer Station			
Salary & wages	96,234	102,009	(5,775)
Travel & training		330	(330)
Contractual services	321,000	355,179	(34,179)
Material & supplies	25,000	40,350	(15,350)
Fuel	4,000	4,616	(616)
Maintenance & repairs	15,000	18,299	(3,299)
Utilities	4,200	4,682	
Capital outlay	125,000	125,160	(160)
Total	590,434	650,625	(60,191)
Yard Waste Collections			
Salary & wages	423,200	389,052	34,148
Travel & training	500	480	20
Contractual services	20,000	20,914	(914)
Material & supplies	12,500	12,977	(477)
Fuel	10,500	7,821	2,679
Maintenance & repairs	30,000	33,227	(3,227)
Utilities			0
Capital outlay	8,500	4,537	3,963
Total	505,200	469,008	36,192
Animal Control			
Salary & wages	68,000	64,012	3,988
Travel & training	1,000	480	520
Contractual services	34,000	35,358	(1,358)
Material & supplies	12,000	8,659	3,341
Fuel	1,900	1,285	615
Maintenance & repairs	3,300	2,252	1,048
Total	120,200	112,046	8,154

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Non-Departmental			
Social Security	110,000	98,156	11,844
Worker's compensation	34,505	34,005	500
Group health insurance	187,000	170,056	16,944
Pension	203,000	182,393	20,607
Solid waste escrow fees	42,000	36,883	5,117
Employee building lease	<u>35,530</u>	<u>64,311</u>	<u>(28,781)</u>
Total	<u>612,035</u>	<u>585,804</u>	<u>26,231</u>
Total Solid Waste	<u>3,412,943</u>	<u>3,359,541</u>	<u>53,402</u>
Fire			
Office of Chief			
Salary & wages	157,743	139,469	18,274
Travel & training	1,250	1,221	29
Contractual services	2,650	2,587	63
Material & supplies	1,500	1,528	(28)
Fuel	800	489	311
Maintenance & repairs	800	378	422
Utilities	40,000	34,907	5,093
Capital outlay	<u>8,500</u>	<u>8,176</u>	<u>324</u>
Total	213,243	188,755	24,488
Fire Prevention			
Salary & wages	72,571	70,512	2,059
Travel & training	2,500	1,948	552
Contractual services	500	187	313
Material & supplies	3,500	3,127	373
Fuel	900	627	273
Maintenance & repairs	<u>1,200</u>	<u>1,307</u>	<u>(107)</u>
Total	81,171	77,708	3,463

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Fire Suppression			
Salary & wages	1,850,000	1,808,540	41,460
Travel & training	5,000	3,346	1,654
Contractual services	55,500	54,217	1,283
Material & supplies	46,000	43,159	2,841
Fuel	4,500	2,862	1,638
Maintenance & repairs	25,000	30,570	(5,570)
Capital outlay	22,700	16,187	6,513
	<u>2,008,700</u>	<u>1,958,881</u>	<u>49,819</u>
Total	<u>2,008,700</u>	<u>1,958,881</u>	<u>49,819</u>
Total Fire	<u>2,303,114</u>	<u>2,225,344</u>	<u>77,770</u>
Police			
Office of Chief			
Salary & wages	111,072	115,027	(3,955)
Travel & training	4,000	4,230	(230)
Contractual services	4,400	4,763	(363)
Material & supplies	4,500	4,281	219
Fuel	500	443	57
Maintenance & repairs	500	94	406
Utilities			0
Capital outlay	10,050		10,050
	<u>135,022</u>	<u>128,838</u>	<u>6,184</u>
Total	<u>135,022</u>	<u>128,838</u>	<u>6,184</u>
Support Services			
Salary & wages	290,646	283,007	7,639
Travel & training	5,000	6,224	(1,224)
Contractual services	11,000	11,979	(979)
Material & supplies	14,000	15,172	(1,172)
Fuel	800	450	350
Maintenance & repairs	12,000	17,280	(5,280)
Utilities	23,000	16,670	6,330
	<u>356,446</u>	<u>350,782</u>	<u>5,664</u>
Total	<u>356,446</u>	<u>350,782</u>	<u>5,664</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, 1999 (Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Community Services			
Salary & wages	1,861,200	1,849,127	12,073
Travel & training	14,000	10,418	3,582
Contractual services	10,000	9,377	623
Material & supplies	60,000	42,119	17,881
Fuel	40,000	21,925	18,075
Maintenance & repairs	75,000	99,388	(24,388)
Capital outlay	80,800	48,626	32,174
Total	2,141,000	2,080,980	60,020
Investigative Services			
Salary & wages	625,000	778,902	(153,902)
Travel & training	3,500	2,402	1,098
Contractual services	15,500	16,497	(997)
Material & supplies	16,000	17,633	(1,633)
Fuel	4,000	3,174	826
Maintenance & repairs	3,000	1,204	1,796
Utilities	3,500	4,117	(617)
Capital outlay			0
Total	670,500	823,929	(153,429)
Detention Services			
Salary & wages	325,000		325,000
Contractual services	20,000	361,627	(341,627)
Material & supplies			0
Maintenance & repairs	3,000	1,790	1,210
Total	348,000	363,417	(15,417)
Total Police	3,650,968	3,747,946	(96,978)
Non-Departmental			
Contractual services	3,478,559	3,177,787	300,772
Contingency	1,175,842	1,192,645	(16,803)
Total	4,654,401	4,370,432	283,969
Total Expenditures	18,866,370	18,347,660	518,710

*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, 1999 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess (deficiency) of funds available over expenditures	(4,537,481)	(1,925,606)	(2,611,875)
Other Financing Sources			
Fees charged - other funds	585,400	1,614,200	1,028,800
Transfers from other funds	<u>4,850,000</u>	<u>3,445,825</u>	<u>(1,404,175)</u>
Total Other Financing Sources	<u>5,435,400</u>	<u>5,060,025</u>	<u>(375,375)</u>
Excess (deficiency) of funds available and other financing sources over expenditures	897,919	3,134,419	2,236,500
(Increase) decrease in reserve for:			
encumbrances	52,040	52,040	0
local waste surcharge	(29,677)	(29,677)	0
SPLOST	<u>(454,709)</u>	<u>(454,709)</u>	<u>0</u>
Net change in unreserved fund balance for the year	465,573	2,702,073	2,236,500
Fund Balance, Unreserved Beginning of Year	<u>3,468,281</u>	<u>3,468,281</u>	<u>0</u>
Fund Balance, Unreserved End of Year	<u>\$ 3,933,854</u>	<u>\$ 6,170,354</u>	<u>\$ 2,236,500</u>

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

CITY OF GRIFFIN, GEORGIA  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 1999

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ASSETS

Cash	\$ 36
Total Assets	<u>\$ 36</u>

LIABILITIES AND FUND BALANCE

Fund balance, appropriated	<u>\$ 36</u>
Total Liabilities and Fund Balance	<u>\$ 36</u>

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



CITY OF GRIFFIN, GEORGIA  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
JUNE 30, 1999

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REVENUES	
Property Taxes	\$ <u>0</u>
Total Revenues	0
EXPENDITURES	
Bond Principal Payments	100,000
Interest on Bonds	2,750
Fiscal Agent Fees	<u>0</u>
Total Expenditures	<u>102,750</u>
Excess (deficiency) of revenue over expenditures	(102,750)
Transfers from General Fund	<u>43,782</u>
Excess (deficiency) of revenue over expenditures and transfers	(58,968)
Fund Balance, Beginning of Year	<u>59,004</u>
Fund Balance, End of Year	<u><u>\$ 36</u></u>

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
COMBINING BALANCE SHEET  
JUNE 30, 1999

	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets				
Cash	\$ 780,444	\$ 147,693	\$ 431,398	\$ 1,359,535
Accounts receivable	5,637,339			5,637,339
Materials and supplies at cost	1,277,382			1,277,382
Due from other funds	361,807		50,647	412,454
Prepaid insurance	167,268		11,032	178,300
Deferred debt expense, net	822,811			822,811
	<hr/>		<hr/>	<hr/>
Total Current Assets	9,047,051	147,693	493,077	9,687,821
Restricted Assets				
Cash	3,893,128			3,893,128
Municipal Competitive Trust	5,632,190			5,632,190
Certificates of deposits and savings accounts	14,802,772			14,802,772
	<hr/>			<hr/>
Total Restricted Assets	24,328,090	0		24,328,090
Property and Equipment				
Electrical facilities and distribution system	15,756,251			15,756,251
Water purification facilities and distribution system	18,639,769			18,639,769
Wastewater treatment facilities and collection system	31,853,166			31,853,166
Equipment and other	3,230,024		528,563	3,758,587
	<hr/>		<hr/>	<hr/>
	69,479,210		528,563	70,007,773
Less accumulated depreciation	(25,003,387)		(30,368)	(25,033,755)
	<hr/>		<hr/>	<hr/>
Net property and equipment	44,475,823	0	498,195	44,974,018
	<hr/>		<hr/>	<hr/>
Total Assets	<u>\$ 77,850,964</u>	<u>\$ 147,693</u>	<u>\$ 991,272</u>	<u>\$ 78,989,929</u>

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
COMBINING BALANCE SHEET  
JUNE 30, 1999 (Continued)

	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Current Liabilities</b>				
Current maturities of long-term debt	\$ 1,035,482	\$ 0	\$ 0	\$ 1,035,482
Accounts payable	1,206,572			1,206,572
Accrued salaries	32,321		2,076	34,397
Consumer deposits	1,075,812	9,300		1,085,112
Due to other funds	617,600	242,072	97,727	957,399
Deferred revenues	5,632,190			5,632,190
Accrued interest payable	0			0
Compensated absences	644,078		23,848	667,926
<b>Total Current Liabilities</b>	<b>10,244,055</b>	<b>251,372</b>	<b>123,651</b>	<b>10,619,078</b>
<b>Long-Term Debt</b>				
Revenue bonds payable	22,815,000			22,815,000
GEFA note payable	410,298		256,887	667,185
Capital leases payable			171,787	171,787
<b>Total Long-Term Debt</b>	<b>23,225,298</b>	<b>0</b>	<b>428,674</b>	<b>23,653,972</b>
<b>Total Liabilities</b>	<b>33,469,353</b>	<b>251,372</b>	<b>552,325</b>	<b>34,273,050</b>
<b>Fund Equity</b>				
Contributed capital and retained earnings				0
Retained earnings - reserved - service additions	353,464			353,464
Retained earnings	44,028,147	(103,679)	438,947	44,363,415
<b>Total Fund Equity</b>	<b>44,381,611</b>	<b>(103,679)</b>	<b>438,947</b>	<b>44,716,879</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$77,850,964</b>	<b>\$ 147,693</b>	<b>\$ 991,272</b>	<b>\$78,989,929</b>

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

CITY OF GRIFFIN, GEORGIA  
 ENTERPRISE FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN RETAINED EARNINGS  
 FOR YEAR ENDED JUNE 30, 1999

	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Electricity sales	\$ 30,656,519	\$ 0	\$ 0	\$ 30,656,519
Water sales	6,278,958			6,278,958
Wastewater sales	3,064,049			3,064,049
Gas sales		861,127		861,127
Stormwater sales			1,211,275	1,211,275
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	39,999,526	861,127	1,211,275	42,071,928
<b>OPERATING EXPENSES</b>				
<b>Electric</b>				
Office of director	429,077	0	0	429,077
Technical services	21,065,125			21,065,125
Line construction	741,648			741,648
Non-departmental	773,598			773,598
Depreciation	457,859			457,859
	<hr/>	<hr/>	<hr/>	<hr/>
Total Electric	23,467,307			23,467,307
<b>Water - Wastewater</b>				
Office of director	124,743	0	0	124,743
Water production	1,191,604			1,191,604
Water distribution	2,539,014			2,539,014
Wastewater collection	217,454			217,454
Wastewater treatment	736,129			736,129
Meter reading	119,546			119,546
Non-departmental	895,399			895,399
Depreciation	1,319,834			1,319,834
	<hr/>	<hr/>	<hr/>	<hr/>
Total Water - Wastewater	7,143,723			7,143,723
<b>Natural Gas</b>				
Non-Departmental		964,818		964,818
	<hr/>	<hr/>	<hr/>	<hr/>
Total Natural Gas	0	964,818	0	964,818

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS  
FOR YEAR ENDED JUNE 30, 1999 (Continued)

	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Stormwater				
Office of director			300,863	300,863
Operations and maintenance			264,076	264,076
Non-departmental			179,159	179,159
Depreciation			30,368	30,368
			<u>774,466</u>	<u>774,466</u>
Total Stormwater			774,466	774,466
Total Operating Expenses	<u>30,611,030</u>	<u>964,818</u>	<u>774,466</u>	<u>32,350,314</u>
Operating income (loss)	9,388,496	(103,691)	438,947	9,721,614
Nonoperating revenues (expenses)				
Investment revenue	939,038	12	9,396	948,446
Sewer assessments	131,597			131,597
Debt service	<u>(1,296,916)</u>		<u>(7,258)</u>	<u>(1,304,174)</u>
Total Nonoperating Revenues (Expenses)	<u>(226,281)</u>	<u>12</u>	<u>2,138</u>	<u>(224,131)</u>
Income (loss) before operating transfers	9,162,215	(103,679)	438,947	9,497,483
Operating transfers in (out)	<u>(4,544,445)</u>			<u>(4,544,445)</u>
Net income (loss)	4,617,770	(103,679)	438,947	4,953,038
(Increase) in retained earnings reserved for sewer assessment	<u>(131,597)</u>	<u>0</u>	<u>0</u>	<u>(131,597)</u>
Net change in unreserved retained earnings for the year	4,486,173	(103,679)	438,947	4,821,441
Retained earnings - unreserved July 1, 1998	<u>39,541,976</u>	<u>0</u>	<u>0</u>	<u>39,541,976</u>
Retained earnings - unreserved July 1, 1999	<u>\$ 44,028,149</u>	<u>\$ (103,679)</u>	<u>\$ 438,947</u>	<u>\$ 44,363,417</u>

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

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	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 9,388,496	\$ (103,691)	\$ 436,809	\$ 9,721,614
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,777,693	0	30,368	1,808,061
Changes in assets and liabilities				
(Increase) Decrease in accounts receivable	(534,746)	0	0	(534,746)
(Increase) Decrease in inventory	(298,605)	0	0	(298,605)
(Increase) Decrease in prepaid insurance	(51,880)	0	(11,032)	(62,912)
(Increase) Decrease in due from other funds	299,362	0	(50,647)	248,715
(Increase) Decrease in deferred debt expense	58,395	0	0	58,395
Increase (Decrease) in accounts payable	467,472	0	0	467,472
Increase (Decrease) in accrued expenses	7,582	0	2,076	9,658
Increase (Decrease) in compensated absences	65,694	0	23,848	89,542
Increase (Decrease) in due to other funds	0	242,072	97,727	339,799
Increase (Decrease) in consumer deposits	72,626	9,300	0	81,926
Increase (Decrease) in accrued interest payable	<u>(615,604)</u>	<u>0</u>	<u>2,373</u>	<u>(613,231)</u>
Net cash provided by operating activities	10,636,485	147,681	531,522	11,315,688
Cash flows from non-capital financing activities				
Operating transfers out	<u>(4,544,445)</u>	<u>0</u>	<u>0</u>	<u>(4,544,445)</u>
Net cash provided (used) by non-capital financing activities	(4,544,445)	0	0	(4,544,445)

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)

	<u>Utility Fund</u>	<u>Natural Gas Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Cash flows from capital and related financing activities				
Accrued interest and bond issue cost	(58,395)	0	0	(58,395)
Sewerage assessments	131,597	0	0	131,597
Proceeds from GEFA note payable	0	0	254,514	254,514
Proceeds from capital lease financing	0	0	201,100	201,100
Interest paid	(1,238,521)	0	(7,257)	(1,245,778)
Fixed asset acquisitions	(7,807,741)	0	(528,563)	(8,336,304)
Principal payments on capital lease & debt	<u>(998,777)</u>	<u>0</u>	<u>(29,314)</u>	<u>(1,028,091)</u>
Net cash provided (used) by capital and related financing activities	(9,971,837)	0	(109,520)	(10,081,357)
Cash flows from investing activities				
Investing income	<u>939,038</u>	<u>12</u>	<u>9,396</u>	<u>948,446</u>
Net cash provided by investing activities	<u>939,038</u>	<u>12</u>	<u>9,396</u>	<u>948,446</u>
Net increase (decrease) in cash	(2,940,759)	147,693	431,398	(2,361,668)
Cash and restricted cash, June 30, 1998	<u>22,417,103</u>	<u>0</u>	<u>0</u>	<u>22,417,103</u>
Cash and restricted cash, June 30, 1999	<u>\$ 19,476,344</u>	<u>\$ 147,693</u>	<u>\$ 431,398</u>	<u>\$ 20,055,435</u>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 BALANCE SHEET  
 JUNE 30, 1999

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ASSETS

<b>CURRENT ASSETS</b>	
Cash	\$ 780,444
Accounts receivable	5,637,339
Materials and supplies at cost	1,277,382
Due from other funds	361,807
Prepaid insurance	167,268
Deferred debt expense, net	<u>822,811</u>
Total Current Assets	9,047,051
<b>RESTRICTED ASSETS</b>	
Cash	3,893,128
Municipal competitive trust	5,632,190
Certificates of deposit and savings accounts	<u>14,802,772</u>
Total Restricted Assets	24,328,090
<b>PROPERTY AND EQUIPMENT</b>	
Electrical facilities and distribution system	15,756,251
Water purification facilities and distribution system	18,639,769
Wastewater treatment facilities and collection system	31,853,166
Equipment and other	<u>3,230,024</u>
Total Property and Equipment	69,479,210
Less: Accumulated Depreciation	<u>25,003,387</u>
Net Property and Equipment	<u>44,475,823</u>
Total Assets	<u>\$ 77,850,964</u>

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



CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 BALANCE SHEET  
 JUNE 30, 1999 (Continued)

LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS

<b>LIABILITIES</b>	
Current maturities of long-term debt	\$ 1,035,482
Accounts payable	1,206,572
Accrued salaries	32,321
Consumer deposits	1,075,812
Due to other funds	617,600
Deferred revenues	5,632,190
Accrued interest payable	0
Compensated absences	<u>644,078</u>
Total Current Liabilities	10,244,055
Long-Term Debt	<u>23,225,298</u>
Total Liabilities	33,469,353
<b>CONTRIBUTED CAPITAL AND RETAINED EARNINGS</b>	
Contributed capital/retained earnings - June 30, 1976	11,349,226
Subsequent to June 30, 1976	
Contributed capital	3,601,320
Retained earnings	29,077,601
Retained earnings - reserved - service additions	<u>353,464</u>
Total Contributed Capital and Retained Earnings	<u>44,381,611</u>
Total Liabilities, Contributed Capital and Retained Earnings	<u>\$ 77,850,964</u>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>					
Electric Department					
Residential Service	\$ 7,911,520		\$ 7,911,520	\$ 8,050,000	\$ (138,480)
General Service	11,765,814		11,765,814	11,500,000	265,814
Industrial/Commercial Service	2,664,771		2,664,771	2,700,000	(35,229)
Temporary Service	6,498		6,498	5,000	1,498
Service Fees	172,141		172,141	170,000	2,141
Sales Tax Collected	1,749,765		1,749,765	1,700,000	49,765
Fuel Adjustment	5,277,745		5,277,745	5,200,000	77,745
Delinquent Penalties	665,036		665,036	680,000	(14,964)
Miscellaneous	443,229		443,229	500	442,729
<b>Total Electric Department</b>	<b>30,656,519</b>		<b>30,656,519</b>	<b>30,005,500</b>	<b>651,019</b>
Water Department					
Residential Service	1,308,861		1,308,861	1,479,000	(170,139)
Industrial/Commercial Service	1,477,695		1,477,695	1,829,000	(351,305)
Service Fees	106,422		106,422	99,000	7,422
Tapping Meters	53,130		53,130	56,100	(2,970)
County Service	3,120,012		3,120,012	3,047,000	73,012
Williamson Water Sales	11,988		11,988	11,000	988
Williamson Contact Payment	3,844		3,844	3,844	0
Zebulon Water Sales	102,473		102,473	94,000	8,473
DOT Reimbursement	81,807		81,807	81,000	807
Miscellaneous	12,726		12,726	7,000	5,726
<b>Total Water Department</b>	<b>6,278,958</b>		<b>6,278,958</b>	<b>6,706,944</b>	<b>(427,986)</b>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
-----					
Waterwater Department					
Residential Service	1,630,764		1,630,764	1,632,000	(1,236)
General Service	1,301,019		1,301,019	1,289,000	12,019
Service Fees	30,667		30,667	38,000	(7,333)
Tapping Meters	43,431		43,431	43,000	431
Miscellaneous	58,168		58,168	100,000	(41,832)
<b>Total Wastewater Department</b>	<b>3,064,049</b>		<b>3,064,049</b>	<b>3,102,000</b>	<b>(37,951)</b>
<b>Total Operating Revenues</b>	<b>39,999,526</b>		<b>39,999,526</b>	<b>39,814,444</b>	<b>185,082</b>
<b>OPERATING EXPENSES</b>					
Electric Department					
Office of Director					
Salary & wages	143,412		143,412	129,000	(14,412)
Travel & training	3,303		3,303	8,000	4,697
Contractual services	9,971		9,971	11,400	1,429
Materials & supplies	4,618		4,618	3,500	(1,118)
Fuel	57		57	150	93
Maintenance & repairs	4,100		4,100	3,600	(500)
Utilities	10,548		10,548	11,700	1,152
Marketing	253,068		253,068	251,000	(2,068)
Capital outlay			0		0
<b>Total</b>	<b>429,077</b>	<b>0</b>	<b>429,077</b>	<b>418,350</b>	<b>(10,727)</b>
Technical Services					
Salary & wages	447,989		447,989	380,000	(67,989)
Travel & training	7,683		7,683	6,000	(1,683)
Contractual services	20,453,774		20,453,774	22,260,000	1,806,226
Materials & supplies	18,596		18,596	26,600	8,004
Fuel	4,346		4,346	5,800	1,454
Maintenance & repairs	39,725		39,725	63,550	23,825
Utilities	93,012		93,012	84,500	(8,512)
Capital outlay		3 285,143	285,143	213,700	(71,443)
<b>Total</b>	<b>21,065,125</b>	<b>285,143</b>	<b>21,350,268</b>	<b>23,040,150</b>	<b>1,689,882</b>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Line Construction</b>					
Salary & wages	507,496		507,496	468,342	(39,154)
Contractual services	126,560		126,560	103,000	(23,560)
Materials & supplies	16,388		16,388	19,400	3,012
Fuel	6,123		6,123	7,200	1,077
Maintenance & repairs	76,886		76,886	56,000	(20,886)
Utilities	8,195		8,195	7,000	(1,195)
Capital outlay	<u>3</u>	<u>1,443,957</u>	<u>1,443,957</u>	<u>1,155,300</u>	<u>(288,657)</u>
<b>Total</b>	<b>741,648</b>	<b>1,443,957</b>	<b>2,185,605</b>	<b>1,816,242</b>	<b>(369,363)</b>
<b>Non - Departmental</b>					
Contractual services	767,909		767,909	813,389	45,480
Contingency	5,689		5,689	7,000	1,311
Depreciation	<u>457,859</u>	<u>1</u> (457,859)	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u>1,231,457</u>	<u>(457,859)</u>	<u>773,598</u>	<u>820,389</u>	<u>46,791</u>
<b>Total - Electric</b>	<b>23,467,307</b>	<b>1,271,241</b>	<b>24,738,548</b>	<b>26,095,131</b>	<b>1,356,583</b>
<b>Water - Wastewater Department</b>					
Office of Director					
Salary & wages	103,877		103,877	130,877	26,123
Travel & training	1,185		1,185	1,200	15
Contractual services	16,259		16,259	9,000	(7,259)
Materials & supplies	3,236		3,236	4,000	764
Fuel	175		175	400	225
Maintenance & repairs	11		11	200	189
Utilities	0		0	100	100
Capital outlay	<u>0</u>	<u>3</u> 29,004	<u>29,004</u>	<u>32,600</u>	<u>3,596</u>
<b>Total</b>	<b>124,743</b>	<b>29,004</b>	<b>153,747</b>	<b>177,500</b>	<b>23,753</b>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Water Production</b>					
Salary & wages	339,950		339,950	340,000	50
Travel & training	3,015		3,015	1,700	(1,315)
Contractual services	18,385		18,385	12,000	(6,385)
Materials & supplies	262,195		262,195	170,000	(92,195)
Fuel	850		850	1,000	150
Maintenance & repairs	56,881		56,881	44,000	(12,881)
Utilities	510,328		510,328	540,000	29,672
Capital outlay	3	40,049	40,049	47,600	7,551
<b>Total</b>	<b>1,191,604</b>	<b>40,049</b>	<b>1,231,653</b>	<b>1,156,300</b>	<b>(75,353)</b>
<b>Water Distribution</b>					
Salary & wages	399,010		399,010	417,180	18,170
Travel & training	1,657		1,657	700	(957)
Contractual services	656		656	0	(656)
County contract	1,915,749		1,915,749	1,955,000	39,251
Materials & supplies	93,112		93,112	65,000	(28,112)
Fuel	9,321		9,321	10,000	679
Maintenance & repairs	104,409		104,409	85,000	(19,409)
Utilities	15,100		15,100	10,500	(4,600)
Capital outlay	3	351,202	351,202	321,000	(30,202)
<b>Total</b>	<b>2,539,014</b>	<b>351,202</b>	<b>2,890,216</b>	<b>2,864,380</b>	<b>(25,836)</b>
<b>Wastewater Collection</b>					
Salary & wages	133,327		133,327	135,000	1,673
Travel & training	548		548	300	(248)
Contractual services	858		858	600	(258)
Materials & supplies	20,188		20,188	19,000	(1,188)
Fuel	4,028		4,028	5,000	972
Maintenance & repairs	53,472		53,472	36,000	(17,472)
Utilities	5,033		5,033	3,000	(2,033)
Capital outlay	3	265,682	265,682	306,000	40,318
<b>Total</b>	<b>217,454</b>	<b>265,682</b>	<b>483,136</b>	<b>504,900</b>	<b>21,764</b>

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

**CITY OF GRIFFIN, GEORGIA**  
**LIGHT, WATER AND WASTEWATER**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED**  
**EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>Wastewater Treatment</b>					
Salary & wages	340,678		340,678	343,000	2,322
Travel & training	4,216		4,216	2,400	(1,816)
Contractual services	27,247		27,247	25,000	(2,247)
Materials & supplies	93,150		93,150	72,000	(21,150)
Fuel	5,160		5,160	5,200	40
Maintenance & repairs	24,314		24,314	30,000	5,686
Utilities	241,364		241,364	215,000	(26,364)
Capital outlay	<u>3</u>	<u>28,351</u>	<u>28,351</u>	<u>30,000</u>	<u>1,649</u>
Total	736,129	28,351	764,480	722,600	(41,880)
<b>Meter Reading</b>					
Salary & wages	100,681		100,681	98,270	(2,411)
Travel & training	150		150	100	(50)
Contractual services	7,206		7,206	7,100	(106)
Materials & supplies	5,731		5,731	5,000	(731)
Fuel	3,629		3,629	4,000	371
Maintenance & repairs	1,031		1,031	1,500	469
Utilities	1,118		1,118	1,000	(118)
Capital outlay	<u>3</u>	<u>15,572</u>	<u>15,572</u>	<u>15,600</u>	<u>28</u>
Total	119,546	15,572	135,118	132,570	(2,548)
<b>Non-Departmental</b>					
Contractual services	667,196		667,196	656,684	(10,512)
General Fund Paid Services	215,400		215,400	215,400	0
Contingency	12,803		12,803	15,000	2,197
Deprecation - Water	514,379	(514,379)	0		0
Deprecation - Wastewater	<u>805,455</u>	<u>(805,455)</u>	<u>0</u>		<u>0</u>
Total	<u>2,215,233</u>	<u>(1,319,834)</u>	<u>895,399</u>	<u>887,084</u>	<u>(8,315)</u>
Total - Water/Wastewater	<u>7,143,723</u>	<u>(589,974)</u>	<u>6,553,749</u>	<u>6,445,334</u>	<u>(108,415)</u>
Total Operating Expenses	<u>30,611,030</u>	<u>681,267</u>	<u>31,292,297</u>	<u>32,540,465</u>	<u>1,248,168</u>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Operating income (loss)	9,388,496	(681,267)	8,707,229	7,273,979	1,433,250
Non-Operating Revenues (Expenses)					
Investment income	939,038	2 (441,595)	497,445	300,000	197,445
Sewer assessments	131,597	5 (131,597)	0	0	0
Debt service	<u>(1,296,916)</u>	4 (998,366)	<u>(2,295,278)</u>	<u>(2,256,081)</u>	<u>(39,197)</u>
Total Non-Operating Revenues (Expenses)	<u>(226,281)</u>	<u>1,571,558</u>	<u>(1,797,839)</u>	<u>(1,956,081)</u>	<u>158,242</u>
Income (loss) before other financing uses	9,162,215	(2,252,825)	6,909,390	5,317,898	1,591,492
Other financing uses:					
Operating transfers out Water	1,100,000		1,100,000	1,100,000	0
Operating transfers out Electric	<u>3,444,445</u>		<u>3,444,445</u>	<u>3,750,000</u>	<u>305,555</u>
Total Other Financing Uses	<u>4,544,445</u>		<u>4,544,445</u>	<u>4,850,000</u>	<u>305,555</u>
Net profit (loss)	4,617,770	(2,252,825)	2,364,945	467,898	1,897,047
(Increase) in retained earnings reserved for sewer assessment	<u>(131,597)</u>	<u>131,597</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
 EARNINGS - ACTUAL COMPARED TO BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Net change in unreserved retained earnings for the year	4,486,173	(2,121,228)	2,364,945	467,898	1,897,047
Contributed capital & retained earnings 6/30/98	<u>39,541,976</u>	<u>0</u>	<u>39,541,976</u>	<u>39,541,976</u>	<u>0</u>
Contributed capital & retained earnings 6/30/99	<u>\$ 44,028,149</u>	<u>\$(2,121,228)</u>	<u>\$41,906,921</u>	<u>\$40,009,874</u>	<u>\$ 1,897,047</u>

Notes:

1. The City does not budget depreciation expense.
2. The City does not budget interest earned on bond funds.
3. The City does not budget for capital outlay.
4. The City does not budget for principal payments on debt.
5. The City does not budget for sewer assessment revenues.

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



CITY OF GRIFFIN, GEORGIA  
 LIGHT, WATER AND WASTEWATER DEPARTMENT  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 1999

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Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 9,388,496
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,777,693
Changes in assets and liabilities	
(Increase) Decrease in accounts receivable	(534,746)
(Increase) Decrease in inventory	(298,605)
Increase (Decrease) in due from other funds	299,362
Increase (Decrease) in prepaid insurance	58,395
(Increase) Decrease in deferred debt expense	(51,880)
Increase (Decrease) in accounts payable	467,472
Increase (Decrease) in consumer deposits	72,626
Increase (Decrease) in accrued salaries	7,582
Increase (Decrease) in compensated absences	65,694
Increase (Decrease) in accrued interest payable	<u>(615,604)</u>
Net cash provided by operating activities	10,636,485
Cash flows from non-capital financing activities	
Operating transfers out	<u>(4,544,445)</u>
Net cash provided by (used) for non-capital financing activities	(4,544,445)
Cash flows from capital and related financing activities	
Accrued interest and bond issue cost	(58,395)
Acquisition and construction of capital assets	(7,807,741)
Principal on short and long term obligations	(998,777)
Interest paid on short and long term debt	(1,238,521)
Sewerage Assessments - Reserved	<u>131,597</u>
Net cash provided by (used for) capital and related financing activities	(9,971,837)

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

CITY OF GRIFFIN, GEORGIA  
LIGHT, WATER AND WASTEWATER DEPARTMENT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999 (Continued)

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Cash flows from investing activities	
Investment income	<u>939,038</u>
Net cash provided by investing activities	<u>939,038</u>
Net increase (decrease) in cash	(2,940,759)
Cash and restricted cash, June 30, 1998	<u>22,417,103</u>
Cash and restricted cash, June 30, 1999	<u>\$ 19,476,344</u>

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

CITY OF GRIFFIN, GEORGIA  
NATURAL GAS FUND  
BALANCE SHEET  
JUNE 30, 1999

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ASSETS

CURRENT ASSETS

Cash	\$ 147,693
Total Assets	<u>\$ 147,693</u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES

Due to Utility fund	\$ 242,072
Consumer Deposits	<u>9,300</u>
Total Liabilities	251,372

RETAINED EARNINGS (DEFICIT)

Retained Earnings	<u>(103,679)</u>
Total Retained Earnings (Deficit)	<u>(103,679)</u>
Total Liabilities and Retained Earnings	<u>\$ 147,693</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 - NATURAL GAS UTILITY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>					
Residential Gas Revenue	\$ 772,544		\$ 772,544	\$ 745,634	\$ 26,910
Commercial Gas Revenue	75,088		75,088	62,536	12,552
Miscellaneous	13,495	0	13,495	0	13,495
<b>Total Operating Revenues</b>	<b>861,127</b>	<b>0</b>	<b>861,127</b>	<b>808,170</b>	<b>52,957</b>
<b>OPERATING EXPENSES</b>					
Contractual services	964,818	0	964,818	802,921	161,897
<b>Total Operating Expenses</b>	<b>964,818</b>	<b>0</b>	<b>964,818</b>	<b>802,921</b>	<b>161,897</b>
Operating income (loss)	(103,691)	0	(103,691)	5,249	(108,940)
<b>Non-Operating Revenues (Expenses)</b>					
Investment income	12	0	12	13	(1)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>13</b>	<b>(1)</b>
<b>Net profit (loss)</b>	<b>(103,679)</b>	<b>0</b>	<b>(103,679)</b>	<b>5,262</b>	<b>(108,941)</b>
Contributed capital & retained earnings 6/30/98	0	0	0	0	0
<b>Contributed capital &amp; retained earnings 6/30/99</b>	<b>\$ (103,679)</b>	<b>\$ 0</b>	<b>\$ (103,679)</b>	<b>\$ 5,262</b>	<b>\$ (108,941)</b>

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

CITY OF GRIFFIN, GEORGIA  
 ENTERPRISE FUND  
 NATURAL GAS DEPARTMENT  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 1999

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Reconciliation of operating income to net cash provided by operating activities:	
Operating Income (Loss)	\$ (103,691)
Adjustments to reconcile operating income to net cash provided by operating activities	
Changes in assets and liabilities	
Increase (Decrease) in due to other funds	242,072
Increase (Decrease) in consumer deposits	<u>9,300</u>
Net cash provided by operating activities	147,681
Cash flows from non-capital financing activities	<u>0</u>
Cash flows from capital and related financing activities	<u>0</u>
Cash flows from investing activities	
Investment income	<u>12</u>
Net cash provided by investing activities	<u>12</u>
Net increase (decrease) in cash	147,693
Cash and restricted cash, June 30, 1998	<u>0</u>
Cash and restricted cash, June 30, 1999	<u><u>\$ 147,693</u></u>

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

CITY OF GRIFFIN, GEORGIA  
STORMWATER FUND  
BALANCE SHEET  
JUNE 30, 1999

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ASSETS

CURRENT ASSETS	
Cash	\$ 431,398
Prepaid insurance	11,032
Due from Utility Fund	<u>50,647</u>
Total Current Assets	493,077
PROPERTY, PLANT & EQUIPMENT	
Machinery & Equipment	406,782
Stormwater Projects	<u>121,781</u>
	528,563
Less accumulated depreciation	<u>(30,368)</u>
Net Property, Plant & Equipment	<u>498,195</u>
Total Assets	<u><u>\$ 991,272</u></u>

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

CITY OF GRIFFIN, GEORGIA  
STORMWATER FUND  
BALANCE SHEET (Continued)  
JUNE 30, 1999

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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES	
Accrued salaries	\$ 2,076
Accrued vacation & sick leave	23,848
Due to General Fund	<u>97,727</u>
Total Current Liabilities	123,651
LONG-TERM LIABILITIES	
GEFA note payable	256,887
GMA capital lease payable	<u>171,787</u>
Total Long-Term Liabilities	<u>428,674</u>
Total Liabilities	552,325
RETAINED EARNINGS (DEFICIT)	
Retained earnings	<u>438,947</u>
Total Retained Earnings (Deficit)	<u>438,947</u>
Total Liabilities and Retained Earnings	<u>\$ 991,272</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 - STORMWATER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>					
Residential Upper Tier	\$ 221,579		\$ 221,579	\$ 230,000	\$ (8,421)
Residential Lower Tier	35,005		35,005	29,000	6,005
Non-Residential	914,657		914,657	915,250	(593)
Miscellaneous	40,034 d	(40,034)	0	0	0
<b>Total Operating Revenues</b>	<b>1,211,275</b>	<b>(40,034)</b>	<b>1,171,241</b>	<b>1,174,250</b>	<b>(3,009)</b>
<b>OPERATING EXPENSES</b>					
<b>Stormwater Director</b>					
Salary & wages	80,338		80,338	78,584	(1,754)
Travel & training	2,641		2,641	1,800	(841)
Contractual services	202,674		202,674	140,000	(62,674)
Material & supplies	11,383		11,383	10,000	(1,383)
Fuel	193		193	1,500	1,307
Maintenance & repairs	1,045		1,045	2,500	1,455
Utilities	2,589		2,589	3,500	911
Capital outlay	0 a	20,707	20,707	32,000	11,293
<b>Total</b>	<b>300,863</b>	<b>20,707</b>	<b>321,570</b>	<b>269,884</b>	<b>(51,686)</b>
<b>Operations &amp; Maintenance</b>					
Salary & wages	114,289		114,289	116,473	2,184
Travel & training	1,655		1,655	1,655	0
Contractual services	886		886	311	(575)
Material & supplies	98,684		98,684	100,000	1,316
Fuel	2,322		2,322	15,000	12,678
Maintenance & repairs	16,149		16,149	25,000	8,851
Utilities	30,091		30,091	5,000	(25,091)
Capital outlay	0 a	340,953	340,953	23,100	(317,853)
<b>Total</b>	<b>264,076</b>	<b>340,953</b>	<b>605,029</b>	<b>286,539</b>	<b>(318,490)</b>

*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 - STORMWATER FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1999 (Continued)**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Non-Departmental					
Contractual services	179,159		179,159	178,480	(679)
Contingency	0		0	10,000	10,000
Depreciation - Wastewater	30,368	b (30,368)	0	0	0
<b>Total</b>	<b>209,527</b>		<b>209,527</b>	<b>188,480</b>	<b>(21,047)</b>
<b>Total Operating Expenses</b>	<b>774,466</b>	<b>361,660</b>	<b>1,136,126</b>	<b>744,903</b>	<b>(391,223)</b>
Operating income (loss)	436,809	(401,694)	35,115	429,347	388,214
Non-Operating Revenues (Expenses)					
Investment income	9,396		9,396	8,100	(1,296)
Debt service	(7,258)	c 7,258	0	0	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>2,138</b>	<b>7,258</b>	<b>9,396</b>	<b>8,100</b>	<b>(1,296)</b>
Net profit (loss)	438,947	(394,436)	44,511	437,447	(392,936)
Contributed capital & retained earnings 6/30/98	0	0	0	0	0
Contributed capital & retained earnings 6/30/99	<b>\$ 438,947</b>	<b>\$ (394,436)</b>	<b>\$ 44,511</b>	<b>\$ 437,447</b>	<b>\$ (392,936)</b>

a - The City of Griffin budgets their capital outlay as an expense item.

b - The City of Griffin does not budget for depreciation expense.

c - The City of Griffin does not budget for accrued interest or interest on capital leases.

d - The City of Griffin does not budget for reimbursements.

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

CITY OF GRIFFIN, GEORGIA  
ENTERPRISE FUND  
STORMWATER DEPARTMENT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

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Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 436,809
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	30,368
Changes in assets and liabilities	
(Increase) Decrease in prepaid insurance	(11,032)
(Increase) Decrease in due from other funds	(50,647)
Increase (Decrease) in accrued expenses	2,076
Increase (Decrease) compensated absences	23,848
Increase (Decrease) in due to other funds	97,727
Increase (Decrease) in accrued interest payable	<u>2,373</u>
Net cash provided by operating activities	531,522
Cash flows from non-capital financing activities	<u>0</u>
Cash flows from capital and related financing activities	
Proceeds from GEFA note payable	254,514
Proceeds form capital lease financing	201,100
Interest expense	(7,257)
Fixed asset acquisitions	(528,563)
Principal payments on capital lease	<u>(29,314)</u>
Net cash provided (used) by capital and related financing activities	(109,520)
Cash flows from investing activities	
Investment income	<u>9,396</u>
Net cash provided by investing activities	<u>9,396</u>
Net increase (decrease) in cash	431,398
Cash and restricted cash, June 30, 1998	<u>0</u>
Cash and restricted cash, June 30, 1999	<u>\$ 431,398</u>

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

CITY OF GRIFFIN, GEORGIA  
 FIDUCIARY FUND  
 COMBINING BALANCE SHEET  
 JUNE 30, 1999

	<u>Employee Aid Fund</u>	<u>Cemetery</u>	<u>Mausoleum</u>	<u>Total</u>
<u>ASSETS</u>				
Cash - Checking and Money Market	\$ 109,118	\$ 20,222	\$ 222,231	\$ 351,571
Certificates of Deposit and Investments	21,904,595	1,050,532		22,955,127
Land		94,735		94,735
Due from General Fund		50,087		50,087
Total Assets	<u>\$ 22,013,713</u>	<u>\$ 1,215,576</u>	<u>\$ 222,231</u>	<u>\$ 23,451,520</u>
<u>LIABILITIES</u>				
Liabilities	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, Appropriated	<u>22,013,713</u>	<u>1,215,576</u>	<u>222,231</u>	<u>23,451,520</u>
Total Liabilities and Fund Balance	<u>\$ 22,013,713</u>	<u>\$ 1,215,576</u>	<u>\$ 222,231</u>	<u>\$ 23,451,520</u>

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

CITY OF GRIFFIN, GEORGIA  
 FIDUCIARY FUND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 TRANSFERS AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 1999

	Employee Aid Fund	Cemetery Trust Fund	Mausoleum Trust Fund	Total Memorandum Only
<b>REVENUES</b>				
Interest & Dividends on investments	\$ 1,313,884	\$ 48,882	\$ 18,587	\$ 1,381,353
Gain (loss) on securities	1,340,154			1,340,154
Contributions from other funds	1,620,558			1,620,558
Sales of lots		20,859		20,859
Contributions from Airport funds	12,674			12,674
<b>Total Revenue</b>	<b>4,287,270</b>	<b>69,741</b>	<b>18,587</b>	<b>4,375,598</b>
<b>EXPENDITURES</b>				
Pension payments	1,173,094			1,173,094
Bank charges	0	5,425		5,425
Professional fees	75,103			75,103
<b>Total Expenditures</b>	<b>1,248,197</b>	<b>5,425</b>	<b>0</b>	<b>1,253,622</b>
Excess of revenue over expenditures	3,039,073	64,316	18,587	3,121,976
Transfers to General Fund	0	45,162	0	45,162
Excess of revenue over expenditures and transfers	3,039,073	19,154	18,587	3,076,814
Fund Balance, Beginning of Year	18,974,640	1,196,422	203,644	20,374,706
Fund Balance, End of Year	<u>\$ 22,013,713</u>	<u>\$ 1,215,576</u>	<u>\$ 222,231</u>	<u>\$ 23,451,520</u>

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

CITY OF GRIFFIN, GEORGIA  
 FIDUCIARY FUND  
 COMBINING STATEMENT OF CASH FLOWS  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 1999

	<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	\$ 385,035	\$ 15,434	\$ 0	\$ 400,469
Changes in assets and liabilities				
(Increase) Decrease in due from other funds	<u>0</u>	<u>(16,658)</u>	<u>0</u>	<u>(16,658)</u>
Net cash provided by operating activities	385,035	(1,224)	0	383,811
Cash flows from non-capital financing activities:				
Operating transfers out	<u>0</u>	<u>(45,162)</u>	<u>0</u>	<u>(45,162)</u>
Net cash provided by (used for) non-capital financing activities	<u>0</u>	<u>(45,162)</u>	<u>0</u>	<u>(45,162)</u>
Cash flows from capital and related financing activities				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash flows from investing activities				
Land Acquisition	0	(17,512)	0	(17,512)
Interest on investments	1,313,884	48,882	18,587	1,381,353
Gain (loss) on securities	<u>1,340,154</u>	<u>0</u>	<u>0</u>	<u>1,340,154</u>
Net cash provided by investing activities	<u>2,654,038</u>	<u>31,370</u>	<u>18,587</u>	<u>2,703,995</u>
Net increase (decrease) in cash	3,039,073	(15,016)	18,587	3,042,644
Cash and Restricted Cash, Beginning of Year	<u>18,974,640</u>	<u>1,085,770</u>	<u>203,644</u>	<u>20,264,054</u>
Cash and Restricted Cash, End of Year	<u>\$ 22,013,713</u>	<u>\$ 1,070,754</u>	<u>\$ 222,231</u>	<u>\$ 23,306,698</u>

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

CITY OF GRIFFIN, GEORGIA  
STATEMENT OF GENERAL FIXED ASSETS  
JUNE 30, 1999

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General Fixed Assets

Land	\$ 2,243,452
Buildings	6,751,758
Street paving and bridges	4,725,942
Equipment	<u>11,599,647</u>

Total General Fixed Assets 25,320,799

Investment in General Fixed Assets \$25,320,799

*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, 1999

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	<u>Balance June 30, 1998</u>	<u>Obligations</u>	<u>Maturities</u>	<u>Debt Service Fund Operations</u>	<u>Balance June 30, 1999</u>
Amount available in Debt Service Fund	\$ 59,004	\$ 0	\$ 0	\$ (58,968)	\$ 36
Amount to be provided for retirement of long- term debt	<u>1,838,815</u>	<u>1,061,840</u>	<u>665,928</u>	<u>0</u>	<u>2,234,727</u>
Total available and to be provided	<u>\$ 1,897,819</u>	<u>\$ 1,061,840</u>	<u>\$ 665,928</u>	<u>\$ (58,968)</u>	<u>\$ 2,234,763</u>
General long-term debt payable:					
General Obligation	<u>\$ 1,897,819</u>	<u>\$ 1,061,840</u>	<u>\$ 665,928</u>	<u>\$ (58,968)</u>	<u>\$ 2,234,763</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, 1999

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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
1998	1,494,627		0	2,071,140	3,565,767
1999	1,633,232		0	2,654,038	4,287,270

EXPENSES BY TYPE

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Total</u>
1987	448,333	60	448,393
1988	508,030	7,856	515,886
1989	568,864	2,059	570,923
1990	640,951	13	640,964
1991	715,795	1,545	717,340
1992	818,367	81,796	900,163
1993	861,905	38,796	900,701
1994	924,829	51,774	976,603
1995	1,034,705	48,716	1,083,421
1996	1,081,451	47,236	1,128,687
1997			
1998	1,319,244	41,505	1,360,749
1999	1,173,094	75,103	1,248,197

*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, 1999, and have issued our report thereon dated September 9, 1999. 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 of 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 September 9, 1999.

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.

*Brennan, Smith & Neisten, P.C.*

September 9, 1999

# GREENWAY, SMITH & HAISTEN, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

GRIFFIN, GEORGIA

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

### Compliance

We have audited the compliance of the City of Griffin, Georgia, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. City of Griffin, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Griffin, Georgia's management. Our responsibility is to express an opinion on City of Griffin, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Griffin, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Griffin, Georgia's compliance with those requirements.

In our opinion, City of Griffin, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

## Internal Control Over Compliance

The management of City of Griffin, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Griffin, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Breuninger, Smith & Neisten, P.C.*

September 9, 1999

CITY OF GRIFFIN, GEORGIA  
 SCHEDULE OF FEDERAL FINANCIAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/Pass Through Grantor/ Program Title/State Grant Number	Federal CFDA Number	Program or Award Amount	Cash/ Accrual Revenue at 7/1/98	Receipts or Revenue Recognized	Disbursements/ Expenditures	Ending Balance
<b>U. S. Department of Transportation/</b>						
Georgia Department of Transportation/ Intermodal Surface Transportation Efficiency Act (ISTEA) Grant						
#3621 STP00E (Phase I)	20.500	\$ 800,000	\$ 0	\$ 270,660	\$ 270,660	\$ 0
#3622 STP00E (Phase II)	20.500	400,000	0	0	0	0
<b>U. S. Department of Justice</b>						
Federal Law Enforcement Block Grant						
#97UMWX0261	16.710	52,726	0	38,885	38,885	0
#97LBVX2045	16.710	84,943	0	84,943	84,943	0
#98LBVX2045	16.710	106,284	0	106,284	106,284	0
			\$ 0	\$ 500,772	\$ 500,772	\$ 0

CITY OF GRIFFIN, GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

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1. Summary of Auditor's Results

- a. The type of report issued on the financial statements: **unqualified opinion**
- b. Reportable conditions in internal control were disclosed by the audit of the financial statements: **no**      Material weaknesses: **no**
- c. Noncompliance which is material to the financial statements: **no**
- d. Reportable conditions in internal control over major programs: **no**  
Material weaknesses: **no**
- e. The type of report issued on compliance for major programs: **unqualified opinion**
- f. Audit findings which are required to be reported under section .501(a) of OMB Circular A-133: **no**
- g. Major programs: **U.S. Department of Transportation CFDA #20.500**
- h. Dollar threshold used to distinguish between Type A and Type B programs:  
**\$300,000**
- i. Auditee qualified as a low-risk auditee under section .530 of Circular A-133: **yes**

2. Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

**There were no findings relating to the financial statements reported in accordance with Government Auditing Standards for the year ended June 30, 1999.**

3. Findings and Questioned Costs Relating to Federal Awards

**There were no findings or questioned costs relating to Federal awards for the year ended June 30, 1999.**

4. Status of Prior Year Findings

**Initial Single Audit.**