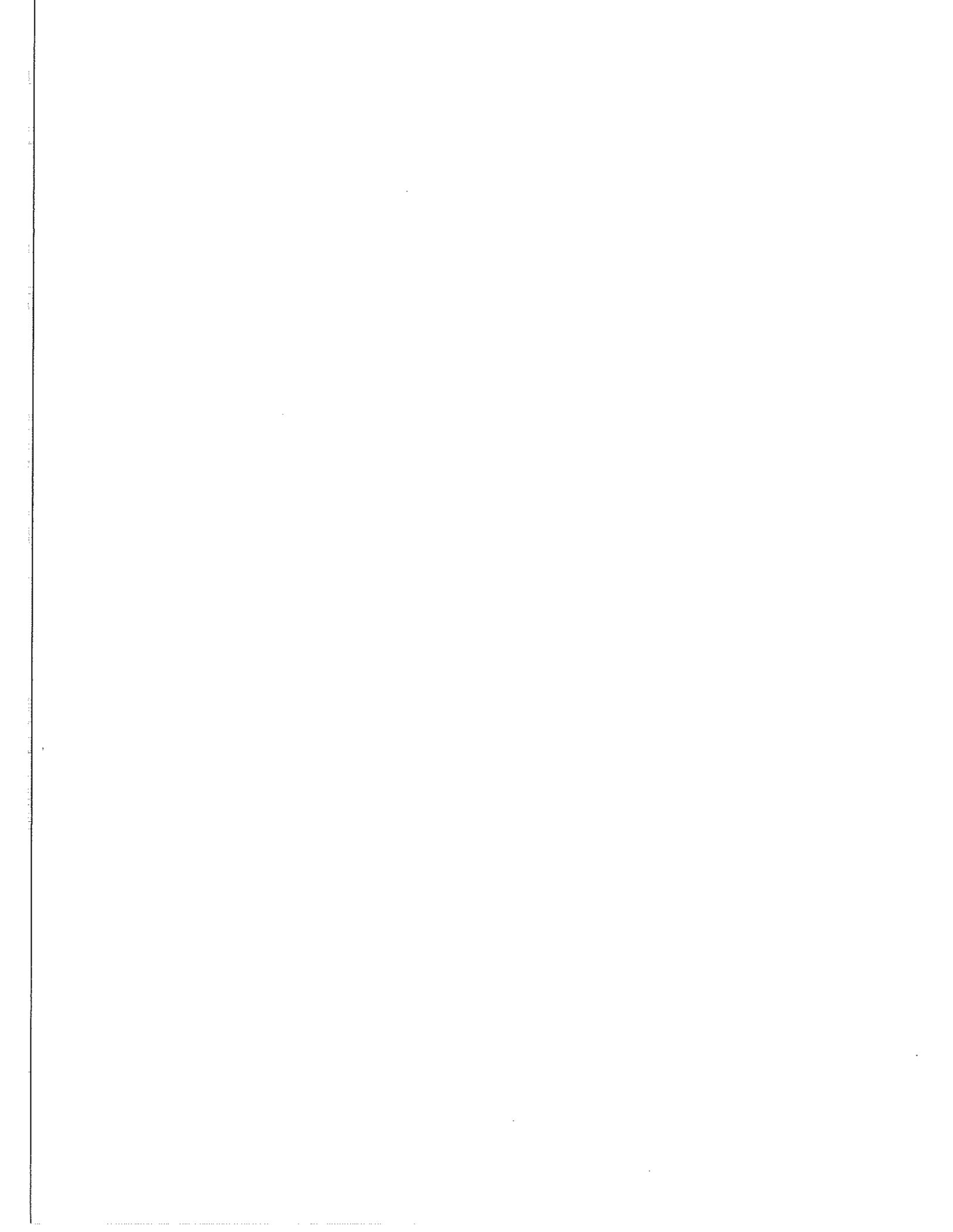


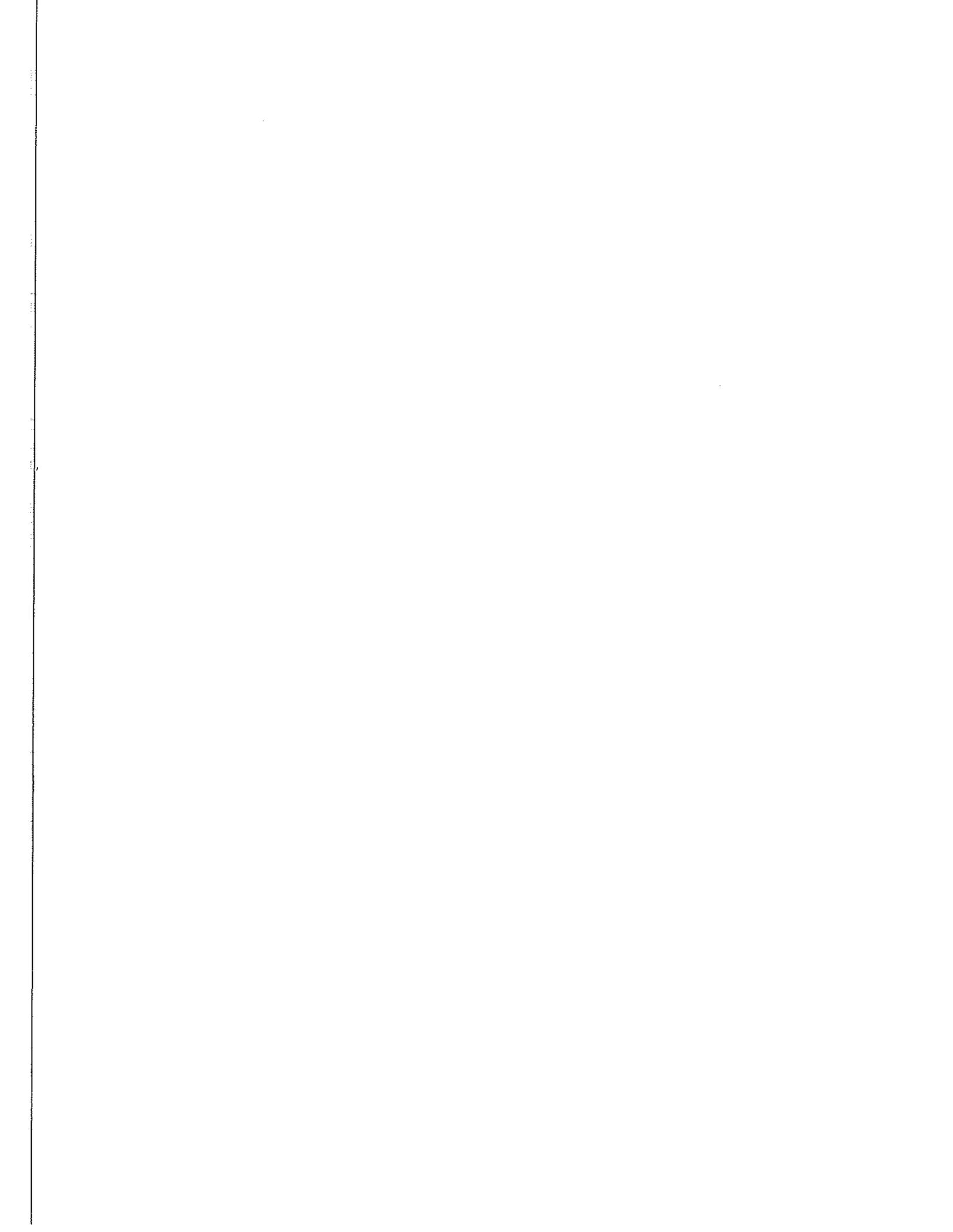
CITY OF GRIFFIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003



CITY OF GRIFFIN, GEORGIA
ANNUAL FINANCIAL REPORT
For the Fiscal Year ended June 30, 2003

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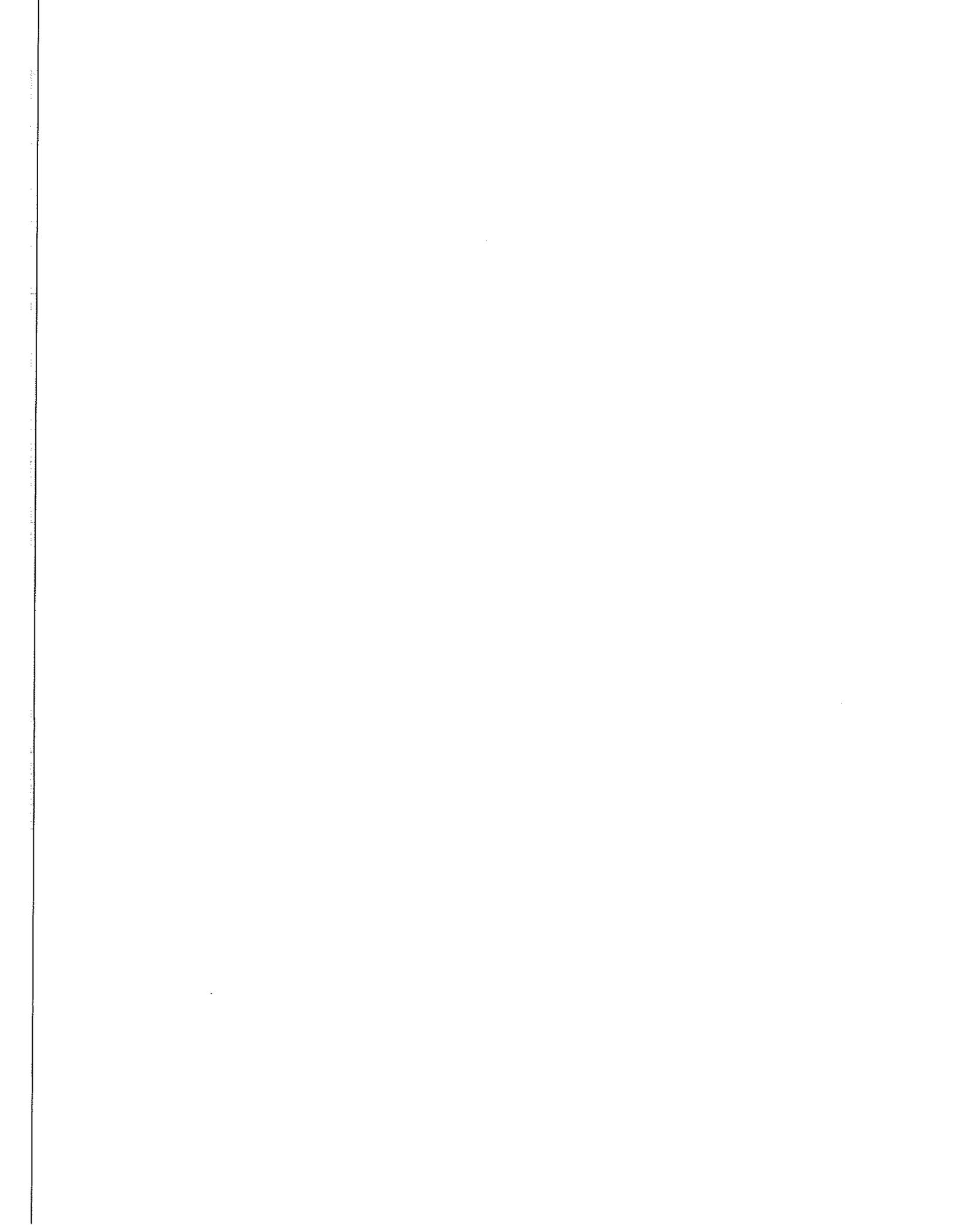
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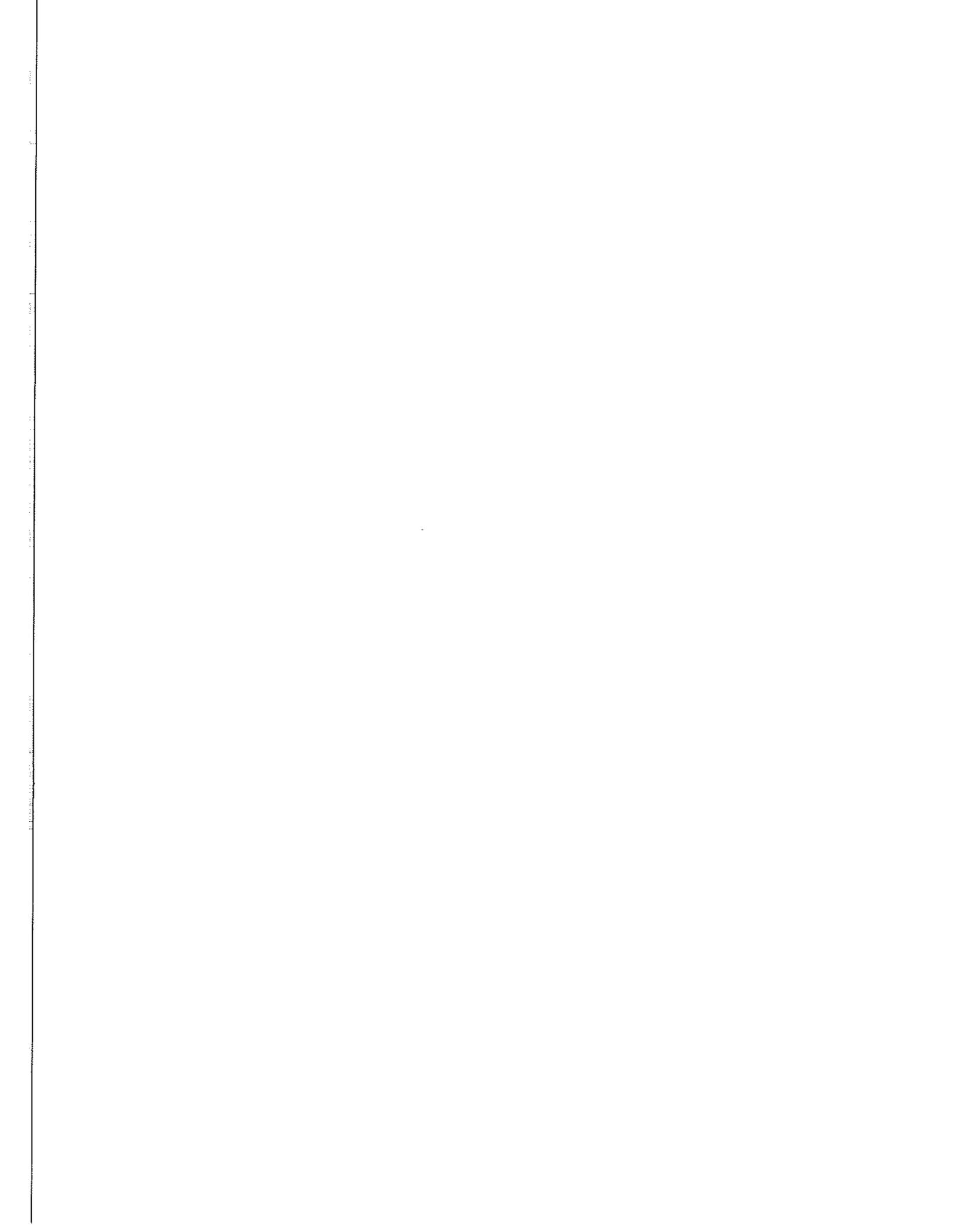
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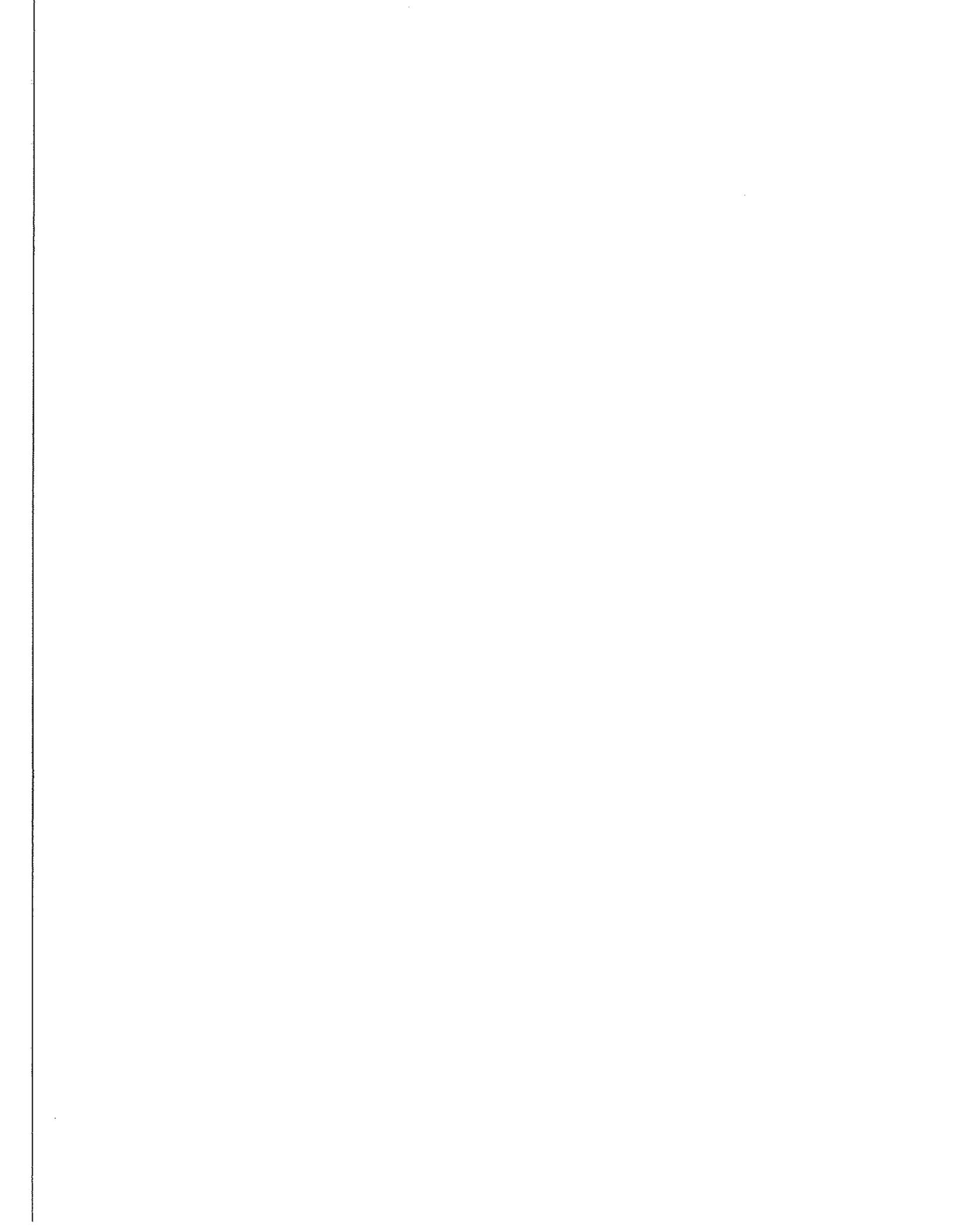
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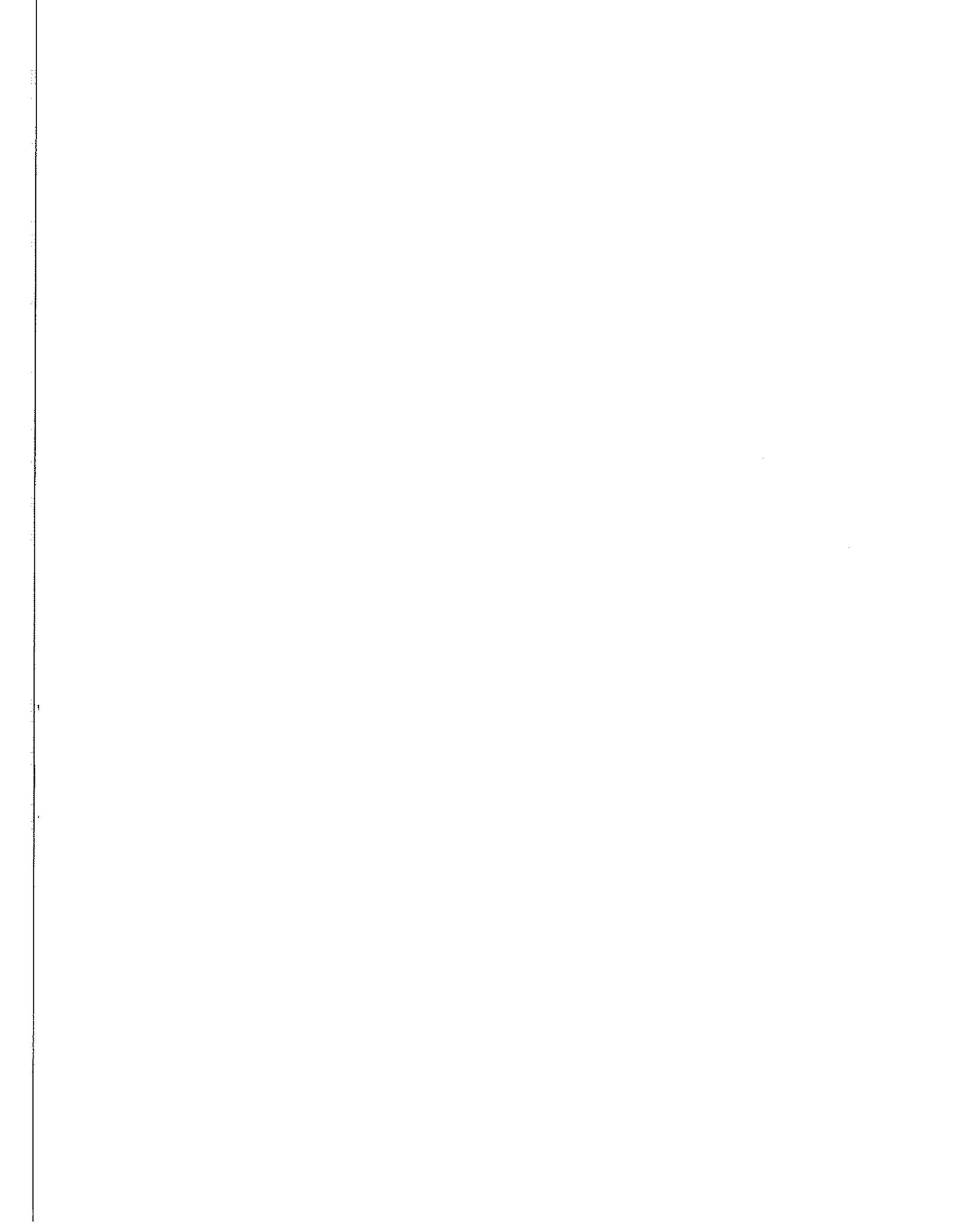
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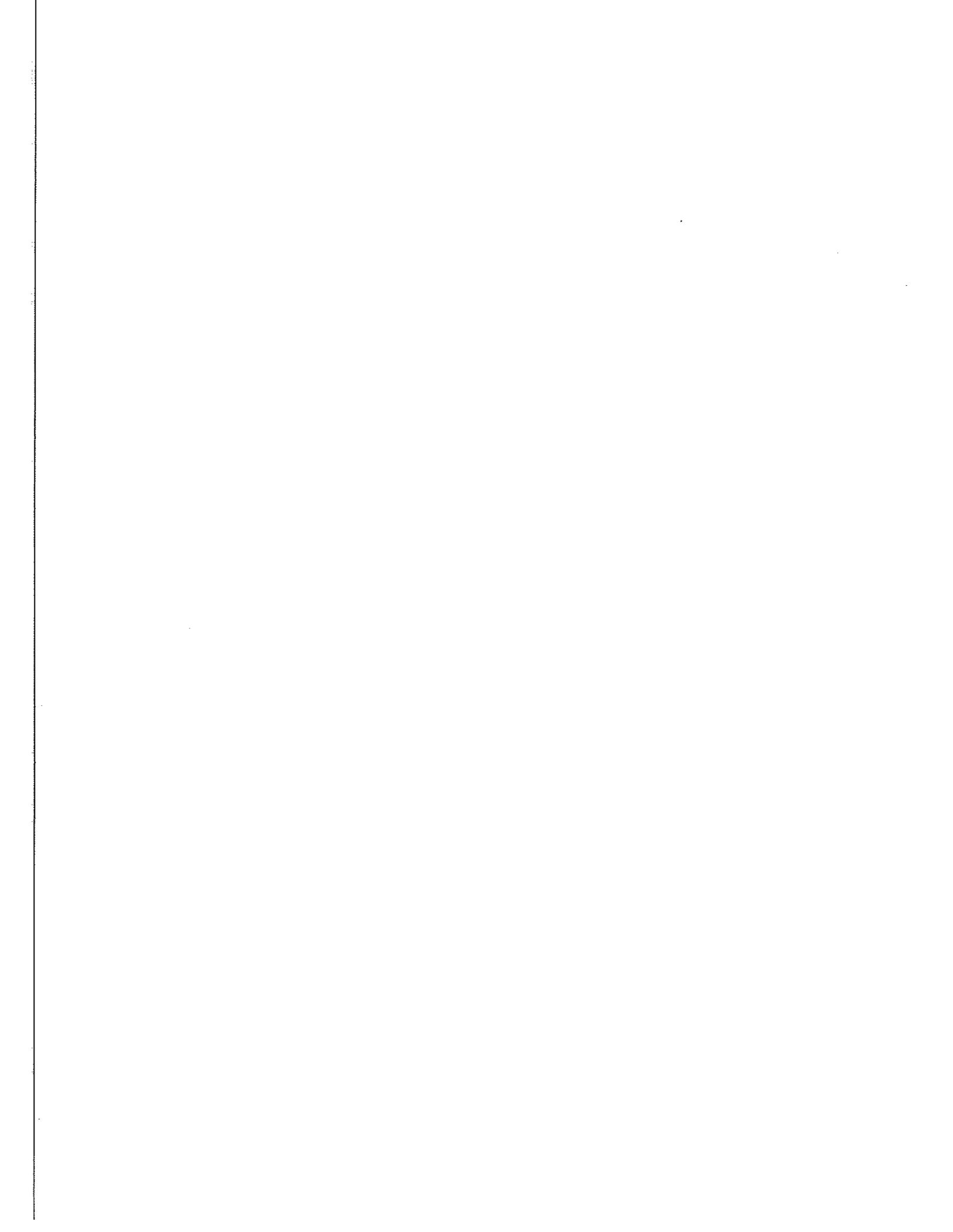
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CITY OF GRIFFIN SINCE 1840

Commission Members

Cynthia Reid Ward
Chairperson

Cora L. Flowers

Bill Landrum

Rodney McCord

Douglas S. Hollberg

Joanne Todd

Walker Cook, Jr.

City Manager
Kenny L. Smith

To the Honorable Mayor, Members of the Board of Commissioners, and Citizens of the City of Griffin:

State law requires that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in conformance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Griffin, Georgia for the year ended June 30, 2003.

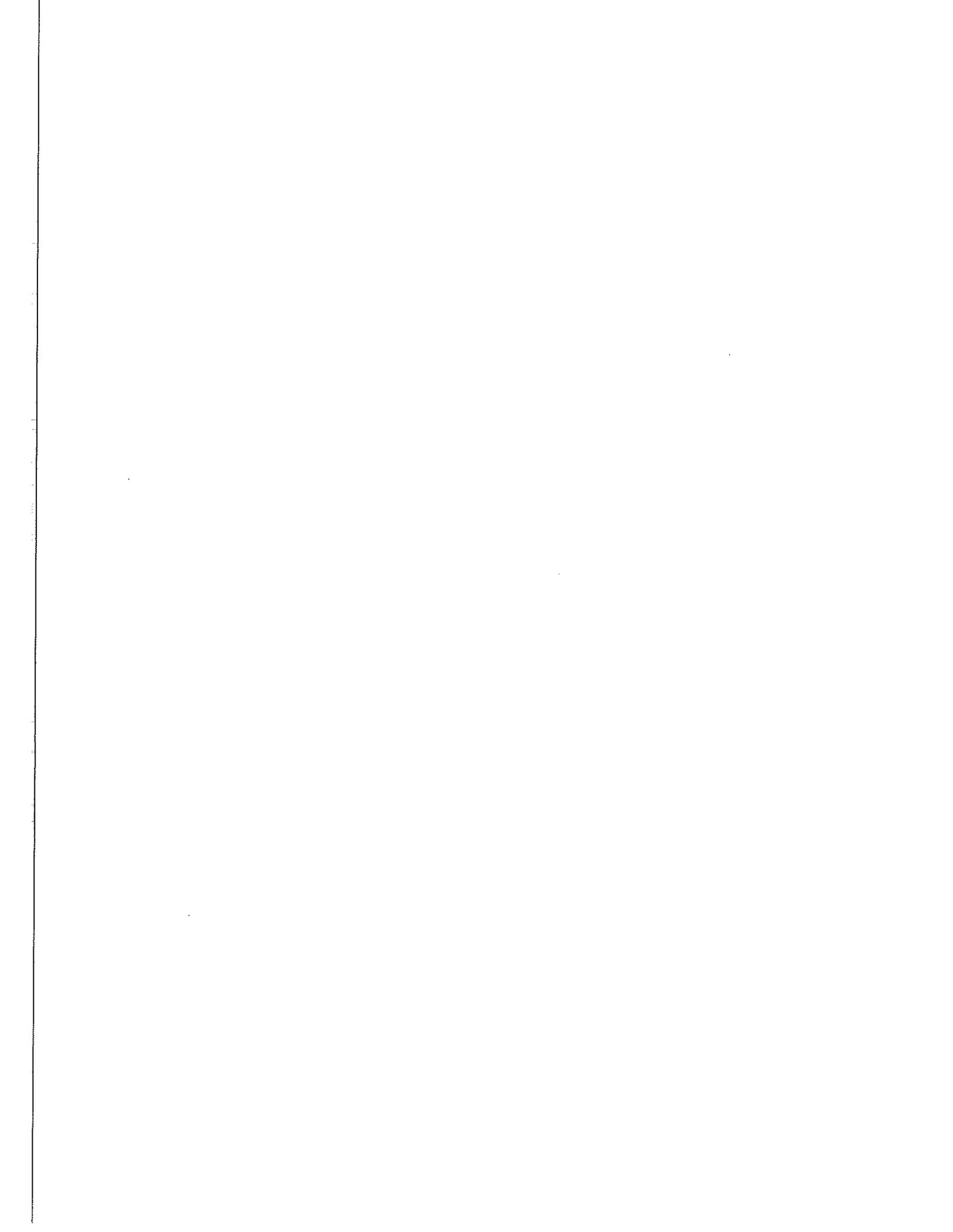
This report consists of management's representations concerning the finances of the City of Griffin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information contained in this report. To provide a reasonable basis for making these representations, management of the City of Griffin has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Griffin's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh the benefits, the City of Griffin's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is reliable and complete in all material respects.

The City of Griffin's financial statements have been audited by Melvin, Rooks, and Howell, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Griffin for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Griffin, Georgia's financial statements for the fiscal year ended June 30, 2003 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Post Office Box T * 231 East Solomon Street * Griffin, Georgia 30224 * Tel. 770-229-6425 * FAX 770-229-6630
Web Site: www.cityofgriffin.com



"The Iris City"



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial reports in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Griffin's MD&A can be found immediately following the report of the independent auditors.

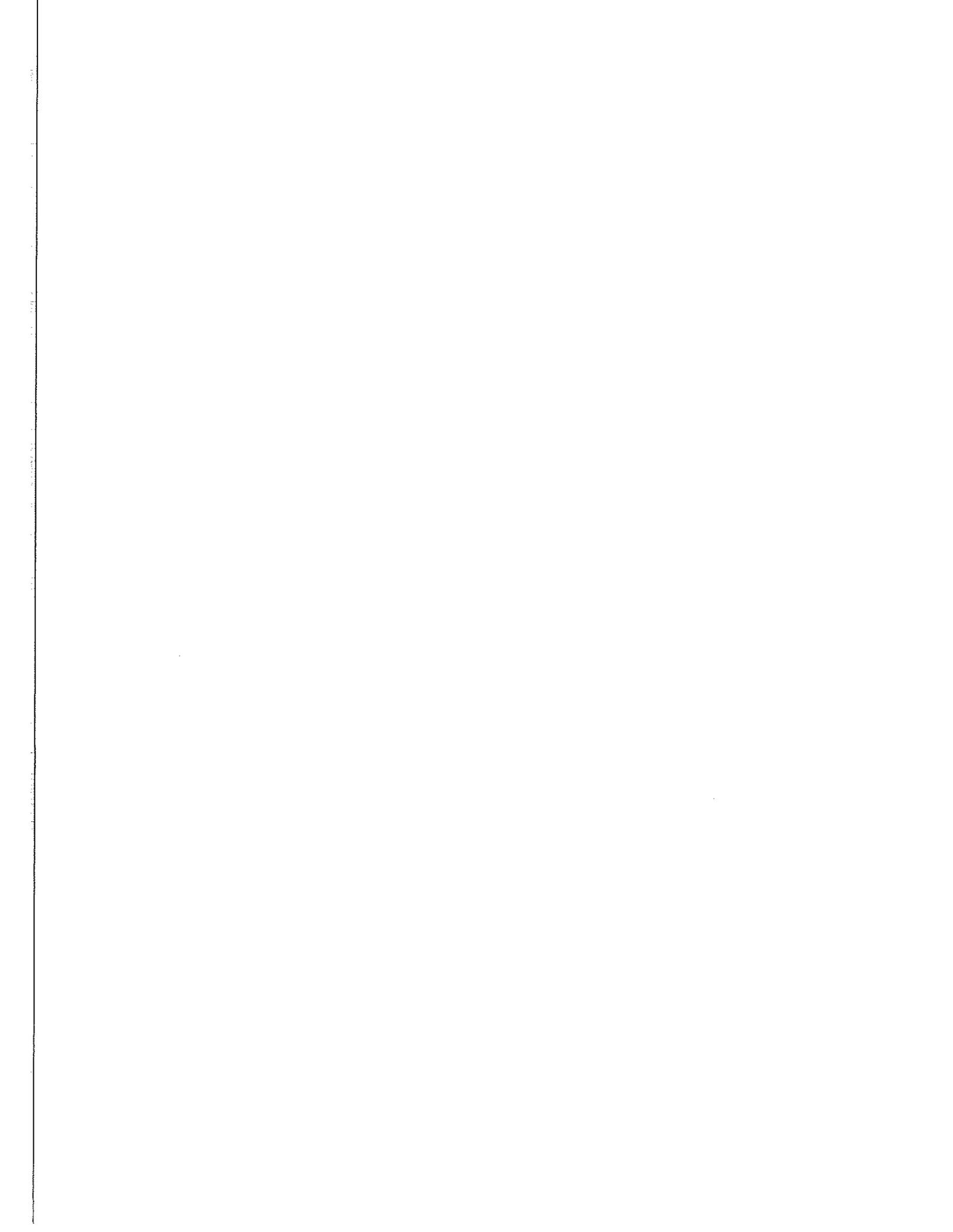
Profile of the Government

The City of Griffin, incorporated in 1843, is located in the central portion of the state and currently occupies a land area of 14.1 square miles. The City of Griffin is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by the State to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing Board.

The City of Griffin operates under a City Manager/Board of Commissioners form of government. Policy making and legislative authority are vested in the governing council, which consists of six Commissioners and a Mayor. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and legal counsel. The government's manager is responsible for carrying out the day to day operations of the government, and for appointing the heads of the various departments. The Board is elected on a non-partisan basis, and serves staggered terms, with three Commissioners elected every four years. The Mayor is elected by the Board, and serves for one year only.

The City of Griffin provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities, including an eighteen hole golf course; and a municipal airport. Also, the City provides water, wastewater, electric, sanitation, and Stormwater runoff services through its enterprise funds, which function, in essence, as departments of the City, and therefore have been included as an integral part of the City's financial statements.

The annual budget serves as the foundation for the City of Griffin's financial planning and control. All agencies of the City of Griffin are required to submit requests for appropriations to the City Manager on March 31. The government's manager uses these requests as a starting point for developing the proposed budget. The City's manager then presents this proposed budget to the Board of Commissioners for review prior to May 15. The Board of Commissioners is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., Public Safety), and department (Police). Department heads are not allowed to make transfers between appropriated accounts. Neither are appropriations between departments allowed, except by specific action of the Board of Commissioners. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, this comparison extends to the department level. Budget to actual comparisons for all governmental fund types as well as enterprise funds are presented within this report.



Factors affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.

Local Economy

The City of Griffin currently enjoys a favorable economic environment and local indicators point to its continued presence. The region has a varied manufacturing and industrial base that adds to the relative stability of the region. Major industries with corporate headquarters or divisions located within the City's boundaries or in close proximity include medical, manufacturing including automotive parts and materials packaging, as well as retail and real estate development.

The City expects to maintain its vibrant downtown area with a variety of stores, specialty shops, and commercial businesses. Meanwhile, there continues to be a discernable trend toward steady residential growth.

Long Term Financial Planning

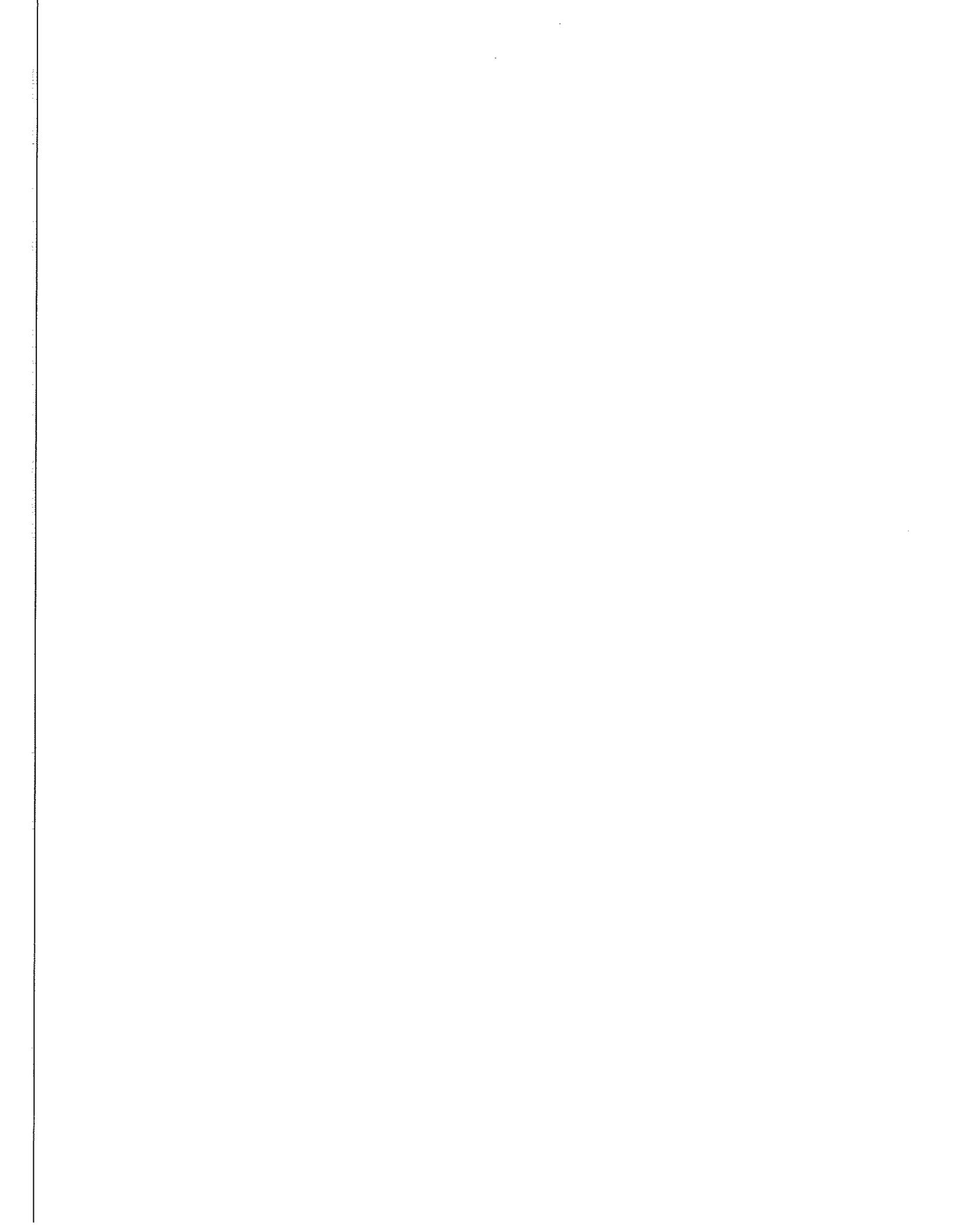
The City is in the process of developing a regional water distribution system, providing water to the surrounding counties and cities contained within. During the current fiscal year, the City has issued revenue bonds for the creation of a new reservoir and necessary distribution infrastructure, providing a superior revenue stream in years to come. Contracts for construction have been let, and construction is currently underway.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested primarily in certificates of deposit. Restricted cash in the Water/Wastewater and Electric Funds were held in obligations of the federal government and the Local Government Investment Pool. Pension assets were held in a diversified portfolio of debt and equity securities.

Pension and Other Post Employment Retirement Benefits

The City of Griffin maintains a single employer defined benefit pension plan for all of its covered employees. Each year, an independent actuary engaged by the pension board calculates the contribution that the City must make to the pension plan in order to ensure that the plan will be able to meet its current and future obligations to employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of June 30, 2003, the City has funded 68.3 percent of the present value of the projected benefits earned by employees. The remaining 31.7 percent is being systematically funded as part of the required contribution calculated by the actuary.



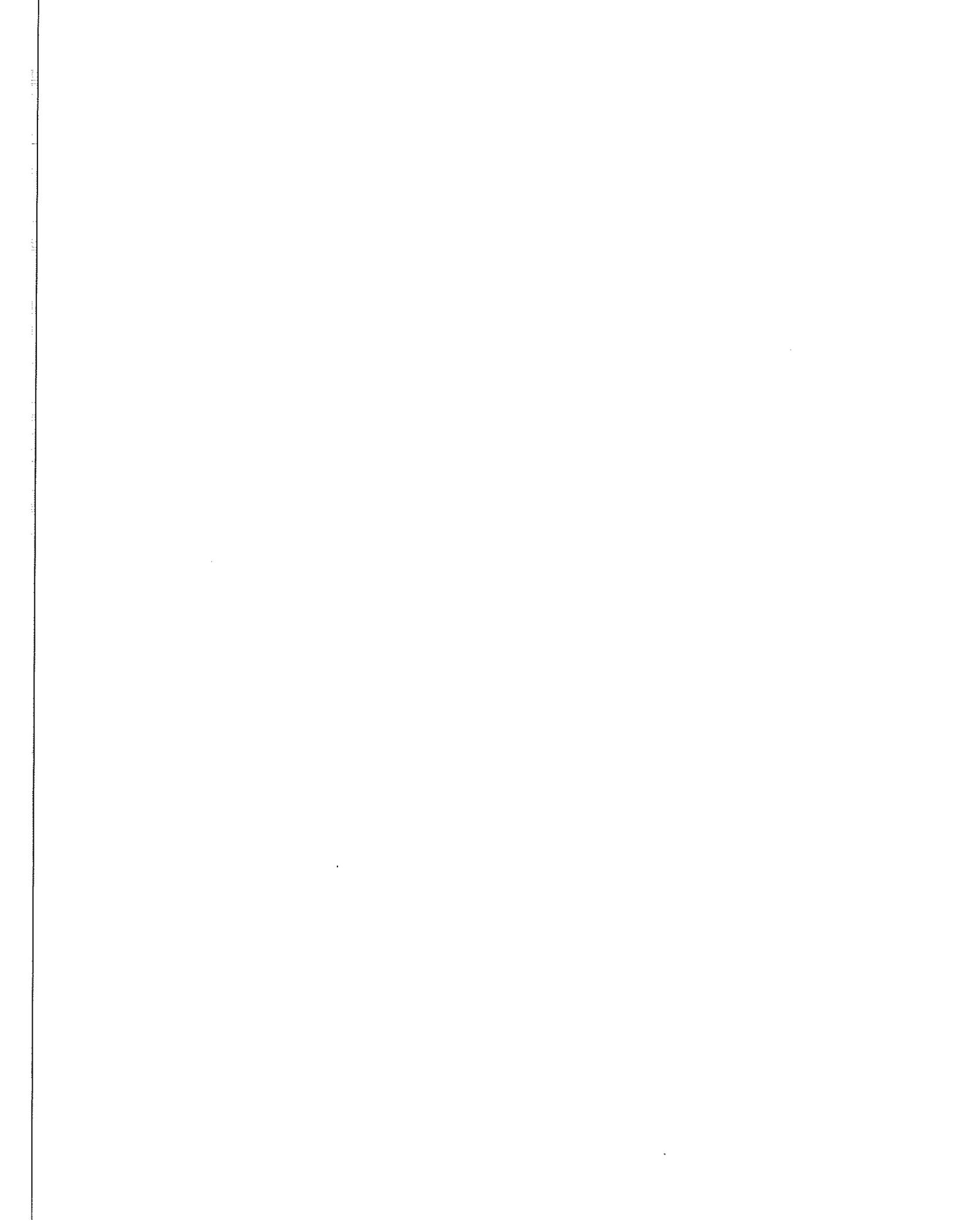
The City also provides a portion of post-retirement health and dental benefits to retirees on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements for these benefits in connection with an employer's obligation to make these payments, and no such liability has been recorded.

Additional information on the City's pension plan and its funding progress can be found in the notes to the financial statements.

Acknowledgements

The preparation of this financial statement has been accomplished through the dedicated efforts of the Accounting Division of the Department of Finance. We would also like to thank the Board of Commissioners for their cooperation and all City department heads for their positive attitude towards budget responsibility. Finally, we would like to thank the City Manager for his leadership and support in steering the financial affairs of the City of Griffin in a responsible manner.

Respectfully submitted,





MELVIN, ROOKS & HOWELL, PC
Certified Public Accountants & Consultants

1120 Zebulon Road
P.O. Box 59
Griffin, Georgia 30224

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of City Council
City of Griffin
Griffin, Georgia

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds and remaining fund information of the City of Griffin, Georgia, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service funds and fiduciary fund in the accompanying combined and individual fund financial statements as of and for the year ended June 30, 2003. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, business-type activities, major funds and remaining fund information of the City of Griffin, Georgia, as of June 30, 2003, and the changes of financial position and the cash flows of those activities and funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the nonmajor governmental, nonmajor enterprise, internal service funds, and fiduciary fund of the City of Griffin, Georgia at June 30, 2003, and the changes in financial position and cash flows of those funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2004, on our consideration of the 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results.

The management's discussion and analysis in pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 1, the City of Griffin has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 31, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of June 30, 2003.

Melvin, Rooks & Howell, P.C.

Certified Public Accountants

January 5, 2004

السلامة العامة

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

As management of the City of Griffin, Georgia, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

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

Management has made no comparisons of current year government-wide activities to prior year's activities since this is the first year government-wide presentation was required.

Overview of the Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City include water and sewer, electric, welcome center, airport, and golf course operations.

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

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

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

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

The City maintains nine individual governmental funds. Of these funds, only the general fund is accounted for as a major fund. All others (two special revenue funds, four capital projects funds, and two permanent funds) are aggregated together and shown as a separate total in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Proprietary funds. *The City's Enterprise funds are considered proprietary funds and are used to report the same functions presented as business-type activities in the government-wide financial statements.*

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, electric, welcome center, airport, and golf course operations.

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

The basic fiduciary fund financial statements can be found on pages 28 through 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information such as 10 year presentation of revenues, expenditures and tax rates.

City-Wide Financial Analysis

A government-wide financial report represents the new approach mandated by the Government Accounting Standards Board (GASB). GASB set the uniform standards for presenting government financial reports. This report represents the first year the City of Griffin applied this standard and the amount of comparative financial information from previous years is limited. Subsequent year's financial reports will provide complete comparative information in this Management Discussion and Analysis.

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2003, assets exceeded liabilities by \$123 million.

**CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003**

The following table provides a summary of the City's governmental and business-type net assets as of June 30, 2003.

	Table 1 Net Assets		
	<u>Total Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Current and other assets	\$ 33,083,511	\$ 91,289,940	\$ 124,373,451
Capital assets (net)	<u>13,976,508</u>	<u>78,616,046</u>	<u>92,592,554</u>
Total Assets	<u>47,060,019</u>	<u>169,905,986</u>	<u>216,966,005</u>
Liabilities:			
Current and other liabilities	1,996,192	7,683,637	9,679,829
Long-term liabilities	<u>1,796,114</u>	<u>82,444,527</u>	<u>84,240,641</u>
Total Liabilities	<u>3,792,306</u>	<u>90,128,164</u>	<u>93,920,470</u>
Net Assets:			
Invested in capital assets, net of related debt	13,115,881	45,868,960	58,984,841
Restricted	31,792,140	32,712,071	64,504,231
Unrestricted	<u>(1,640,310)</u>	<u>1,196,791</u>	<u>(443,519)</u>
Total Net Assets	<u>\$ 43,267,711</u>	<u>\$ 79,777,822</u>	<u>\$ 123,045,553</u>

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

Changes in Net Assets. Governmental and business-type activities increased the City's net assets by \$500,786 in fiscal year 2003. The following table indicates the changes in net assets for governmental and business-type activities for fiscal year 2003.

Table 2
Changes in Net Assets

	Total Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 6,164,745	\$ 48,450,907	\$ 54,615,652
Operating grants and contributions	2,129,847	-0-	2,129,847
Capital grants and contributions	606,095	509,660	1,115,755
General Revenues:			
Property taxes	4,486,104	-0-	4,486,104
Other taxes	5,910,135	-0-	5,910,135
Investment earnings	1,936,193	1,251,867	3,188,060
Other revenues	126,526	-0-	126,526
Total revenues	21,359,645	50,212,434	71,572,079
Expenses			
General government	7,421,103	-0-	7,421,103
Public safety	6,556,395	-0-	6,556,395
Fire	4,059,395	-0-	4,059,395
Public works	3,415,968	-0-	3,415,968
Culture and recreation	314,564	-0-	314,564
Housing and development	750,830	-0-	750,830
Pension benefits	1,655,525	-0-	1,655,525
Capital outlay	45,220	-0-	45,220
Electric	-0-	26,613,161	26,613,161
Water and wastewater	-0-	11,363,033	11,363,033
Stormwater	-0-	1,819,636	1,819,636
Solid waste	-0-	5,108,210	5,108,210
Airport	-0-	1,003,110	1,003,110
Welcome Center	-0-	89,246	89,246
Golf course	-0-	807,984	807,984
Total expenses	24,219,000	46,804,380	71,023,380
Increase (decrease) in net assets before transfers and prior period adjustments	(2,859,355)	3,408,054	548,699
Transfers in (out)	361,392	(361,392)	-0-
Prior period adjustments	(82,913)	35,000	(47,913)
Increase (decrease) in assets	\$ (2,580,876)	\$ 3,081,662	\$ 500,786

CITY OF GRIFFIN, GEORGIA
 MANAGEMENT DISCUSSION AND ANALYSIS
 JUNE 30, 2003

Governmental Activities. As can be seen, the governmental activities show a deficiency of revenues under expenditures of \$2,859,355. This deficiency is normal, and is consistent throughout all fiscal years. The reason for this is that the City relies on the superior earnings of the enterprise funds (Water/Wastewater and Electric Funds primarily) to subsidize the operation of the general fund. The operating transfers from those funds can be thought of as dividends paid to stockholders or return of equity to the owners of a business, and they can be used for whatever purpose. Traditionally, the City has relied upon these operating transfers in to maintain the ad valorem tax rates at a more reasonable level. In the absence of these transfers, the City would either have to raise the shortfall in revenues through increases in user fees or taxes, or to cut back on the level of services it provides to the citizens.

Business-type Activities. The City's business-type activities which include the Water and Wastewater Fund, Electric Fund, Stormwater Fund, and four non-major funds increased net assets by \$3,081,662 in fiscal year 2003.

Table 3
 Enterprise Net Operating Income (Loss),
 nonoperating revenues (expenses), and
 operating transfers in (out)

Water and Wastewater Fund	\$ 1,643,370
Electric Fund	4,822,701
Stormwater Fund	87,918
Non-major Enterprise Funds	<u>(1,209,511)</u>
Total	5,344,478
Nonoperating revenues (expenses)	<u>(1,936,424)</u>
Income (loss) before operating transfers	3,408,054
Operating transfers in (out)	(361,392)
Prior period adjustment	35,000
Changes in net assets	<u>\$ 3,081,662</u>

Financial Analysis of the City's Funds

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

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

At the end of 2003, the combined ending fund balances of the City's governmental funds were \$2.9 million. Approximately \$700,000 of this consists of unreserved/undesignated fund balance, which is available as working capital for current spending in accordance with the purposes of the specific funds. The remainder of fund balance, \$2.2 million, is reserved to indicate that it is not available for new spending because it is committed for capital projects.

The City has one major governmental fund, which is the general fund. The general fund is the primary operating fund of the City of Griffin government. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, and administration.

Proprietary Funds Overview. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

As discussed in the business-type activities above, the City's net assets increased by \$3,081,662 as a result of operations in the proprietary funds.

Significant Transactions and Changes in Funds

Interfund Activity. Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

During the year, the City evaluated the balances of its interfund accounts. When the transactions giving rise to these amounts took place, the expectation was that they would be liquidated with current resources. The City made the determination that to continue carrying the amounts at the face value had the effect of distorting the net assets of the individual funds, and wrote off a substantial portion of them as transfers.

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

The effect on the General Fund was to decrease fund balance by \$6,189,431, as shown in the accompanying table. The effect on net assets in other proprietary funds was to increase (or decrease) by the corresponding amounts shown below.

Internal Service Fund - Motor Pool	\$ 1,420,285
Solid Waste Fund	477,044
Stormwater Utility Fund	2,737,897
Water/Wastewater Fund	5,773,243
Electric Utility Fund	(4,512,267)
Health Insurance Fund	(80,000)
Airport Fund	113,148
CDBG Fund	23,149
Capital Projects	436,932
General Facility Fund	(80,000)
Capital Equipment Fund	(80,000)
Insurance Risk Stabilization	(40,000)
	<u>\$ 6,189,431</u>

Bond Issue. During the year, the City issued \$64,385,000 of Combined Public Utility Revenue Refunding and Improvement Bonds (Series 2002). The bonds, along with other available funds, will be used to refund \$6,210,000 in aggregate of the Series 1993A bonds, initially fund approximately 33 months of interest on the Series 2002 bonds, and construct improvements to the Water and Wastewater system.

The bond proceeds, along with investment earnings, will be used to construct a regional water supply. The project budget is as follows:

<u>Water System Improvements</u>	
Reservoir, access road, and wetland mitigation	\$ 7,112,000
Water transmission mains	13,417,000
Raw water intake and pumping	3,268,000
Water treatment plant	14,532,000
Land acquisition	2,650,000
Contingency	2,021,000
Water treatment plant sludge dewatering	1,200,000
	<u>44,200,000</u>
<u>Sewer System Improvements</u>	
Wastewater treatment plant sludge removal	800,000
Ison Branch sewer line	1,700,000
Upgrades to wastewater treatment and lift station	2,300,000
Sewer extensions inside City	500,000
	<u>5,300,000</u>
<u>System-wide Improvements</u>	
Global Positioning System/Geographic Information System	500,000
	<u>\$ 50,000,000</u>

CITY OF GRIFFIN, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

Budgetary Highlights

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

Budgets are adopted for all governmental funds, the Electric Fund, Water and Wastewater Fund, Solid Waste Fund, Stormwater Utility Fund, Airport Fund, Welcome Center Fund, and Golf Course Fund (Enterprise Funds). Budgets for the Enterprise Funds are prepared for planning and control purposes only. Budgets are adopted for all special revenue funds as well as capital projects funds on a fiscal year basis. The legal level of budgetary control is the department level, with the Commissioners being the only body authorized to make amendments to the budget. No supplemental appropriations were made for the year ended June 30, 2003.

Capital Asset

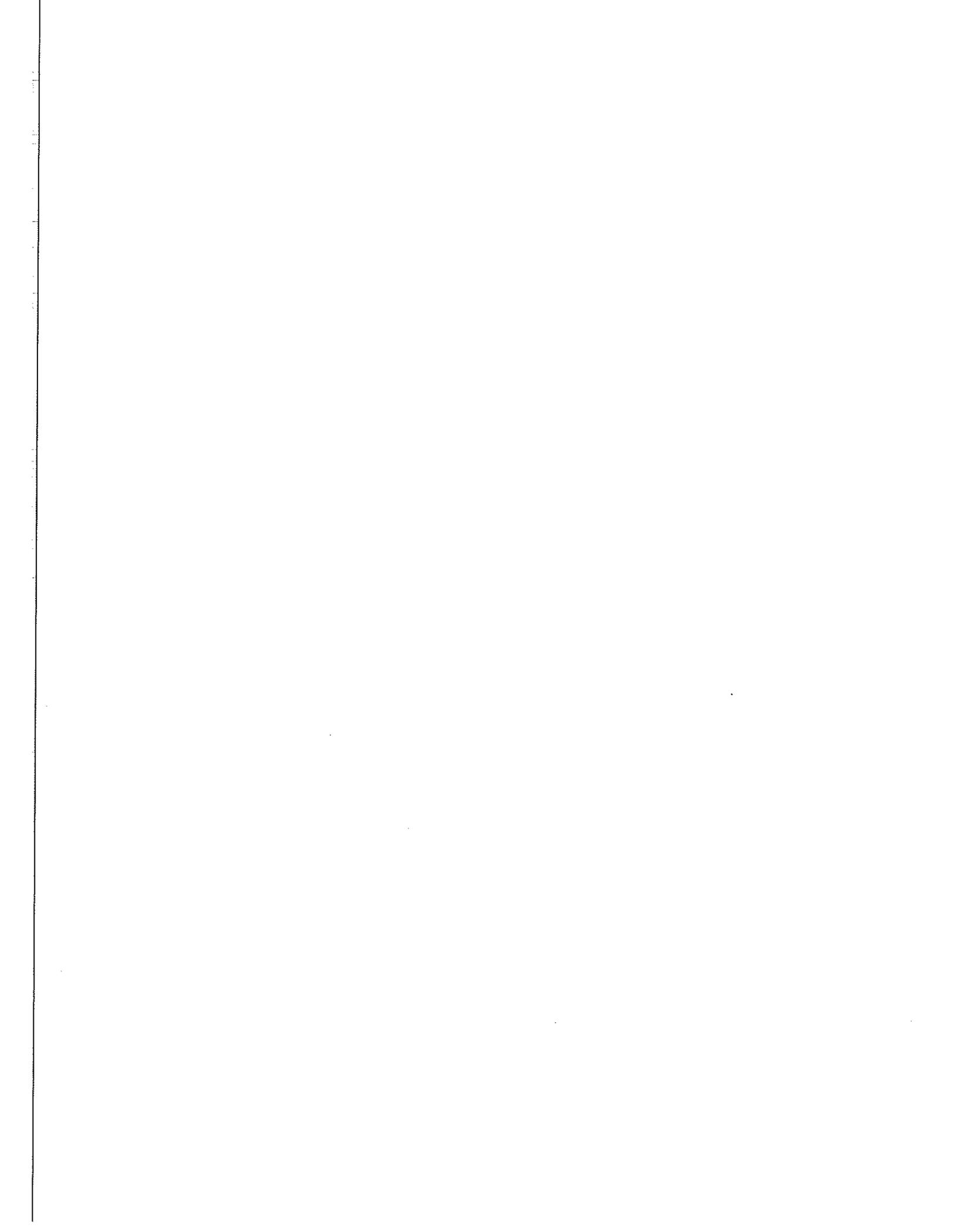
The City's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to \$92,592,554. This investment in capital assets includes land, land improvements, buildings, equipment, and infrastructure. Additional information on the City's capital assets can be found in Note 5 of the notes to the financial statements of this report.

Debt Administration

At the end of the current fiscal year, the City had total bonded debt outstanding of \$77,705,000. The debt is secured solely by specified revenue sources (i.e. revenue bonds). Additional information on the City's long term debt can be found in Note 7 of the notes to the financial statements of this report.

Requests for Information

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



City of Griffin, Georgia
Statement of Net Assets
Governmental Funds
June 30, 2003

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 1,399,281	\$ 347,189	\$ 1,746,470
Investments	142,219	-	142,219
Accounts receivable, net of allowance for uncollectibles	1,039,504	8,368,936	9,408,440
Receivables	-	67,292	67,292
Due from other funds	(51,292)	51,292	-
Prepaid items	26,518	-	26,518
Inventories	77,815	1,233,528	1,311,343
Cash - restricted	1,396,885	12,652,811	14,049,696
Investments - restricted	29,024,487	66,641,713	95,666,200
Special assessments	-	1,671	1,671
Other assets	28,094	-	28,094
Capital assets - net	13,976,508	78,616,046	92,592,554
Deferred charges	-	1,925,508	1,925,508
Total Assets	47,060,019	169,905,986	216,966,005
Liabilities:			
Accounts payable	925,825	3,853,902	4,779,727
Accrued liabilities	431,682	10,113	441,795
Current portion of long term debt	-	118,979	118,979
Capital leases payable - current	579,847	45,123	624,970
Landfill post closure care - current	-	45,205	45,205
Current liabilities payable from restricted assets			
Deposits	-	2,021,509	2,021,509
Retainage payable	58,838	353,806	412,644
Revenue bonds payable	-	1,235,000	1,235,000
Noncurrent liabilities:			
Due to other funds	(874,162)	874,162	-
Notes payable	221,942	2,453,622	2,675,564
Revenue bonds payable	-	76,470,000	76,470,000
Due to other agencies and governments	2,455	-	2,455
Compensated absences	1,911,554	1,394,724	3,306,278
Deposits	-	1,528	1,528
Landfill post closure care	-	1,250,491	1,250,491
Deferred revenue	534,325	-	534,325
Total Liabilities	3,792,306	90,128,164	93,920,470

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

City of Griffin, Georgia
Statement of Net Assets (cont)
Governmental Funds
June 30, 2003

	Governmental Activities	Business-type Activities	Total
Net Assets			
Invested in capital assets, net of related debt	13,115,881	45,868,960	58,984,841
Restricted for:			
Fire station	265,000	-	265,000
Rehabilitation	26,392	-	26,392
Perpetual care	1,593,386	-	1,593,386
Pension obligations	29,581,904	-	29,581,904
Club house	110,587	-	110,587
Deposits	11,816	-	11,816
Renewal and extension	-	789,869	789,869
Debt service	-	5,621,278	5,621,278
Emergency	-	1,000,000	1,000,000
Revenue bond construction	-	1,440,818	1,440,818
Sewer capacity recovery	-	1,364,862	1,364,862
Electrical deregulation	-	12,602,154	12,602,154
Energy rate fluctuations	-	6,185,298	6,185,298
Future operations	-	2,833,707	2,833,707
Landfill closure	-	404,255	404,255
Local landfill	-	158,446	158,446
Capital improvements	203,055	311,383	514,438
Unrestricted	(1,640,310)	1,196,791	(443,519)
Total net assets	<u>\$ 43,267,711</u>	<u>\$ 79,777,822</u>	<u>\$ 123,045,533</u>

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

City of Griffin, Georgia
Balance Sheet
Governmental Funds
June 30, 2003

	General Fund	Other Governmental Funds	Total
Assets:			
Cash and cash equivalents	\$ 552,919	\$ 346,785	\$ 899,704
Investments	142,219	-	142,219
Receivables	1,013,928	25,576	1,039,504
Due from other funds	927,771	-	927,771
Prepaid items	26,518	-	26,518
Cash - restricted	-	1,396,885	1,396,885
Capital assets - net	-	206,397	206,397
Total Assets	\$ 2,663,355	\$ 1,975,643	\$ 4,638,998
Liabilities:			
Accounts payable	\$ 430,252	\$ 103,319	\$ 533,571
Accrued liabilities	424,620	-	424,620
Due to other funds	182,038	53,610	235,648
Due to other agencies and governments	2,455	-	2,455
Deferred revenue	531,898	2,427	534,325
Total current liabilities	1,571,263	159,356	1,730,619
Fund Balance:			
Reserved, Club house	110,587	-	110,587
Reserved, Fire station	265,000	-	265,000
Reserved, Deposits	11,816	-	11,816
Reserved, Rehabilitation	-	26,392	26,392
Reserved, Perpetual care	-	1,593,386	1,593,386
Reserved, Capital projects	-	203,055	203,055
Unreserved, reported in:			
General Fund - Property tax relief	2,645,724	-	2,645,724
Undesignated	(1,941,035)	-	(1,941,035)
Special Revenue Funds	-	(6,546)	(6,546)
Fund balance	1,092,092	1,816,287	2,908,379
Total liabilities and fund balances	\$ 2,663,355	\$ 1,975,643	\$ 4,638,998

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

- Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	9,173,706
- The internal service funds are used by management to charge costs of fleet management and insurance to individual funds. These assets and liabilities are included in the statement of net assets.	3,473,392
- The pension trust fund which is a fiduciary fund set up to maintain the assets of the employee retirement fund is included in the statement of net assets.	29,581,904
- The general long term debt which consist of compensated absences is included in the statement of net assets.	(1,869,670)
Net assets of government activities	\$ 43,267,711

City of Griffin, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2003

	General Fund	Other Governmental Funds	Total
Revenue:			
Taxes	\$ 10,307,416	\$ -	\$ 10,307,416
Licenses & Permits	228,375	-	228,375
Intergovernmental Revenues	328,115	277,980	606,095
Charges For Services	2,734,941	49,058	2,783,999
Fines & Forfeitures	54,876	-	54,876
Investment Income	16,173	70,264	86,437
Net increase in fair value of investments	-	-	-
Contributions & Donations	3,657	-	3,657
Rents & Royalties	40,700	-	40,700
Miscellaneous Revenues	-	233	233
Total Revenue	<u>13,714,253</u>	<u>397,535</u>	<u>14,111,788</u>
Expenditures:			
General Government	4,733,942	-	4,733,942
Public Safety	6,422,142	-	6,422,142
Fire	3,968,792	-	3,968,792
Public Works	3,352,969	-	3,352,969
Culture and Recreation	307,340	-	307,340
Housing and Development	727,349	-	727,349
Current operations	-	140,837	140,837
Benefits	-	-	-
Capital outlay	-	1,460,857	1,460,857
Total expenditures	<u>19,512,534</u>	<u>1,601,694</u>	<u>21,114,228</u>
Excess (deficiency) of revenues over (under) expenditures	(5,798,281)	(1,204,159)	(7,002,440)
Other financing sources (uses)			
Operating transfers in	8,630,262	735,591	9,365,853
Operating transfers out	(10,338,960)	(21,306)	(10,360,266)
Gain on dispositions	88,378	-	88,378
Total other sources (uses)	<u>(1,620,320)</u>	<u>714,285</u>	<u>(906,035)</u>
Deficiency of revenues over (under) sources (uses)	<u>(7,418,601)</u>	<u>(489,874)</u>	<u>(7,908,475)</u>
Fund balance, June 30, 2002	8,625,234	2,306,161	10,931,395
Prior period adjustment	(114,541)	-	(114,541)
Fund balance, June 30, 2002 as restated	<u>8,510,693</u>	<u>2,306,161</u>	<u>10,816,854</u>
Fund balance, June 30, 2003	<u>\$ 1,092,092</u>	<u>\$ 1,816,287</u>	<u>\$ 2,908,379</u>

City of Griffin, Georgia
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2003

Amounts reported for governmental activities are different because:	
Net changes in fund balances - page 16	\$ (7,908,475)
Governmental funds report capital outlays as expenditures. However, in the Statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,155,046
The internal service fund is used by management to charge the costs of fleet management and insurance to the individual funds.	1,342,206
The pension trust fund is used by management to charge the costs of pensions to the various individual funds. These funds are maintained in a fiduciary fund.	2,324,078
Compensated absences are not recorded in the general fund until they are actually paid.	<u>(410,818)</u>
Changes in net assets of governmental activities (page 14)	<u><u>\$ (2,497,963)</u></u>

City of Griffin, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Taxes	\$ 11,342,900	\$ 10,307,416	\$ (1,035,484)
Licenses & Permits	270,000	228,375	(41,625)
Intergovernmental Revenues	80,000	328,115	248,115
Charges For Services	2,782,084	2,734,941	(47,143)
Fines & Forfeitures	60,000	54,876	(5,124)
Investment Income	150,000	16,173	(133,827)
Contributions & Donations	-	3,657	3,657
Rents & Royalties	30,000	40,700	10,700
Miscellaneous Revenues	15,000	-	(15,000)
Total Revenue	<u>14,729,984</u>	<u>13,714,253</u>	<u>(1,015,731)</u>
Expenditures:			
General Government			
Legislative	660,474	355,958	304,516
City Manager	461,904	301,326	160,578
Elections	-	924	(924)
Director of Administrative Services	191,632	156,187	35,445
Accounting	338,116	375,386	(37,270)
Budgeting	126,420	105,492	20,928
Licensing	63,069	169,977	(106,908)
Purchasing	129,833	110,574	19,259
Information Technology	548,399	1,302,571	(754,172)
Personnel	249,393	195,855	53,538
Risk Management	343,195	651,843	(308,648)
Records Management	75,000	26,198	48,802
Customer Service	654,077	587,914	66,163
Director of Central Services	190,552	106,880	83,672
Facilities Services	256,251	202,148	54,103
City Attorney	109,000	83,610	25,390
Indigent Defense	-	1,100	(1,100)
	<u>4,397,315</u>	<u>4,733,943</u>	<u>(336,628)</u>
Public Safety			
Judicial	-	13,200	(13,200)
Recorder's Court	28,200	12,508	15,692
Police Administration	321,086	435,843	(114,757)
Investigative Services	1,480,793	1,598,571	(117,778)
Uniform Patrol	3,361,768	3,853,241	(491,473)
Support Services	504,107	508,197	(4,090)
Code Enforcement	-	582	(582)
	<u>5,695,954</u>	<u>6,422,142</u>	<u>(726,188)</u>
Fire			
Fire Administration	276,222	275,005	1,217
Fire Suppression	3,684,356	3,534,351	150,005
Fire Prevention	147,089	159,436	(12,347)
	<u>4,107,667</u>	<u>3,968,792</u>	<u>138,875</u>

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

City of Griffin, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works			
Public Works Administration	426,129	212,707	213,422
Animal Control	138,237	117,273	20,964
Deputy Director of Public Works	123,525	101,621	21,904
Roadways and Walkways	1,789,599	2,243,036	(453,437)
Traffic Engineering	246,129	113,485	132,644
Cemetery	524,092	564,846	(40,754)
	<u>3,247,711</u>	<u>3,352,968</u>	<u>(105,257)</u>
Culture and Recreation			
Swimming Pools	41,442	25,770	15,672
City Park	308,579	281,570	27,009
	<u>350,021</u>	<u>307,340</u>	<u>42,681</u>
Planning and Development	223,726	164,233	59,493
Building Inspections	425,032	435,040	(10,008)
Planning and Zoning	175,973	24,679	151,294
Code Enforcement	162,625	103,397	59,228
	<u>987,356</u>	<u>727,349</u>	<u>260,007</u>
Total Expenditures	<u>18,786,024</u>	<u>19,512,534</u>	<u>(726,510)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,056,040)	(5,798,281)	(1,742,241)
Other financing sources (uses)			
Operating transfers in	5,386,163	8,630,262	3,244,099
Operating transfers out	(1,346,186)	(10,338,960)	(8,992,774)
Gain on dispositions	-	88,378	88,378
	<u>4,039,977</u>	<u>(1,620,320)</u>	<u>(5,660,297)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>(16,063)</u>	<u>(7,418,601)</u>	<u>(7,402,538)</u>
Fund balance, June 30, 2002	8,625,234	8,625,234	-
Prior period adjustment	-	(114,541)	(114,541)
Fund balance, June 30, 2002 as restated	<u>8,625,234</u>	<u>8,510,693</u>	<u>(114,541)</u>
Fund balance, June 30, 2003	<u>\$ 8,609,171</u>	<u>\$ 1,092,091</u>	<u>\$ (7,517,079)</u>

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

City of Griffin, Georgia
Combining Statement of Net Assets
Enterprise Funds
June 30, 2003

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total		
Assets							
Current assets:							
Cash and cash equivalents	\$ 20,785	\$ 205,676	\$ 8,865	\$ 111,863	\$ 347,189	\$	100,999
Accounts receivable (net of allowance for uncollectibles)	846,440	7,191,490	92,849	238,156	8,368,935	-	-
Receivables	5,797	-	-	55,481	61,278	-	-
Interest Receivable	6,014	-	-	-	6,014	-	-
Intergovernmental receivables	149,924	1,057,253	-	26,351	1,233,528	-	-
Inventories	1,028,960	8,454,419	101,714	431,851	10,016,944	77,815	178,814
Total current assets	55,526,670	23,595,418	-	172,436	79,294,524	-	-
Noncurrent assets:	1,671	-	-	-	1,671	-	-
Restricted cash, cash equivalents, and investments	-	-	-	51,292	51,292	-	-
Special Assessments	52,577,558	11,331,878	6,472,044	8,234,566	78,616,046	4,596,405	-
Due from other funds	1,925,508	-	-	-	1,925,508	-	-
Fixed assets (net of allowance for depreciation)	110,031,407	34,927,296	6,472,044	8,458,294	159,889,041	4,596,405	-
Deferred Charges	-	-	-	-	-	-	-
Total noncurrent assets	111,060,367	43,381,715	6,573,738	8,890,145	169,905,985	4,775,219	-
Total Assets							

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

City of Griffin, Georgia
 Continuing Statement of Net Assets (cont)
 Enterprise Funds
 June 30, 2003

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	
Liabilities and Net Assets						
Liabilities:						
Current liabilities:						
Accounts payable	1,512,480	2,033,118	140,304	168,000	3,853,902	392,254
Accrued liabilities	-	-	-	9,845	9,845	-
Accrued interest	-	-	-	268	268	7,062
Retainage Payable	-	-	-	-	-	58,838
Current portion of long term debt	28,575	-	90,404	-	118,979	579,847
Capital leases payable - current	-	-	-	45,123	45,123	-
Landfill post closure care - current	-	-	-	45,205	45,205	-
Total current liabilities	1,541,055	2,033,118	230,708	268,441	4,073,322	1,038,001
Current liabilities payable from restricted assets:						
Deposits	-	2,021,509	-	-	2,021,509	-
Retainage Payable	353,806	-	-	-	353,806	-
Revenue bonds payable	1,235,000	-	-	-	1,235,000	-
Total current liabilities payable from restricted assets	1,588,806	2,021,509	-	-	3,610,315	-
Noncurrent liabilities:						
Due to other funds	-	-	-	874,162	874,162	-
Compensated absences	355,969	542,695	64,214	431,846	1,394,724	41,884
Notes payable	279,001	-	2,174,621	-	2,453,622	221,942
Revenue bonds payable	76,470,000	-	-	-	76,470,000	-
Deposits	-	-	-	1,528	1,528	-
Landfill post closure care	-	-	-	1,250,491	1,250,491	-
Total noncurrent liabilities	77,104,970	542,695	2,238,835	2,558,027	82,444,527	263,826
Total Liabilities	80,234,831	4,597,322	2,469,543	2,826,468	90,128,164	1,301,827

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

City of Griffin, Georgia
 Combining Statement of Net Assets (cont)
 Enterprise Funds
 June 30, 2003

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	
19,830,472	11,331,878	6,472,044	8,234,566	45,868,960	3,735,778	
789,869	-	-	-	789,869	-	
5,621,278	-	-	-	5,621,278	-	
1,000,000	-	-	-	1,000,000	-	
1,440,818	-	-	-	1,440,818	-	
1,364,862	-	-	-	1,364,862	-	
-	12,602,154	-	-	12,602,154	-	
-	6,185,298	-	-	6,185,298	-	
-	2,833,707	-	-	2,833,707	-	
-	-	-	404,255	404,255	-	
-	-	-	158,446	158,446	-	
-	-	-	311,383	311,383	-	
778,237	5,831,356	(2,367,829)	(3,044,973)	1,196,791	(262,386)	
<u>\$ 30,825,536</u>	<u>\$ 38,784,393</u>	<u>\$ 4,104,215</u>	<u>\$ 6,063,677</u>	<u>\$ 79,777,821</u>	<u>\$ 3,473,392</u>	

Net Assets:
 Invested in capital assets,
 net of related debt
 Restricted for:

- Renewal and extension
- Debt service
- Emergency
- Revenue bond construction
- Sewer capacity recovery
- Electrical deregulation
- Energy rate fluctuations
- Future operations
- Landfill closure
- Local landfill
- Capital improvements
- Unrestricted

Total net assets

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

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Net Assets
 Enterprise Funds
 For the year ended June 30, 2003

	Business Type Activities - Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total		
Operating revenues:							
Charges for sales and services	\$ -	\$ -	\$ 1,429,951	\$ 4,975,617	\$ 6,405,568	\$ 3,097,495	
Charges for sales and services, pledged as security for revenue bonds	10,896,989	29,359,504	-	-	40,256,493	-	
Other services	374,379	957,103	3,793	453,571	1,788,846	81,936	
Total operating revenues	<u>11,271,368</u>	<u>30,316,607</u>	<u>1,433,744</u>	<u>5,429,188</u>	<u>48,450,907</u>	<u>3,179,431</u>	
Operating expenses:							
Personal services	2,856,203	2,234,047	635,170	2,988,565	8,713,985	472,454	
Purchased or contracted service	1,217,216	801,283	291,300	2,676,316	4,986,115	430,067	
Supplies	1,779,265	21,019,033	136,355	615,317	23,549,970	937,941	
Other costs	2,240,615	829,324	154,269	4,342	3,228,550	10,066	
Depreciation expense	1,534,699	610,219	128,732	354,159	2,627,809	1,246,901	
Total operating expenses	9,627,998	25,493,906	1,345,826	6,638,699	43,106,429	3,097,429	
Operating income	1,643,370	4,822,701	87,918	(1,209,511)	5,344,478	82,002	

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

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Net Assets
 Enterprise Funds
 For the year ended June 30, 2003

	Business-type Activities - Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds			
Nonoperating revenue (expenses):							
Grant income	-	-	398,567	-	-	398,567	-
Intergovernmental	(740,380)	(1,119,255)	(381,663)	(361,311)	(2,602,609)	(42,736)	(42,736)
Clubhouse escrow fees	-	-	-	27,926	27,926	-	-
Local landfill surcharge	-	-	-	31,769	31,769	-	-
Local closure surcharge	-	-	-	51,398	51,398	-	-
Interest income	378,216	871,332	933	1,386	1,251,867	444	444
Interest expense	(994,655)	-	(92,147)	(8,540)	(1,095,342)	(53,309)	(53,309)
Total nonoperating revenue (expenses)	(1,356,819)	(247,923)	(74,310)	(257,372)	(1,936,424)	(95,601)	(95,601)
Income (loss) before transfers	286,551	4,574,778	13,608	(1,466,883)	3,408,054	(13,599)	(13,599)
Transfers in	5,773,243	-	2,737,897	1,101,744	9,612,884	1,518,205	1,518,205
Transfers out	(1,390,428)	(8,368,444)	(172,075)	(43,329)	(9,974,276)	(162,400)	(162,400)
Total transfers	4,382,815	(8,368,444)	2,565,822	1,058,415	(361,392)	1,355,805	1,355,805
Change in net assets	4,669,366	(3,793,666)	2,579,430	(408,468)	3,046,662	1,342,206	1,342,206
Total net assets - beginning, before adjustment	26,121,170	42,578,059	1,524,785	6,472,145	76,696,159	2,099,558	2,099,558
Prior period adjustment	35,000	-	-	-	35,000	31,628	31,628
Total net assets - beginning, restated	26,156,170	42,578,059	1,524,785	6,472,145	76,731,159	2,131,186	2,131,186
Total net assets - ending	\$ 30,825,536	\$ 38,784,393	\$ 4,104,215	\$ 6,063,677	\$ 79,777,821	\$ 3,473,392	\$ 3,473,392

City of Griffin, Georgia
Statement of Cash Flows
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 11,146,565	\$ 30,112,902	\$ 1,511,719	\$ 5,656,583	\$ 48,427,769	\$ 3,181,964
Receipts from interfund users	-	-	-	606	606	(633,021)
Receipts for customer utility deposits	-	296,760	-	-	296,760	-
Payments for interfund services provided	(5,006,759)	1,689,179	-	-	(3,317,580)	-
Payments to suppliers	(3,652,205)	(22,892,053)	(2,611,133)	(3,338,024)	(32,493,415)	(1,153,761)
Payments to employees	(2,770,285)	(2,040,566)	(659,842)	(2,911,930)	(8,382,623)	(459,955)
Net cash provided (used) by operating activities	(282,684)	7,166,222	(1,759,256)	(592,765)	4,831,517	935,227
Cash flows from non-capital financing activities:						
Payments to other governmental agencies	-	-	(57,481)	-	(57,481)	-
Other fees and surcharges	-	-	-	77,617	77,617	-
Transfers in	5,773,243	-	2,737,897	1,101,744	9,612,884	1,518,205
Transfers out	(1,390,428)	(8,368,444)	(172,075)	(43,329)	(9,974,276)	(162,400)
Net cash provided (used) by non-capital financing activities	4,382,815	(8,368,444)	2,508,341	1,136,032	(341,256)	1,355,805
Cash flows from capital and related financing activities:						
Acquisition and construction of assets	(7,929,105)	(1,153,095)	(860,700)	(232,986)	(10,175,886)	(1,637,648)
Principal paid to other funds	(7,000,000)	-	-	-	(7,000,000)	-
Grant income	-	-	398,567	-	398,567	-
Intergovernmental expenses	(740,380)	(1,119,255)	(381,663)	(361,311)	(2,602,609)	-
Prior period adjustment	35,000	-	-	-	35,000	-
Proceeds from Georgia Envir. Fac. Loan	-	-	145,547	-	145,547	-
Proceeds from capital leases	-	-	-	(121,199)	(121,199)	-
Proceeds from revenue bonds, net of bond issuance costs	63,112,244	-	-	-	63,112,244	-
Principal paid on revenue bonds and installment contracts	(7,559,254)	-	-	-	(7,559,254)	-
Interest paid on revenue bonds and installment contracts	(994,655)	-	(92,147)	(9,242)	(1,096,044)	(59,349)
Net cash provided (used) by capital and related financing activities	39,123,850	(2,272,350)	(790,396)	(724,738)	35,336,366	(2,233,854)

The accompanying notes are an integral part of these statements.

City of Griffin, Georgia
Statement of Cash Flows - continued
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Cash flows from investing activities:						
Purchase of securities (net)	-	2,427,570	-	-	2,427,570	-
Interest on investments	378,216	871,332	933	1,386	1,251,867	444
Net cash provided (used) by investing activities	378,216	3,298,902	933	1,386	3,679,437	444
Net increase (decrease) in cash	43,602,197	(175,670)	(40,378)	(180,085)	43,206,064	57,622
Cash at beginning of year	11,945,258	2,355,604	49,243	464,384	14,814,489	43,377
Cash at end of year	\$ 55,547,455	\$ 2,179,934	\$ 8,865	\$ 284,299	\$ 58,020,553	\$ 100,999
Unrestricted	\$ 20,785	\$ 205,676	\$ 8,865	\$ 111,863	\$ 347,189	\$ 100,999
Restricted	55,526,670	1,974,258	-	172,436	57,673,364	-
	\$ 55,547,455	\$ 2,179,934	\$ 8,865	\$ 284,299	\$ 58,020,553	\$ 100,999

Reconciliation of operating income to net cash provided (used) by operating activities

Operating income (loss)	\$ 1,643,370	\$ 4,822,701	\$ 87,918	\$ (1,209,511)	\$ 5,344,478	\$ 39,266
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization		610,219	128,732	354,159	2,627,809	1,246,901
New customers utility deposits		296,760	-	-	296,760	-
Changes in assets and liabilities (Increase) decrease in:						
Accounts receivable	(124,803)	(203,705)	77,975	227,523	(25,010)	2,533
Inventories	-	103,661	-	(18,097)	85,564	(54,095)
Amount due from other funds	(8,330)	1,818,907	-	(98,820)	1,771,757	(633,021)

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

City of Griffin, Georgia
Statement of Cash Flows - continued
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Increase (decrease) in:						
Accounts payable	1,239,415	(346,074)	(459,295)	29,380	463,426	262,306
Accrued liabilities	(51,815)	(28,174)	(53,677)	(29,705)	(163,371)	(5,813)
Retainage payable	-	-	-	-	-	58,838
Contracts payable	353,806	-	-	-	353,806	-
Amount due to other funds	(4,845,221)	-	(1,569,914)	-	(6,415,135)	-
Amounts due to other agencies and governments	(161,538)	(129,728)	-	(14,512)	(305,778)	-
Compensated absences	137,733	221,655	29,005	106,340	494,733	18,312
Customer deposits	-	-	-	478	478	-
Net cash provided (used) by operating activities	\$ (282,684)	\$ 7,166,222	\$ (1,759,256)	\$ (592,765)	\$ 4,531,517	\$ 935,227

City of Griffin, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
Pension Trust Fund
June 30, 2003

	<u>Employee Aid Fund</u>
Assets:	
Cash and cash equivalents	\$ 398,577
Investments at fair value	29,024,487
Due from other funds	130,746
Other assets	<u>28,094</u>
Total Assets	<u>\$ 29,581,904</u>
 Net Assets:	
Held in trust for pension benefits and other purposes	 <u>\$ 29,581,904</u>

Governmental Major
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Pension Trust Fund
Year ended June 30, 2003

	Employee Aid Fund
Additions	
Contributions	\$ 2,129,847
Investment earnings:	
Interest	1,031,775
Net increase in the fair value of investments	885,887
Less investment expense	(67,906)
Net investment earnings	1,849,756
Total additions	3,979,603
Deductions:	
Benefits	1,655,525
Change in net assets	2,324,078
Net assets - beginning	27,257,826
Net assets - ending	\$ 29,581,904

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Griffin, Georgia was chartered in 1843 and operates under a Mayor-Council-City Manager form of government. As mandated by the charter, the City provides police and fire protection; electrical, water, sewer and sanitation services; recreation services; highways and streets; inspection and engineering services; and various general administrative services to residents of the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes required by the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City has elected to implement the general provisions of the Statement in the current year including reporting of infrastructure assets.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, recreation, public works and general administrative services are classified as governmental activities. The City's electric, water and wastewater, sanitation, stormwater, solid waste, airport, Welcome Center, and golf course are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) reported on a full accrual basis, and (c) uses an economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by the general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. Program revenues must be directly associated with the function (police, public works, recreation, etc.) or a business-type activity.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Proprietary funds distinguish *operating* revenue and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

In the event that an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the policy of the City to first expend restricted resources.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, hotel-motel taxes, sales taxes, etc).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The City uses governmental funds, fiduciary funds and proprietary funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City's proprietary funds are considered enterprise funds in that they are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The City's fiduciary fund (which has been redefined and narrowed in scope) is presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (Employee Aid Fund) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Modified Accrual – The governmental funds financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Those revenues susceptible to accrual are property taxes, sales taxes, alcoholic beverage taxes, interest revenue and charges for services. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

E. Major Funds

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The *water and wastewater fund* for the activities of the government's water and water treatment operations.
- The *electric fund* accounts for the activities of the government's electric distribution operations. Electrical services are purchased through a cooperative association of municipalities within the State and sold to residents of the City.
- The *stormwater utility fund* accounts for the activities of the government's stormwater management operations.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

G. Investments

Investments consisting of bank certificates of deposit with original maturities of 90 days or more, prime banker's acceptances and U.S. Government obligations are stated at fair value. Accrued interest receivable on investments at year-end is included with investments on the balance sheet.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

H. Receivables

Revenues are recorded when received except for the following for which accruals have been made:

Taxes receivable - Delinquent property taxes for which the City has a property lien are shown as taxes receivable. Property taxes are levied and billed on September 30th based upon property values assessed as of January 1. The billings are considered due upon receipt by the taxpayer and are past due if not paid by November 28th, 60 days after the tax bill mailing. Taxes not paid within sixty days are subject to property tax liens. Receivables are shown net of an allowance for uncollectible amounts when necessary.

Sales taxes, franchise taxes, and other receivables – These are recorded as revenue when they become measurable and available for collection. Amounts earned though not available are recorded as deferred revenues.

Accounts Receivable - Electric Fund services are recognized when earned, and are shown net of allowance for uncollectible amounts of 29% of the accounts receivable balance at June 30, 2003.

Returned checks - are checks written by the public that have been returned to the City as unpaid.

Accounts Receivable-Employee -- represents the amounts owed by employees to the City for travel advances and similar items.

Unbilled Services Receivable-Receivables in the enterprise funds are an estimate of services provided but not yet billed as of June 30, 2003.

I. Inventory

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

K. Restricted Assets

Monies or other resources, the use of which is restricted by legal or contractual requirements are recorded as restricted assets. Restricted assets in the enterprise funds include amounts for customer utility deposits, construction funds from bond proceeds and funds established for debt service for revenue bonds as required by the bond indentures.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental or business type activities in the government-wide statement of net assets and depreciated over their estimated useful lives in the government-wide statement of changes in net assets. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land, buildings, electric infrastructure and water and sewer infrastructure are capitalized. Depreciation is provided over the estimated useful lives of assets using the straight line method. Assets which are fully depreciated and no longer in use are removed from capital assets.

The estimated useful lives for the various classes of fixed assets are as follows:

Infrastructure (streets, sidewalks)	40 years
Buildings	15-50 years
Distribution systems	20-40 years
Treatment plant	40 years
Sewer collection systems	20-40 years
Sanitation containers	20 years
Autos and trucks	5-7 years
Other equipment	5-7 years

Expenditures for maintenance and repairs which do not add to the value of assets or materially extend their useful lives are expenses as incurred. However, expenditures for repairs or upgrading which do materially add to the value or life of an asset are capitalized.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Interest is capitalized during the construction period on proprietary fund assets financed with bond debt. The amount of interest to be capitalized for debt with tax-exempt interest is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. The amount of interest to be capitalized for debt with taxable interest is calculated at the average borrowing rate applied to costs incurred during the construction period.

GASB No. 34 requires the City to report and depreciate infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. The historical cost has historically been reported in the financial statements, but the related depreciation has been excluded.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Costs incurred in connection with the issuance of revenue bonds have been capitalized and are being amortized over the life of the bonds. These amounts are included in other assets.

N. Compensated Absences

The City's policy allows an employee to accumulate earned but unused vacation and sick hours, depending on the length of employment. Vacation and sick pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation and sick pay that is currently due and is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

O. Pension Fund

Annual costs of the pension fund are actuarially computed and include amortization of past service costs over a period of forty years. The City's policy is to fund the annual pension costs in the annual budget.

P. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investments in capital assets (net of related debt), restricted and unrestricted.

- **Investments in Capital Assets (Net of Related Debt)** is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding capital asset related debt.
- **Restricted Net Assets** represent funds for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.
- **Unrestricted Net Assets** represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the Board of Commissioners has the unrestricted authority to revisit or alter these managerial decisions.

Q. Due From Other Governments and Agencies

Due from other governments includes amounts from grantors for specific programs and capital projects. Program grants and capital grants for general fixed assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are deferred. Capital grants for fixed asset additions in Proprietary Funds are recorded as receivables and corresponding increases to contributions when reimbursable project costs are incurred.

R. Deferred Property Taxes

Deferred property tax revenue is recorded for the portion of property tax receivables which are not collected within sixty days of year-end.

S. Fund Equity

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

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

T. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

U. Expenditures exceeding appropriations

Expenditures exceeded appropriations at the fund level for the General Fund (\$726,510); Cemetery Trust Fund (\$4,894); Multiple Grant Fund (\$132,066); Community Development Block Grant Fund (\$129); Water/Wastewater Fund (\$778,744); Electric Fund (\$1,139,020); Stormwater Fund (\$37,906); Solid Waste Fund (\$209,538); Airport Fund (\$88,720); and the Golf Course Fund (\$78,181). The Board of Commissioners is currently addressing these issues in a multi-year financial improvement plan which is currently being developed.

V. Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Budgets are adopted for all governmental funds, the Electric Fund, Water and Sewer Fund, Solid Waste Fund, Stormwater Utility Fund, Airport Fund, Welcome Center Fund, and Golf Course Fund (Enterprise Funds). Budgets for the Enterprise Funds are prepared for planning and control purposes only. Budgets are adopted for all special revenue funds as well as capital projects funds on a fiscal year basis. The legal level of budgetary control is the department level, with the Council being the only body authorized to make amendments to the budget. No supplemental appropriations were made for the year ended June 30, 2003.

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized by the City for budget purposes only. Annual appropriations lapse at the end of the City's fiscal year.

B. Budget/GAAP Reconciliation

The budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles.

The budgets for the Enterprise Funds are prepared for planning and control purposes only. Enterprise Fund budgets are adopted on a basis consistent with generally accepted accounting principles except that capital outlay and debt service are budgeted as expenses and bad debt expense is not budgeted. Also in the Enterprise Funds, capitalized interest is expensed for budget purposes.

NOTE 3 - CASH AND INVESTMENTS

Deposits - Certificates of deposit with original maturities of 90 days or more are included in investments in the accompanying combined balance sheet. However, in order to conform to the GASB Statement 3 definition of deposits, these certificates of deposit have been reclassified from investments to deposits for purposes of presenting the information detailed below.

**CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

At June 30, 2003, the carrying amount of the City's deposits was \$15,796,166 and the related bank balances totaled \$16,531,531 . The City's deposits are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are covered by Federal Depository Insurance or by collateral held by the City or its agent in the City's name. Category 2 includes cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized bank deposits or deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not in the City's name.

The bank balances are classified as follows at June 30, 2003:

Form of Deposit	1	Category 2	3	Bank Balance	Carrying Amount
Demand Deposit	\$ 4,529,679	\$ 10,495,630	\$ -0-	\$ 5,025,309	\$ 14,289,944
Certificate of Deposit	552,370	953,852	-0-	1,506,222	1,506,222
	<u>\$ 5,082,049</u>	<u>\$ 11,449,482</u>	<u>\$ -0-</u>	<u>\$ 16,531,531</u>	<u>\$ 15,796,166</u>

Investments - Statutes authorize the City to invest in obligations of the United States and its agencies, obligations of the State of Georgia or other states and their agencies, prime banker's acceptances, repurchase agreements or obligations of other local governments in Georgia. The City may also invest in certificates of deposits of banks which are insured by the Federal Deposit Corporation (FDIC) provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC is adequately collateralized.

Investments are classified by degree of credit risk into the three categories described below:

Category 1 - Insured or registered, with the securities held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered, with the securities held by the counterparty or by its trust department or agent, but not in the City's name.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Investments held by the City at June 30, 2003 are summarized below:

Form of Investments	1	Category 2	3	Carrying Amount	Fair Value
U.S. Government Securities	\$ 63,477,177	\$ -0-	\$ -0-	\$ 63,477,177	\$ 63,477,177
Equities	-0-	-0-	9,019,005	9,019,005	9,019,005
Repurchase agreements	-0-	-0-	-0-	-0-	-0-
	<u>\$ 63,477,177</u>	<u>\$ -0-</u>	<u>\$ 9,019,005</u>	<u>\$ 72,496,182</u>	<u>\$ 72,496,182</u>

Investments in the :

*Local Government Investment Pool	\$ 1,548,858	\$ 1,548,858
**Municipal Competitive Trust	<u>21,621,160</u>	<u>21,621,160</u>
	<u>\$ 95,666,200</u>	<u>\$ 95,666,200</u>

*The Local Government Investment Pool, Georgia Fund 1, is managed by the Georgia Office of Treasury and Fiscal Services, under the direction of the Georgia State Depository Board. Deposits to this fund by the City of Griffin must be by Resolution and be authorized by the City of Griffin's Commission. A copy of this resolution must be on file with the Georgia's Director of Treasury and Fiscal Services. The Georgia Fund 1 is managed to maintain a constant net asset value of 1.00 and the fund is in compliance with GASB 31 and is managed in a manner consistent with Rule 2a7 (of the Investment Company Act of 1940) like funds.

**The Municipal Competitive Trust's Trustee shall at all times be a trust company or bank having the power of a trust company within or without the State of Georgia and the Trustee shall have, at all times, a combined capital and surplus of not less than One Hundred Million Dollars (\$100,000,000.) The Trustee shall invest and reinvest the Trust only in Investment Securities. The present Trustee is First Union National Bank, a national bank having trust powers and organized and existing under the laws of the United States. The Trustee may be removed at any time with or without cause upon written direction of the Municipal Electric Authority of Georgia ("MEAG").

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 4 – RECEIVABLES

Receivables as of year end for the government's individual major funds and non nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Governmental Funds	Water/ Wastewater Fund	Electric Fund	Storm Water Fund	Nonmajor Proprietary Funds	Total
Receivables							
Taxes	\$ 1,051,345	\$ 25,576	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,076,921
Accounts	39,163	-0-	742,419	10,025,216	92,489	238,156	11,137,443
Assessments	-0-	-0-	72,664	-0-	-0-	-0-	72,664
Intergovernmental	71,485	-0-	6,014	-0-	-0-	-0-	77,499
Other	-0-	-0-	37,154	-0-	-0-	55,481	92,635
Gross receivables	1,161,993	25,576	858,251	10,025,216	92,489	293,637	12,457,162
Less: allowance for uncollectibles	(148,065)	-0-	-0-	(2,833,726)	-0-	-0-	(2,981,791)
Net total receivables	<u>\$ 1,013,928</u>	<u>\$ 25,576</u>	<u>\$ 858,251</u>	<u>\$ 7,191,490</u>	<u>\$ 92,489</u>	<u>\$ 293,637</u>	<u>\$ 9,475,371</u>

NOTE 5 – CAPITAL ASSETS

In the past, the City has not maintained adequate detailed fixed asset registers for all of its assets. Accordingly, management has made use of estimates where necessary to approximate the historical cost of City owned property. Buildings are valued at approximate replacement value, discounted to their individual date of acquisition. Infrastructure was assumed to have been constructed in the same amount each year for forty years, and then discounted. Equipment that could not be specifically identified was charged off. Also, the City changed its capitalization policy to capitalize assets with a minimum purchase price of \$5,000. The net effect of these changes was to write off the amount of \$15,975,558 of governmental fixed assets from the amounts previously reported as of June 30, 2002.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 5 – CAPITAL ASSETS (continued)

Capital asset activity for the year ended June 30, 2003 was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,050,535	\$ 111,662	\$ -0-	\$ 1,162,197
Land improvements	14,175	-0-	-0-	14,175
Construction in progress	<u>2,813,103</u>	<u>2,921,685</u>	<u>-0-</u>	<u>5,734,788</u>
Total capital assets, not being depreciated	<u>3,877,813</u>	<u>3,033,347</u>	<u>-0-</u>	<u>6,911,160</u>
Capital assets, being depreciated:				
Buildings and improvements	2,131,288	-0-	-0-	2,131,288
Equipment	14,975,187	1,165,904	669,427	15,471,664
Infrastructure	<u>3,060,601</u>	<u>-0-</u>	<u>-0-</u>	<u>3,060,601</u>
	<u>20,167,076</u>	<u>1,165,904</u>	<u>669,427</u>	<u>20,663,553</u>
Less accumulated depreciation for:				
Buildings and improvements	(837,023)	(57,270)	-0-	(894,293)
Equipment	(10,843,966)	(1,301,865)	(563,282)	(11,582,549)
Infrastructure	<u>(1,044,848)</u>	<u>(76,515)</u>	<u>-0-</u>	<u>(1,121,363)</u>
Total accumulated depreciation	<u>(12,725,837)</u>	<u>(1,435,650)</u>	<u>(563,282)</u>	<u>(13,598,205)</u>
Total capital assets being depreciated, Net of accumulated depreciation	<u>7,441,239</u>	<u>(269,746)</u>	<u>106,146</u>	<u>7,065,348</u>
Governmental capital assets, net	<u>\$ 11,319,052</u>	<u>\$ 2,763,601</u>	<u>\$ 106,146</u>	<u>\$ 13,976,508</u>

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 5 – CAPITAL ASSETS (continued)

Business type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 7,576,045	\$ 46,712	\$ -0-	\$ 7,622,757
Land improvements	2,835,359	241,696	-0-	3,077,055
Construction in progress	6,659,403	8,774,863	(3,452,710)	11,981,556
Total capital assets, not being depreciated	17,070,807	9,063,271	(3,452,710)	22,681,368
Capital assets, being depreciated				
Buildings and improvements	21,104,417	-0-	(33,200)	21,071,217
Equipment	15,723,620	158,401	(17,919)	15,864,102
Infrastructure	45,512,136	4,412,771	-0-	49,924,907
Total capital assets, being depreciated	82,340,173	4,571,172	(51,119)	86,860,226
Less accumulated depreciation:	(28,343,011)	(2,627,810)	45,273	(30,925,548)
Total capital assets being depreciated, net of accumulated depreciation	53,997,162	1,943,362	(5,846)	55,934,678
Business-type activities capital assets, net of accumulated depreciation	\$ 71,067,969	\$ 11,006,633	\$ (3,458,556)	\$ 78,616,046

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

Governmental activities:		Business-type activities:	
General government	\$ 93,057	Electric	\$ 610,219
Public Safety	43,752	Water/Wastewater	1,534,699
Public Works	50,237	Solid Waste	175,686
Economic Development	1,703	Stormwater	128,732
	188,749	Airport	115,008
Internal Service Fund	1,246,901	Welcome Center	41,830
-Motor Pool	\$ 1,435,650	Golf Course	21,636
			\$ 2,627,810

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 6 – SEGMENT INFORMATION

	<u>Water/ Wastewater Utility Fund</u>	<u>Electric Utility Fund</u>	<u>Stormwater Utility Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Total assets	\$ 111,060,367	\$ 43,381,715	\$ 6,573,758	\$ 8,890,145	\$ 169,905,985
Total liabilities	<u>80,234,831</u>	<u>4,597,322</u>	<u>2,469,543</u>	<u>2,826,468</u>	<u>90,128,164</u>
Net assets	<u>\$ 30,825,536</u>	<u>\$ 38,784,393</u>	<u>\$ 4,104,215</u>	<u>\$ 6,063,677</u>	<u>\$ 79,777,821</u>
Operating revenues	\$ 11,271,368	\$ 30,316,607	\$ 1,433,744	\$ 5,429,188	\$ 48,450,907
Operating expenses	<u>(9,627,998)</u>	<u>(25,493,906)</u>	<u>(1,345,826)</u>	<u>(6,638,699)</u>	<u>(43,106,429)</u>
Operating income	1,643,370	4,822,701	87,918	(1,209,511)	5,344,478
Nonoperating revenue (expense)	(1,356,819)	(247,923)	(74,310)	(257,372)	(1,936,424)
Transfers	<u>4,382,815</u>	<u>(8,368,444)</u>	<u>2,565,822</u>	<u>1,058,415</u>	<u>(361,392)</u>
Change in net assets	4,669,366	(3,793,666)	2,579,430	(408,468)	3,046,662
Beginning net assets, before prior period adjustment	26,121,170	42,578,059	1,524,785	6,472,145	76,696,159
Prior Period Adjustment	<u>35,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>35,000</u>
Beginning net assets, restated	<u>26,156,170</u>	<u>42,578,059</u>	<u>1,524,785</u>	<u>6,472,145</u>	<u>76,731,159</u>
Ending net assets	<u>\$ 30,825,536</u>	<u>\$ 38,784,393</u>	<u>\$ 4,104,215</u>	<u>\$ 6,063,677</u>	<u>\$ 79,777,821</u>

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 – LONG TERM DEBT

The following is a summary of the changes in long-term obligations of the City for the fiscal year ended June 30, 2003.

	Balance, June 30, 2002	Additions	Retirements	Balance, June 30, 2003	Current Portion	Long-term Portion
Primary Government						
Governmental activities:						
Compensated absences	\$ 1,482,425	\$ 429,129	\$ -0-	\$ 1,911,554	\$ 57,000	\$ 1,854,554
Tax Anticipation Note	7,000,000	-0-	(7,000,000)	-0-	-0-	-0-
Capital Leases Payable	1,653,142	-0-	(851,353)	801,789	579,847	221,942
Governmental activity- long-term liability	<u>\$10,135,567</u>	<u>\$ 429,129</u>	<u>\$(7,851,353)</u>	<u>\$ 2,713,343</u>	<u>\$ 636,847</u>	<u>\$ 2,076,496</u>
Business-type activities:						
Compensated absences	\$ 796,320	\$ 598,404	\$ -0-	\$ 1,394,724	\$ 42,000	\$ 1,352,724
Water and Wastewater						
Revenue Bonds:						
Series 1993A	9,505,000	-0-	(6,810,000)	2,695,000	630,000	2,065,000
Series 1996	5,700,000	-0-	(295,000)	5,405,000	300,000	5,105,000
Series 1997	5,475,000	-0-	(255,000)	5,220,000	270,000	4,950,000
Series 2002	-0-	64,385,000	-0-	64,385,000	35,000	64,350,000
GEFA Note #87-002-WQ	343,806	-0-	(36,230)	307,576	28,575	279,001
GEFA Note #98-007-NP	2,159,750	142,755	(37,480)	2,265,025	90,404	2,174,621
Capital leases payable	149,570	-0-	(104,447)	45,123	45,123	-0-
Business-type activity- long-term liabilities	<u>\$ 24,129,446</u>	<u>\$ 65,126,159</u>	<u>\$ (7,538,157)</u>	<u>\$ 81,717,448</u>	<u>\$ 1,441,102</u>	<u>\$80,276,346</u>

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Principal and interest requirements to amortize all long-term debt as of June 30, 2003 are as follows:

		Principal		Interest		Total
2004	\$	1,897,531	\$	4,507,038	\$	6,404,569
2005		1,638,369		4,177,087		5,815,456
2006		1,670,383		4,103,502		5,773,885
2007		1,641,649		4,028,475		5,670,124
2008		1,717,991		3,614,696		5,332,687
2009-2013		10,803,590		17,147,462		27,951,052
2014-2018		11,210,000		14,325,711		25,535,711
2019-2023		14,265,000		11,276,888		25,541,888
2024-2028		18,160,000		7,375,850		25,535,850
2029-2033		18,120,000		2,320,000		20,440,000
Total	\$	81,124,513	\$	72,876,709	\$	154,001,222

Leases Payable

The City leases certain real and personal property from the Georgia Municipal Association (GMA) Direct Loan Program. The City executed a Master Lease Agreement on January 5, 2002. Under the terms of the lease, the City may enter into lease supplements with the lease of certain property, subject to the approval of GMA. The City's obligation to pay such lease payments is conditional on the appropriation of funds to make those payments by the City Commission.

Details of the individual Supplemental Lease Agreements are as follows:

Supplement 15, Supplemental Lease Dated: August 25, 1998, Original Executed Lease Agreement: \$125,000.00, Quarterly Payment: \$7,385.25, Interest Rate: 4.95%, Principal & Interest Due: February 15, May 15, August 15, November 15.

Supplement 19, Lease Dated: December 1, 1998, Original Executed Lease Agreement: \$355,454, Quarterly Payment: \$20,040, Interest Rate: 4.58%, Principal & Interest Due: February 15, May 15, August 15, November 15.

Supplement 21, Lease Dated: March 9, 1999, Original Executed Lease Agreement: \$79,057.40, Quarterly Payment: \$4,471, Interest Rate: 4.74%, Principal & Interest Due: February 15, May 15, August 15, November 15.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Supplement 22, Lease Dated: March 24, 2000, Original Executed Lease Agreement: \$300,145, Quarterly Payment: \$17,387, Interest Rate: 5.69%, Principal & Interest Due: January 1, April 15, July 15, October 15.

Supplement 23, Lease Dated: March 9, 2000, Original Executed Lease Agreement: \$60,633, Quarterly Payment: \$3,553, Interest Rate: 5.69%, Principal & Interest Due: January 1, April 15, July 15, October 15.

Supplement 24, Lease Dated: January 5, 2001, Original Executed Lease Agreement: \$389,409, Quarterly Payment: \$24,576, Interest Rate: 5.19%, Principal & Interest Due: March 1, June 15, September 15, December 15.

Supplement 25, Master Lease Agreement Dated: January 5, 2001, Lease Supplement Dated: April 13, 2001, Original Executed Lease Agreement: \$1,078,221, Quarterly Payment: \$84,132 through January 15, 2004; Quarterly Payment \$80,373 due April 15, 2004; Quarterly Payment \$20,513 due July 15, 2004 and continuing until the end of the lease. Interest Rate: 6.55%, Principal & Interest Due: January 15, April 15, July 15, October 15.

Tax Anticipation Note

In June, 2002, the City borrowed \$7,000,000 to get started on construction of the raw water reservoir. The money was borrowed on a short term tax anticipation note and then loaned from the General Fund to the Water/Wastewater Fund. This debt was repaid by the Water/Wastewater Fund to the General Fund who then paid off the tax anticipation note in December of 2002.

Revenue Bonds Payable

2002 Series - Original issue of \$64,385,000, 2.00% to 5.625% revenue bonds payable in varying semi-annual principal and interest payments due (January 1 and July 1) through September 2032. The City used a portion of these bonds to refund \$6,210,000 in aggregate principal amount of the Series 1993A Bonds in order to achieve debt service savings. The refunding reduced the City's total debt service payments by \$354,922 on an aggregate basis and by \$292,882 on a present value basis.

1993A Series - Original issue of \$9,505,000 3.1% to 5.5% revenue bonds payable in varying semi-annual principal and interest payments due (January 1 and July 1).

**CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

1996 Series - Original issue of \$6,925,000 4.4% to 5.4% revenue bonds payable in varying semi-annual principal and interest payments due (January 1 and July 1).

1997 Series - Original issue of \$6,610,000 4.35% to 5.125% revenue bonds payable in varying semi-annual principal and interest payments due (January 1 and July 1).

Georgia Environmental Facilities Authority

The City of Griffin has entered into a contract for two loans with the Georgia Environmental Facilities Authority for an aggregate loan balance of \$2,527,601. Payments for these loans are repaid quarterly.

<u>Loan Amount</u>	<u>Payment Period</u>
\$307,576	July 1, 1990 to April 1, 2010
\$2,265,025	September 1, 2002 to December 12, 2022

Loan #98-007-NP – Original amount \$2,302,505, 3.75% , quarterly payments of \$39,898 beginning September 1, 2002

Loan #87-002-WQ – Original amount \$653,145, 5.80% , quarterly payments of \$13,848 beginning July 1, 1990

Compensated Absences

Changes in compensated absences for the year are as follows:

Compensated absenses, beginning	\$ 2,278,745
Additions	1,027,533
Compensated absenses, ending	\$ 3,306,278

See auditor's report.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 8 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

Interfund receivable/payables at June 30, 2003 are as follows:

Receivable Fund	Due to/from other funds Interfund Receivable	Interfund Payable
General Fund	\$ 927,771	\$ 182,038
Non-Major Governmental Funds	-0-	53,610
Non-Major Enterprise Funds	51,292	874,162
Fiduciary Funds	130,746	-0-
Rounding	1	-0-
	\$ 1,109,810	\$ 1,109,810

The purpose of interfund receivables, payables, and transfers is to meet temporary cash flow requirements and timing between receiving and recognizing certain revenues.

Transfer Fund	Operating transfers to/from other funds Transfers In	Transfers Out
General Fund	\$ 8,630,262	\$ 10,338,960
Nonmajor governmental funds	735,591	21,306
Enterprise funds	9,612,884	9,974,276
Internal Service Fund	1,518,205	162,400
	\$ 20,496,942	\$ 20,496,942

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City participates in a public entity risk pool, known as GIRMA, which operates as a common risk management and insurance program. GIRMA establishes and administers this public entity risk pool to prevent or lessen the incidence and severity of casualty and property losses occurring in the operations of the City. GIRMA is obligated to provide for the cost of claims and related interest incurred by the City along with the cost of investigating, negotiating and defending such claims. The City pays an insurance premium to GIRMA for coverage against these risks of loss.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

1. Plan Description

The City of Griffin Employee Aid Fund is a single employer defined benefit pension plan administered by the Employee Aid Fund Board of Trustees. The pension plan provides retirement and disability benefits for employees hired before July 1, 1995, and death benefits to plan members and beneficiaries. Cost of living adjustments are provided each January 1 and July 1 to members and beneficiaries and a bonus adjustment is paid from the surplus income of the Fund as determined by the Board of Trustees.

As of July 1, 2003, the plan membership included the following categories of participants.

1. Vested Benefits by Participant Category	
a. Vested Participants Receiving Benefits	129
b. Vested Inactive Participants not yet receiving benefits	49
c. Vested Active Participants	162
d. Total: a. + b. + c.	340
2. Non-Vested Active Participants	284
3. Total Vested and Non-Vested Participants: 1.d. + 2.	624

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

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

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions from the City are recognized as revenue in the period in which the contributions are due. Investment income is recognized by the Plan when earned.

Method Used by Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on exchanges are valued at last reported sales price. No investments represented more than 5% of Plan net assets at June 30, 2003.

3. Funding Policy

The board of Trustees of the Plan has adopted a recommended actuarial funding policy which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2003, the actuarially determined contribution rate was 14.4% of covered payroll.

For 2003, the City's recommended contribution was \$1,535,101 and actual contribution totaled \$2,129,847. The recommended contribution was determined as part of the July 1, 2003 actuarial valuation using the entry age actuarial cost method. Actuarial assumptions include an 8.0% rate of return on investments and projected salary increases of 5.0% due to merit increases. The period, and related method, for amortizing the initial unfounded actuarial accrued liability is 40 years from 1983 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provision and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this plan year.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

4. Annual Pension Cost

The City's annual pension cost and net pension obligation for 2003 were computed as follows:

Annual required contribution/pension cost	\$ 1,535,101
Contributions made	<u>2,129,847</u>
Increase in net pension asset	594,746
Net pension asset, beginning of year	<u>2,459,361</u>
 Net pension asset, end of year	 <u>\$ 3,054,107</u>

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation/ (Asset)	Actuarially Required Contribution	Amortization Factor
2003	\$ 1,535,101	\$ 2,129,847	138.7%	\$ (3,054,107)	\$ 1,955,007	11.021
2002	1,639,822	2,323,241	141.8%	(2,459,361)	1,269,322	12.349
2001	1,197,620	1,653,052	125.0%	(1,210,565)	1,322,668	11.683
2000	1,226,493	1,577,291	122.2%	(755,133)	1,290,342	12.835
1999	1,228,897	1,633,232	132.9%	(404,335)	1,228,897	

See auditor's report.

CITY OF GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

5. Schedule of Funding Progress

The information presented below is based on the annual actuarial valuations as of July 1 of each year.

Year Ended June 30,	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Funded Ratio AAL / AVA	Covered Payroll	UAAL as Covered Payroll
2003	9,581,904	43,342,397	13,760,493	68.3%	15,375,420	89.5%
2002	27,257,827	39,898,022	12,640,195	68.3%	13,468,715	93.8%
2000	24,674,875	33,047,220	8,372,345	74.7%	10,615,599	78.9%
1998	21,929,029	29,779,677	7,850,648	73.6%	9,750,599	80.5%
1996	16,079,476	25,813,609	9,734,133	62.3%	8,642,184	112.6%
1994	12,535,041	22,434,478	9,899,437	55.9%	8,508,239	116.4%
1992	10,045,763	18,267,891	8,222,128	55.0%	7,613,185	108.0%

The City also provides post retirement health benefits to its retirees. The City pays a prorate portion to those employees of post retirement health insurance premiums to its retired employees, as well as their dependents. This coverage is available until time of death, and participation is available for all employees who are vested in the Employee Aid Fund. For the year ended June 30, 2003, the City contributed approximately \$244,440.

NOTE 11 - CONTINGENCIES AND COMMITMENTS

Several claims and lawsuits are pending against the City relating to various accidents, disputes, and legislative and administrative matters. The City's management believes that the resolution of these matters will not materially affect the City's financial position.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

The City has entered into contracts with the Municipal Electric Authority of Georgia (the "Authority") which require the City to purchase, from the Authority, all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its operating costs and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the Authority's outstanding debt, the City has guaranteed a portion of the unpaid debt based on its entitlement share of the output and services of generating units acquired or constructed by the Authority. These obligations, which extend through the year 2020, are general obligations of the City for which the City's full faith, credit and taxing powers are pledged. The City's obligations to the Authority for power supply costs are based on the Authority's costs and the City's demand for bulk power supply, subject to certain minimum amounts.

At June 30, 2003, the outstanding debt of the Authority was approximately \$3.68 billion. The City's guarantee totals approximately \$152 million at June 30, 2003.

The City has adopted the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust included two types of funds, which are held in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The City's portion of unrestricted funds at June 30, 2003 was \$2,833,707. The second type represents amounts that are available to the City in the form of a loan or an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met. The City's portion of these funds at June 30, 2003 was \$18,787,453. These funds are not available to cover current operations and are therefore considered restricted and have been deferred at June 30, 2003.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 12 - JOINT VENTURE

The City, in conjunction with cities and counties in the five county South Georgia area are members of the McIntosh Trail Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an ARC.

NOTE 13 - RELATED ORGANIZATIONS

The City's council is responsible for appointing all board members of the City of Griffin Housing Authority. However, the City has no further accountability for the Authority.

NOTE 14 - SUBSEQUENT EVENTS

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its counsel, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the City.

NOTE 15 - CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2002, the City implemented the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments - Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. The implementation of these new accounting statements significantly changed the reporting model and reporting requirements for the City.

See auditor's report.

CITY OF GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 15 – CHANGES IN ACCOUNTING PRINCIPLES (continued)

The implementation of these new statements required the following calculation to establish beginning net assets for governmental activities.

Total governmental fund balances at June 30, 2002	\$ 40,288,779
Capital assets	7,018,660
Compensated absences	<u>(1,458,852)</u>
Total net assets - governmental activities as of June 30, 2002	<u>\$ 45,848,587</u>

NOTE 16 - PRIOR PERIOD ADJUSTMENTS

General Fund – There is a prior period adjustment to the beginning fund balance in the amount of \$114,541. This adjustment reflects a correction to a cash account that had previously been overstated by the same amount. This adjustment results in a reduction of fund balance.

Water and Wastewater Fund – There is a prior period adjustment to the beginning net assets in the amount of \$35,000. This adjustment reflects a \$35,000 piece of property that was turned over in lieu of debt. The debt was written off in a prior year. This resulted in a \$35,000 increase in net assets.

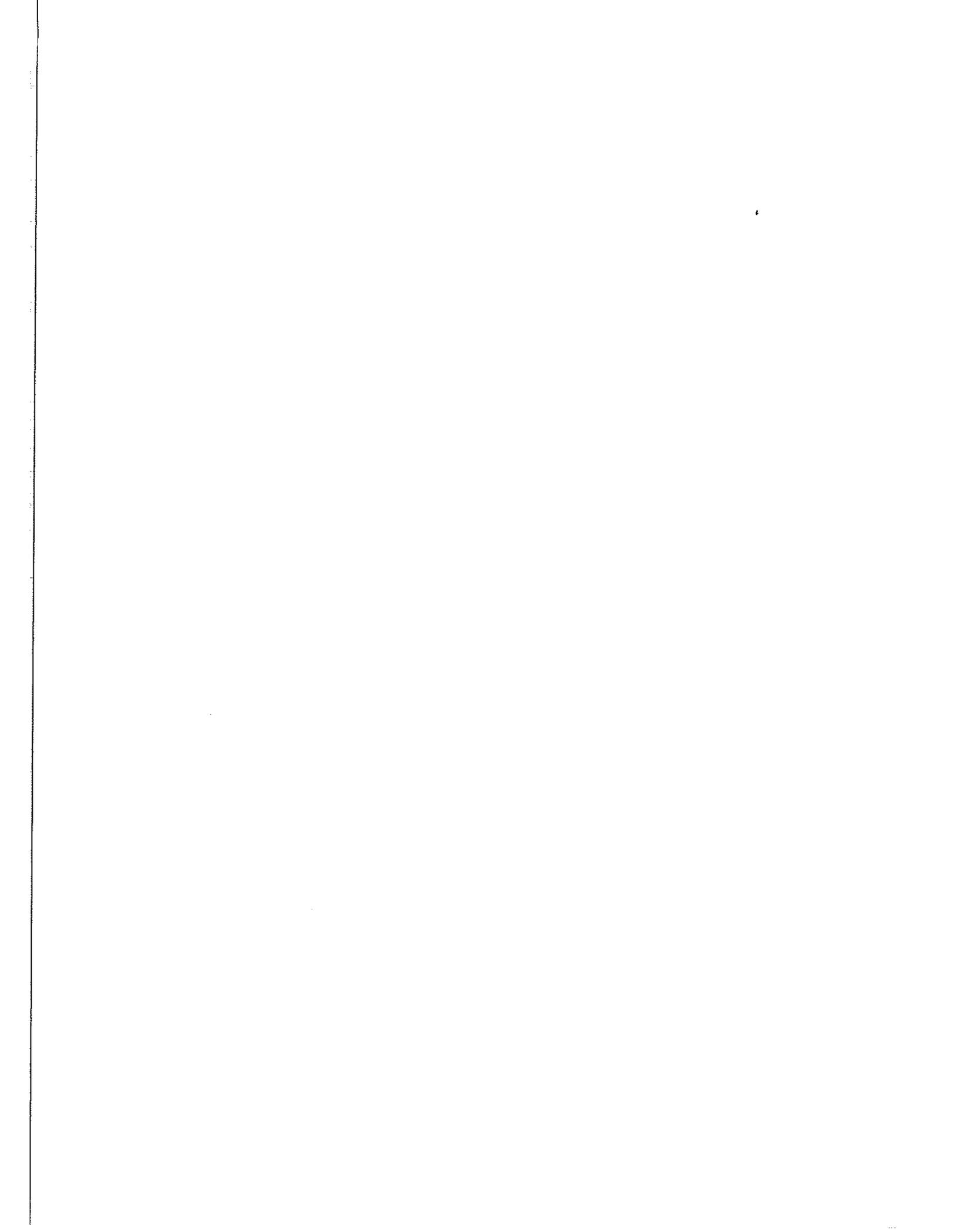
Motor Pool Fund – There is a prior period adjustment to the beginning net assets in the amount of \$31,628. This adjustment reflects an overstatement in a capital lease liability. This resulted in an increase in net assets.

The over all affect of these prior period adjustments to the City's net assets is a \$47,913 reduction.

NOTE 17 – CLOSURE AND POST CLOSURE CARE COST

The City of Griffin closed its landfill in 1997. State and federal laws require the City of Griffin to cover a landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$1,295,696 reported as landfill closure care liability at June 30, 2003 represents the estimated total amount necessary to perform all future closure and post closure functions. The cumulative amount reported is based on the use of 100 percent of the capacity of the landfill. The amount reported is based on what it would cost to perform all closure and post closure care in 2003. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

See auditor's report.



City of Griffin, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Non Major Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 26,388	\$ 320,397	\$ -	\$ 346,785
Receivables	23,149	2,427	-	25,576
Cash - restricted	-	-	1,396,885	1,396,885
Capital assets - sites	-	-	206,397	206,397
Total Assets	<u>\$ 49,537</u>	<u>\$ 322,824</u>	<u>\$ 1,603,282</u>	<u>\$ 1,975,643</u>
<u>Liabilities</u>				
Accounts payable	\$ 23,143	\$ 80,176	\$ -	\$ 103,319
Due to other funds	6,548	37,166	9,896	53,610
Deferred revenue	-	2,427	-	2,427
Total Liabilities	<u>29,691</u>	<u>119,769</u>	<u>9,896</u>	<u>159,356</u>
<u>Fund Balance</u>				
Reserved for rehabilitation	26,392	-	-	26,392
Reserved for perpetual care	-	-	1,593,386	1,593,386
Reserved for capital projects	-	203,055	-	203,055
Unreserved	(6,546)	-	-	(6,546)
Total fund balance	<u>19,846</u>	<u>203,055</u>	<u>1,593,386</u>	<u>1,816,287</u>
Total Liabilities and Fund Balance	<u>\$ 49,537</u>	<u>\$ 322,824</u>	<u>\$ 1,603,282</u>	<u>\$ 1,975,643</u>

City of Griffin, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year ended June 30, 2003

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	157,821	120,159	-	277,980
Charges for services	-	-	49,058	49,058
Interest income	-	9,926	60,338	70,264
Other income	233	-	-	233
Total revenue	<u>158,054</u>	<u>130,085</u>	<u>109,396</u>	<u>397,535</u>
Expenditures				
Current operations	56,714	78,804	5,319	140,837
Capital outlay	175,481	1,285,376	-	1,460,857
Total expenditures	<u>232,195</u>	<u>1,364,180</u>	<u>5,319</u>	<u>1,601,694</u>
Excess revenues over (under) expenditures	(74,141)	(1,234,095)	104,077	(1,204,159)
Other financing sources (uses)				
Transfers in	40,959	694,632	-	735,591
Transfers out	-	-	(21,306)	(21,306)
Total other financing sources (uses)	<u>40,959</u>	<u>694,632</u>	<u>(21,306)</u>	<u>714,285</u>
Excess of revenues and other sources over expenditures and other uses	(33,182)	(539,463)	82,771	(489,874)
Fund balance, beginning of year	53,028	742,518	1,510,615	2,306,161
Fund balance, end of year	<u>\$ 19,846</u>	<u>\$ 203,055</u>	<u>\$ 1,593,386</u>	<u>\$ 1,816,287</u>

City of Griffin, Georgia
 Comparative Balance Sheet
 General Fund
 June 30, 2003

	2003	2002
<u>Assets</u>		
Cash and cash equivalents	\$ 552,919	\$ 1,974,692
Investments	142,219	-
Receivables	1,013,928	947,535
Prepaid items	26,518	-
Due from other funds	927,771	15,897,658
Total Assets	\$ 2,663,355	\$ 18,819,885
<u>Liabilities</u>		
Accounts payable	\$ 430,252	\$ 391,077
Accrued liabilities	424,620	193,754
Due to other agencies and governments	2,455	690
Deferred revenue	531,898	500,112
Due to other funds	182,038	2,096,598
Deposits	-	12,422
Tax anticipation note	-	7,000,000
Total liabilities	1,571,263	10,194,653
<u>Net assets</u>		
Reserved for:		
Encumbrances	-	787,912
Club house	110,587	110,587
Fire station	265,000	265,000
Deposits	11,816	12,422
Unreserved, reported in:		
General Fund - property tax relief	2,645,724	3,190,446
Undesignated	(1,941,035)	4,258,865
Total fund balance	1,092,092	8,625,232
Total liabilities and fund balance	\$ 2,663,355	\$ 18,819,885

City of Griffin, Georgia
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2003

	2003	2002
Revenue:		
Taxes	\$ 10,307,416	\$ 10,650,121
Licenses & Permits	228,375	311,351
Intergovernmental Revenues	328,115	35,339
Charges For Services	2,734,941	252,969
Fines & Forfeitures	54,876	44,707
Investment Income	16,173	84,658
Contributions & Donations	3,657	10,578
Rents & Royalties	40,700	-
Miscellaneous Revenues	-	61,191
Total Revenue	13,714,253	11,450,914
Expenditures:		
General Government	4,733,942	3,486,679
Public Safety	6,422,142	6,131,322
Fire	3,968,792	3,629,890
Public Works	3,352,969	2,667,797
Culture and Recreation	307,340	315,851
Housing and Development	727,349	904,778
Debt service	-	293,975
Capital outlay	-	293,678
Total Expenditures	19,512,534	17,723,970
Excess (deficiency) of revenues over (under) expenditures	(5,798,281)	(6,273,056)
Other financing sources (uses)		
Operating transfers in	8,630,262	8,038,793
Operating transfers out	(10,338,960)	(1,309,486)
Gain on dispositions	88,378	-
Total other sources (uses)	(1,620,320)	6,729,307
Deficiency of revenues over (under) sources (uses)	(7,418,601)	456,251
Fund balance, June 30, 2002	8,625,234	8,068,981
Prior period adjustment	(114,541)	-
Fund balance, June 30, 2002 as restated	8,510,693	8,068,981
Fund balance, June 30, 2003	\$ 1,092,092	\$ 8,525,232

City of Griffin, Georgia
 Comparative Statement of Revenues - Budget and Actual (Budgetary Basis)
 General Fund
 For the Year Ended June 30, 2003

	Final Budget	Actual
Revenue:		
Taxes	\$ 11,292,900	\$ 10,307,416
Licenses & Permits	270,000	228,375
Intergovernmental Revenues	80,000	328,115
Charges For Services	2,782,084	2,734,941
Fines & Forfeitures	60,000	54,876
Investment Income	150,000	16,173
Contributions & Donations	-	3,657
Rents & Royalties	30,000	40,700
Miscellaneous Revenues	15,000	-
Total Revenue	\$ 14,679,984	\$ 13,714,253

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
General Government			
Commission			
Personal Services	\$ 127,234	\$ 115,705	\$ 11,529
Purchased or Contracted Services	257,340	166,068	91,272
Supplies	12,800	13,303	(503)
Claims	-	1,282	(1,282)
Other Costs	263,100	59,600	203,500
	<u>660,474</u>	<u>355,958</u>	<u>304,516</u>
City Manager			
Personal Services	356,094	265,634	90,460
Purchased or Contracted Services	48,160	19,467	28,693
Supplies	7,650	16,006	(8,356)
Other Costs	50,000	-	50,000
Capital Outlay	-	218	(218)
	<u>461,904</u>	<u>301,326</u>	<u>160,578</u>
Elections			
Advertising	-	924	(924)
	<u>-</u>	<u>924</u>	<u>(924)</u>
Administrative Services - Director			
Personal Services	166,298	134,716	31,582
Purchased or Contracted Services	18,134	11,891	6,243
Supplies	7,200	8,378	(1,178)
Debt Service	-	1,202	(1,202)
	<u>191,632</u>	<u>156,187</u>	<u>35,445</u>
Accounting			
Personal Services	251,266	271,823	(20,557)
Purchased or Contracted Services	76,350	80,455	(4,105)
Supplies	10,500	22,953	(12,453)
Other Costs	-	155	(155)
	<u>338,116</u>	<u>375,386</u>	<u>(37,270)</u>
Budgeting			
Personal Services	103,645	83,850	19,795
Purchased or Contracted Services	16,275	11,123	5,152
Supplies	6,500	10,519	(4,019)
	<u>126,420</u>	<u>105,492</u>	<u>20,928</u>

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

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Licensing			
Personal Service	45,589	47,369	(1,780)
Purchased or Contracted Services	14,980	3,323	11,657
Supplies	2,500	1,449	1,051
Other Costs	-	117,835	(117,835)
	63,069	169,977	(106,908)
Purchasing			
Personal Services	102,148	93,335	8,813
Purchased or Contracted Services	23,685	11,553	12,132
Supplies	4,000	5,686	(1,686)
	129,833	110,574	19,259
Information Technology			
Personal Services	422,141	382,496	39,645
Purchased or Contracted Services	102,958	136,740	(33,782)
Supplies	23,300	32,544	(9,244)
Capital Outlay	-	750,791	(750,791)
	548,399	1,302,571	(754,172)
Personnel			
Personal Services	161,763	147,573	14,190
Purchased or Contracted Services	66,200	39,185	27,015
Supplies	21,430	9,097	12,333
	249,393	195,855	53,538
Risk Management			
Personal Services	109,742	103,258	6,484
Purchased or Contracted Services	161,653	526,971	(365,318)
Supplies	13,800	11,614	2,186
Interfund/Interdepartmental	58,000	10,000	48,000
	343,195	651,843	(308,648)
Records Management			
Supplies	75,000	16,523	58,477
Other Equipment	-	9,675	(9,675)
	75,000	26,198	48,802
Customer Service			
Personal Services	451,077	392,842	58,235
Purchased or Contracted Services	193,500	159,686	33,814
Supplies	9,500	35,217	(25,717)
Interfund/Interdepartmental	-	168	(168)
	654,077	587,914	66,163

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

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Central Services - Director			
Personal Services	125,352	101,809	23,543
Purchased or Contracted Services	60,200	4,801	55,399
Supplies	5,000	269	4,731
	<u>190,552</u>	<u>106,880</u>	<u>83,672</u>
Facilities Service			
Personal Services	61,776	66,693	(4,917)
Purchased or Contracted Services	69,134	15,620	53,514
Supplies	41,100	34,822	6,278
Debt Service	84,241	85,013	(772)
	<u>256,251</u>	<u>202,148</u>	<u>54,103</u>
City Attorney			
Purchased or Contracted Services	109,000	83,274	25,726
Supplies	-	336	(336)
	<u>109,000</u>	<u>83,610</u>	<u>25,390</u>
Solicitor			
Purchased or Contracted Services	-	1,100	(1,100)
	<u>-</u>	<u>1,100</u>	<u>(1,100)</u>
Total General Government	<u>4,397,315</u>	<u>4,733,943</u>	<u>(336,628)</u>
Public Safety			
Judicial			
Professional Fees	-	13,200	(13,200)
	<u>-</u>	<u>13,200</u>	<u>(13,200)</u>
Recorder's Court			
Purchased or Contracted Services	27,500	12,508	14,992
Supplies	700	-	700
	<u>28,200</u>	<u>12,508</u>	<u>15,692</u>
Police Administration			
Personal Services	276,349	320,178	(43,829)
Purchased or Contracted Services	36,837	94,235	(57,398)
Supplies	7,900	18,318	(10,418)
Interfund/Interdepartmental	-	3,112	(3,112)
	<u>321,086</u>	<u>435,843</u>	<u>(114,757)</u>
Investigation Services			
Personal Services	1,278,174	1,389,865	(111,691)
Purchased or Contracted Services	179,383	170,893	8,490
Supplies	23,236	37,813	(14,577)
	<u>1,480,793</u>	<u>1,598,571</u>	<u>(117,778)</u>

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

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Uniform Patrol			
Personal Services	2,886,953	3,042,110	(155,157)
Purchased or Contracted Services	407,538	661,950	(254,412)
Supplies	58,277	81,505	(23,228)
Interfund/Interdepartmental	9,000	16,940	(7,940)
Other Costs	-	15,601	(15,601)
Capital Outlay	-	35,135	(35,135)
	<u>3,361,768</u>	<u>3,853,241</u>	<u>(491,473)</u>
Support Services			
Personal Services	432,857	398,182	34,675
Purchased or Contracted Services	32,050	57,715	(25,665)
Supplies	39,200	52,300	(13,100)
	<u>504,107</u>	<u>508,197</u>	<u>(4,090)</u>
Code Enforcement			
Personal Services	-	554	(554)
Purchased or Contracted Services	-	29	(29)
	<u>-</u>	<u>582</u>	<u>(582)</u>
Total Public Safety	<u>5,695,954</u>	<u>6,422,142</u>	<u>(726,188)</u>
Fire			
Fire Administration			
Personal Services	190,335	188,391	1,944
Purchased or Contracted Services	32,487	36,787	(4,300)
Supplies	53,400	49,827	3,573
	<u>276,222</u>	<u>275,005</u>	<u>1,217</u>
Fire Suppression			
Personal Services	3,314,396	3,138,932	175,464
Purchased or Contracted Services	131,940	165,144	(33,204)
Supplies	68,000	58,954	9,046
Debt Service	170,020	171,320	(1,300)
	<u>3,684,356</u>	<u>3,534,351</u>	<u>150,005</u>
Fire Prevention			
Personal Services	120,602	123,757	(3,155)
Purchased or Contracted Services	19,687	30,967	(11,280)
Supplies	6,800	4,713	2,087
	<u>147,089</u>	<u>159,436</u>	<u>(12,347)</u>
Total Fire	<u>4,107,667</u>	<u>3,968,792</u>	<u>138,875</u>

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

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works			
Public Works Administration			
Personal Service	354,617	142,225	212,392
Purchased or Contracted Services	53,887	38,601	15,286
Supplies	17,625	23,032	(5,407)
Interfund/Interdepartmental	-	8,849	(8,849)
	<u>426,129</u>	<u>212,707</u>	<u>213,422</u>
Animal Control			
Personal Service	113,712	95,994	17,718
Purchased or Contracted Services	22,825	16,805	6,020
Supplies	1,700	4,475	(2,775)
	<u>138,237</u>	<u>117,273</u>	<u>20,964</u>
Deputy Director of Public Services			
Personal Services	112,575	95,470	17,105
Purchased or Contracted Services	8,350	2,778	5,572
Supplies	2,600	3,373	(773)
	<u>123,525</u>	<u>101,621</u>	<u>21,904</u>
Roadways & Walkways			
Personal Services	1,188,240	990,822	197,418
Purchased or Contracted Services	159,009	472,095	(313,086)
Supplies	442,350	647,780	(205,430)
Capital Outlay	-	132,339	(132,339)
	<u>1,789,599</u>	<u>2,243,036</u>	<u>(453,437)</u>
Traffic Engineering			
Personal Services	171,223	85,321	85,902
Purchased or Contracted Services	52,956	4,534	48,422
Supplies	21,950	22,848	(898)
Interfund/Interdepartmental	-	782	(782)
	<u>246,129</u>	<u>113,485</u>	<u>132,644</u>
Cemetery			
City Cemetery			
Personal Services	430,581	444,744	(14,163)
Purchased or Contracted Services	63,711	90,603	(26,892)
Supplies	29,800	27,845	1,955
Interfund/Interdepartmental	-	1,654	(1,654)
	<u>524,092</u>	<u>564,846</u>	<u>(40,754)</u>
Total Public Works	<u>3,247,711</u>	<u>3,352,968</u>	<u>(105,257)</u>

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

City of Griffin, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Culture & Recreation			
Swimming Pools			
Personal Services	28,342	15,678	12,664
Purchased or Contracted Services	2,000	1,843	157
Supplies	11,100	8,248	2,852
	<u>41,442</u>	<u>25,770</u>	<u>15,672</u>
City Park			
Personal Service	201,676	180,898	20,778
Purchased or Contracted Services	88,003	83,289	4,714
Supplies	18,900	16,883	2,017
Interfund/Interdepartmental	-	500	(500)
	<u>308,579</u>	<u>281,570</u>	<u>27,009</u>
Total Culture & Recreation	<u>350,021</u>	<u>307,340</u>	<u>42,681</u>
Housing And Development			
Planning & Development Administration			
Personal Service	188,386	107,826	80,560
Purchased or Contracted Services	24,800	45,764	(20,964)
Supplies	10,540	10,547	(7)
Interfund/Interdepartmental	-	96	(96)
	<u>223,726</u>	<u>164,233</u>	<u>59,493</u>
Building Inspections			
Personal Services	191,722	228,212	(36,490)
Purchased or Contracted Services	222,210	193,292	28,918
Supplies	11,100	8,377	2,723
Interfund/Interdepartmental	-	5,159	(5,159)
	<u>425,032</u>	<u>435,040</u>	<u>(10,008)</u>
Planning & Zoning			
Personal Services	63,254	6	63,248
Purchased or Contracted Services	106,719	23,380	83,339
Supplies	6,000	1,293	4,707
	<u>175,973</u>	<u>24,679</u>	<u>151,294</u>
Code Enforcement			
Personal Services	75,011	84,478	(9,467)
Purchased or Contracted Services	31,814	16,370	15,444
Supplies	5,800	2,308	3,492
Other Costs	50,000	241	49,759
	<u>162,625</u>	<u>103,397</u>	<u>59,228</u>
Total Housing And Development	<u>987,356</u>	<u>727,349</u>	<u>260,007</u>
Total Expenditures	<u>\$ 18,786,024</u>	<u>\$ 19,512,534</u>	<u>\$ (726,510)</u>

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

City of Griffin, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2003

	Community Development Block Grant Fund	Multiple Grant Fund	Totals	
			2003	2002
<u>Assets</u>				
Cash and cash equivalents	\$ 3,243	\$ 23,145	\$ 26,388	\$ 59,576
Receivables	23,149	-	23,149	23,149
Total Assets	\$ 26,392	\$ 23,145	\$ 49,537	\$ 82,725
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 23,143	\$ 23,143	\$ -
Due to other funds	-	6,548	6,548	29,697
Total Liabilities	-	29,691	29,691	29,697
<u>Fund Balance</u>				
Reserved for rehabilitation	26,392	-	26,392	-
Unreserved	-	(6,546)	(6,546)	53,028
Total fund balance	26,392	(6,546)	19,846	53,028
Total Liabilities and Fund Balance	\$ 26,392	\$ 23,145	\$ 49,537	\$ 82,725

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

City of Griffin, Georgia
Combining Statement of Revenues, Expenditures and Changes in Net Assets
Nonmajor Governmental Funds
Special Revenue Funds
For the year ended June 30, 2003

	Community	Multiple	Totals	
	Development Block Grant Fund	Grant Fund	2003	2002
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	157,821	157,821	92,914
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Interest income	-	-	-	682
Other income	-	233	233	-
Total revenue	-	158,054	158,054	93,596
Expenditures:				
Current operations	129	56,585	56,714	75,117
Capital outlay	-	175,481	175,481	62,902
Total expenditures	129	232,066	232,195	138,019
Excess revenues over (under) expenditures	(129)	(74,012)	(74,141)	(44,423)
Other financing sources (uses)				
Transfers in	23,149	17,810	40,959	-
Transfers out	-	-	-	-
Total other financing sources (uses)	23,149	17,810	40,959	-
Excess of revenues and other sources over expenditures and other uses	23,020	(56,202)	(33,182)	(44,423)
Net assets - beginning of year	3,372	49,656	53,028	97,451
Net assets - end of year	<u>\$ 26,392</u>	<u>\$ (6,546)</u>	<u>\$ 19,846</u>	<u>\$ 53,028</u>

City of Griffin, Georgia
 Community Development Block Grant Fund
 Special Revenue Fund
 Comparative Balance Sheet
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash and cash equivalents	\$ 3,243	\$ 3,372
Receivables	23,149	23,149
Total assets	\$ 26,392	\$ 26,521
<u>Liabilities</u>		
Due from other funds	-	23,149
Total liabilities	-	23,149
<u>Fund Balance</u>		
Reserved for rehabilitation	26,392	3,372
Total fund balance	26,392	3,372
Total liabilities and fund balance	\$ 26,392	\$ 26,521

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

City of Griffin, Georgia
Community Development Block Grant Fund
Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:	\$ -	\$ -
Expenditures:		
General government	129	93
Total Expenditures	129	93
Excess revenues over (under) expenditures	(129)	(93)
Other financing sources (uses):		
Transfers in	23,149	-
Total other financing sources	23,149	-
Excess of revenues and other financing sources over expenditures	23,020	(93)
Fund Balance - beginning of year	3,372	3,465
Fund Balance - end of year	\$ 26,392	\$ 3,372

City of Griffin, Georgia
Community Development Block Grant Fund
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Expenditures			
General government	-	129	(129)
Total expenditures	-	129	(129)
Deficiency of revenues under expenditures	-	(129)	(129)
Other financing sources			
Transfers in	-	23,149	23,149
Total other financing sources	-	23,149	23,149
Excess of revenues and other financing sources over expenditures	-	23,020	23,020
Fund Balance - beginning of year	3,372	3,372	-
Fund Balance - end of year	<u>\$ 3,372</u>	<u>\$ 26,392</u>	<u>\$ 23,020</u>

City of Griffin, Georgia
Multiple Grant Fund
Special Revenue Fund
Comparative Balance Sheet
June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash and cash equivalents	\$ 23,145	\$ 56,204
Total Assets	\$ 23,145	\$ 56,204
<u>Liabilities</u>		
Accounts payable	\$ 23,143	\$ -
Due to other funds	6,548	6,548
Total liabilities	29,691	6,548
<u>Fund Balance</u>		
Unreserved	(6,546)	49,656
Total fund balance	(6,546)	49,656
Total Liabilities and Fund Balance	\$ 23,145	\$ 56,204

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

City of Griffin, Georgia
Multiple Grant Fund
Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Intergovernmental revenues	\$ 157,821	\$ 92,914
Other income	233	682
Total Revenues	158,054	93,596
Expenditures:		
General government	56,585	75,024
Capital outlay	175,481	62,902
Total Expenditures	232,066	137,926
Excess revenues over under expenditures	(74,012)	(44,330)
Other financing sources (uses):		
Transfers in	17,810	-
Total other financing sources	17,810	-
Excess of revenues and other financing sources over expenditures	(56,202)	(44,330)
Fund Balance - beginning of year	49,656	93,986
Fund Balance - end of year	\$ (6,546)	\$ 49,656

City of Griffin, Georgia
Multiple Grant Fund
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual (Budgetary Basis)
For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ 157,821	\$ 157,821
Other income	-	<u>233</u>	<u>233</u>
Total revenues	-	158,054	158,054
Expenditures			
General government	-	56,585	(56,585)
Capital outlay	<u>100,000</u>	<u>175,481</u>	<u>(75,481)</u>
Total expenditures	100,000	232,066	(132,066)
Deficiency of revenues under expenditures	(100,000)	(74,012)	25,988
Other financing sources			
Transfers in	-	<u>17,810</u>	<u>17,810</u>
Total other financing sources	-	17,810	17,810
Deficiency of revenues and other financing sources under expenditures	(100,000)	(56,202)	43,798
Fund Balance - beginning of year	<u>49,656</u>	<u>49,656</u>	<u>-</u>
Fund Balance - end of year	<u>\$ (50,344)</u>	<u>\$ (6,546)</u>	<u>\$ 43,798</u>

City of Griffin, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Project Funds
June 30, 2003

	General	Special	General	General	Totals	
	Capital Projects	Purpose Local Option Sales Tax	Facilities Replacement	Equipment Replacement	2003	2002
	Fund	Fund	Fund	Fund		
<u>Assets</u>						
Cash and cash equivalents	\$ 268,029	\$ 52,368	\$ -	\$ -	\$ 320,397	\$ 1,605,774
Due from other funds	-	-	-	-	-	80,000
Receivables	-	2,427	-	-	2,427	97,457
Total Assets	\$ 268,029	\$ 54,795	\$ -	\$ -	\$ 322,824	\$ 1,783,231
<u>Liabilities</u>						
Accounts payable	31,966	48,210	-	-	80,176	226,319
Due to other funds	-	37,166	-	-	37,166	716,937
Deferred revenue	-	2,427	-	-	2,427	97,457
Total liabilities	31,966	87,803	-	-	119,769	1,040,713
<u>Fund Balance</u>						
Reserved for encumbrances	-	-	-	-	-	265,000
Unreserved	236,063	(33,008)	-	-	203,055	742,518
Total Liabilities and Fund Balance	\$ 268,029	\$ 54,795	\$ -	\$ -	\$ 322,824	\$ 1,783,231

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

City of Griffin, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Capital Project Funds
Year ended June 30, 2003

	General	Special	General	General	Totals	
	Capital Projects	Local Option	Facilities	Equipment	2003	2002
	Fund	Sales Tax	Replacement	Replacement		
		Fund	Fund	Fund		
Revenues:						
Intergovernmental revenues	\$ -	\$ 120,159	\$ -	\$ -	\$ 120,159	\$ 3,500
Taxes	-	-	-	-	-	241,365
Interest income	3,088	6,838	-	-	9,926	37,367
Total revenue	<u>3,088</u>	<u>126,997</u>	<u>-</u>	<u>-</u>	<u>130,085</u>	<u>282,232</u>
Expenditures:						
Current operations	73,067	29	-	-	73,096	150,357
Other costs	-	5,708	-	-	5,708	-
Capital outlay	371,133	914,243	-	-	1,285,376	1,831,136
Total expenditures	<u>444,200</u>	<u>919,980</u>	<u>-</u>	<u>-</u>	<u>1,364,180</u>	<u>1,981,493</u>
Excess of revenues (under) expenditures	(441,112)	(792,983)	-	-	(1,234,095)	(1,699,261)
Other financing uses						
Transfers in (out)	774,632	-	(40,000)	(40,000)	694,632	446,600
Total other financing sources (uses)	<u>774,632</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>694,632</u>	<u>446,600</u>
Excess of revenues and other sources over expenditures and other uses	333,520	(792,983)	(40,000)	(40,000)	(539,463)	(1,252,661)
Fund Balance - beginning of year	(97,457)	759,975	40,000	40,000	742,518	1,995,179
Fund Balance - end of year	<u>\$ 236,063</u>	<u>\$ (33,008)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,055</u>	<u>\$ 742,518</u>

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

City of Griffin, Georgia
 General Capital Projects Fund
 Comparative Balance Sheet
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash	\$ 268,029	\$ 495,540
Due from other governments	-	97,457
Total Assets	\$ 268,029	\$ 592,997
 <u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts payable	\$ 31,966	\$ 173,793
Due to other funds	-	419,204
Deferred revenue	-	97,457
Total liabilities	31,966	690,454
Fund Balance		
Reserved for encumbrances	-	265,000
Unreserved - undesignated	236,063	(362,457)
Total Fund Balance	236,063	(97,457)
Total Liabilities and Fund Balance	\$ 268,029	\$ 592,997

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

City of Griffin, Georgia
 General Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Years Ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Intergovernmental	\$ -	\$ 3,500
Investment income	3,088	4,277
Total Revenues	3,088	7,777
Expenditures:		
Current		
Public works - operations	73,067	3,004
Capital outlay	371,133	468,830
Total Expenditures	444,200	471,834
Revenues over (under) expenditures	(441,112)	(464,057)
Other financing sources		
Operating transfers in	774,632	366,600
Total other financing sources	774,632	366,600
Revenues and other financing sources over (under) expenditures	333,520	(97,457)
Fund Balance - beginning of year	(97,457)	-
Fund Balance - end of year	\$ 236,063	\$ (97,457)

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

City of Griffin, Georgia
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Interest income	-	3,088	3,088
Total Revenues	-	3,088	3,088
Expenditures:			
Purchased or contracted services	-	73,067	(73,067)
Capital outlay	500,000	371,133	128,867
Total Expenditures	500,000	444,200	55,800
 Revenues over (under) expenditures	 (500,000)	 (441,112)	 58,888
Other financing sources			
Operating transfers in	-	774,632	774,632
Total other financing sources	-	774,632	774,632
 Revenues and other financing sources over (under) expenditures	 (500,000)	 333,520	 833,520
 Fund Balance - beginning of year	 (97,457)	 (97,457)	 -
Fund Balance - end of year	\$ (597,457)	\$ 236,063	\$ 833,520

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

City of Griffin, Georgia
Special Purpose Local Option Sales Tax Fund
Comparative Balance Sheet
June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash and Cash Equivalents	\$ 52,368	\$ 1,110,234
Due from Other Governments	-	-
Receivables	2,427	-
Total Assets	\$ 54,795	\$ 1,110,234
<u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 48,210	\$ 52,526
Due to Other Funds	37,166	297,733
Deferred Revenue	2,427	-
Total liabilities	87,803	350,259
<u>Fund Balance</u>		
Reserved for Encumbrances	-	-
Unreserved - Undesignated	(33,008)	759,975
Total fund balance	(33,008)	759,975
Total Liabilities and Fund Balance	\$ 54,795	\$ 1,110,234

City of Griffin, Georgia
Special Purpose Local Option Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Intergovernmental	\$ 120,159	\$ -
Taxes	-	241,365
Interest income	6,838	33,090
Total Revenues	126,997	274,455
Expenditures:		
Current operations	29	147,004
Other costs	5,708	349
Capital outlay	914,243	1,362,306
Total Expenditures	919,980	1,509,659
Revenues over (under) expenditures	(792,983)	(1,235,204)
Other financing sources		
Operating transfers in	-	-
Total other financing sources	-	-
Revenues and other financing sources over (under) expenditures	(792,983)	(1,235,204)
Fund Balance - beginning of year	759,975	1,995,179
Fund Balance - end of year	\$ (33,008)	\$ 759,975

City of Griffin, Georgia
Special Purpose Local Option Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 316,212	\$ 120,159	\$ (196,053)
Taxes	835,592	-	(835,592)
Interest Income	-	6,838	6,838
Total Revenues	1,151,804	126,997	(1,024,807)
Expenditures:			
Purchased or Contracted Services	-	5,708	(5,708)
Capital Outlay	1,151,804	914,272	237,532
Total Expenditures	1,151,804	919,980	231,824
Revenues over (under) expenditures	-	(792,983)	(792,983)
Other Financing Sources			
Operating transfers in	-	-	-
Total Other Financing Sources	-	-	-
Revenues and other financing sources over (under) expenditures	-	(792,983)	(792,983)
Fund Balance - beginning of year	-	759,975	
Fund Balance - end of year	\$ -	\$ (33,008)	\$ (792,983)

City of Griffin, Georgia
 General Facilities Replacement Fund
 Comparative Balance Sheet
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash and Cash Equivalents	\$ -	\$ -
Due from Other Governments	-	40,000
Receivables	-	-
Total Assets	\$ -	\$ 40,000
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable	\$ -	\$ -
Due to Other Funds	-	-
Deferred Revenue	-	-
Total liabilities	-	-
Fund Balance		
Reserved for Capital Facilities Replacement	-	40,000
Unreserved - Undesignated	-	-
Total fund balance	-	40,000
Total Liabilities and Fund Balance	\$ -	\$ 40,000

City of Griffin, Georgia
 General Facilities Replacement Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Intergovernmental	\$ -	\$ -
Taxes	-	-
Interest income	-	-
Total Revenues	-	-
Expenditures:		
Current operations	-	-
Other costs	-	-
Capital outlay	-	-
Total Expenditures	-	-
Revenues over (under) expenditures	-	-
Other financing sources		
Operating transfers in (out)	(40,000)	40,000
Total other financing sources	(40,000)	40,000
Revenues and other financing sources over (under) expenditures	(40,000)	40,000
Fund Balance - beginning of year	40,000	-
Fund Balance - end of year	\$ -	\$ 40,000

City of Griffin, Georgia
 Replacement and Major Renovations Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total revenue	-	-	-
Expenditures:			
Current operations	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
Governmental Major			
Transfers out	-	(40,000)	(40,000)
Excess of revenues and other sources over expenditures and other uses	-	(40,000)	(40,000)
Fund Balance - beginning of year	40,000	40,000	-
Fund Balance - end of year	\$ 40,000	\$ -	\$ 40,000

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

City of Griffin, Georgia
 General Equipment Replacement Fund
 Comparative Balance Sheet
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Cash and Cash Equivalents	\$ -	\$ -
Due from Other Governments	-	40,000
Receivables	-	-
Total Assets	\$ -	\$ 40,000
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable	\$ -	\$ -
Due to Other Funds	-	-
Deferred Revenue	-	-
Total liabilities	-	-
Fund Balance		
Reserved for Capital Equipment Replacement	-	40,000
Unreserved - Undesignated	-	-
Total fund balance	-	40,000
Total Liabilities and Fund Balance	\$ -	\$ 40,000

City of Griffin, Georgia
 General Equipment Replacement Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Intergovernmental	\$ -	\$ -
Taxes	-	-
Interest income	-	-
Total Revenues	-	-
Expenditures:		
Current operations	-	-
Other costs	-	-
Capital outlay	-	-
Total Expenditures	-	-
Revenues over (under) expenditures	-	-
Other financing sources		
Operating transfers in (out)	(40,000)	40,000
Total other financing sources	(40,000)	40,000
Revenues and other financing sources over (under) expenditures	(40,000)	40,000
Fund Balance - beginning of year	40,000	-
Fund Balance - end of year	\$ -	\$ 40,000

City of Griffin, Georgia
 General Equipment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total revenue	-	-	-
Expenditures:			
Current operations	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
Other financing sources:			
Transfers out	-	(40,000)	(40,000)
Excess of revenues and other sources over expenditures and other uses	-	(40,000)	(40,000)
Fund Balance - beginning of year	40,000	40,000	-
Fund Balance - end of year	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>

City of Griffin, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
Permanent Funds
June 30, 2003

	Cemetery Trust Fund	Mausoleum Trust	Total Permanent Funds
<u>Assets</u>			
Cash - restricted	\$ 1,119,736	\$ 277,149	\$ 1,396,885
Capital assets - sites	206,397	-	206,397
Total Assets	\$ 1,326,133	\$ 277,149	\$ 1,603,282
<u>Liabilities</u>			
Due to other funds	\$ 9,896	\$ -	\$ 9,896
Total Liabilities	9,896	-	9,896
<u>Fund Balance</u>			
Reserved for perpetual care	1,316,237	277,149	1,593,386
Fund balance	1,316,237	277,149	1,593,386
Total Liabilities and Fund Balance	\$ 1,326,133	\$ 277,149	\$ 1,603,282

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

City of Griffin, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Permanent Funds
For the year ended June 30, 2003

	Cemetery Trust Fund	Mausoleum Trust	Total Permanent Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Contributions	-	-	-
Intergovernmental revenues	-	-	-
Fines and forfeitures	-	-	-
Charges for services	49,058	-	49,058
Interest income	47,629	12,709	60,338
Total revenue	<u>96,687</u>	<u>12,709</u>	<u>109,396</u>
Expenditures:			
Current operations	5,319	-	5,319
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	5,319	-	5,319
Excess revenues over (under) expenditures	91,368	12,709	104,077
Other financing sources (uses):			
Transfers in (out)	<u>(21,306)</u>	<u>-</u>	<u>(21,306)</u>
Total other financing sources (uses)	(21,306)	-	(21,306)
Excess of revenues and other sources over expenditures and other uses	70,062	12,709	82,771
Fund balance - beginning of year	<u>1,246,175</u>	<u>264,440</u>	<u>1,510,615</u>
Fund balance - end of year	<u>\$ 1,316,237</u>	<u>\$ 277,149</u>	<u>\$ 1,593,386</u>

City of Griffin, Georgia
Cemetery Trust Fund
Comparative Balance Sheet
June 30, 2003

	2003	2002
<u>Assets</u>		
Cash - restricted	\$ 1,119,736	\$ 1,166,826
Capital assets - sites	206,397	94,735
Total Assets	\$ 1,326,133	\$ 1,261,561
<u>Liabilities and Fund Balance</u>		
Due to other funds	\$ 9,896	\$ 15,385
Total Liabilities	9,896	15,385
Fund Balance		
Reserved for perpetual care	1,316,237	1,246,176
Total Fund Balance	1,316,237	1,246,176
Total Liabilities and Fund Balance	\$ 1,326,133	\$ 1,261,561

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

City of Griffin, Georgia
 Cemetery Trust Fund
 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 For the years ended June 30, 2003 and 2002

	2003	2002
Revenues:		
Charges for services	\$ 49,058	\$ 25,288
Interest income	47,629	42,621
Total Revenues	96,687	67,909
Expenditures:	5,319	6,793
Current operations	5,319	6,793
Total Expenditures	91,368	61,116
Excess revenues over (under) expenditures		
Other financing sources (uses):	(21,306)	(37,437)
Transfers out	(21,306)	(37,437)
Total other financing sources (uses)		
Excess revenues over expenditures and other financing uses	70,062	23,679
Fund balance - beginning of year	1,246,175	1,222,497
Fund balance - end of year	\$ 1,316,237	\$ 1,246,176

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

City of Griffin, Georgia
Cemetery Trust Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 38,000	\$ 49,058	\$ 11,058
Interest income	50,000	47,629	(2,371)
Total Revenues	<u>88,000</u>	<u>96,687</u>	<u>8,687</u>
Expenditures:			
Current operations	425	5,319	(4,894)
Total Expenditures	<u>425</u>	<u>5,319</u>	<u>(4,894)</u>
Excess revenues over (under) expenditures	87,575	91,368	3,793
Other financing sources (uses)			
Transfers out	(22,000)	(21,306)	694
Total other financing sources (uses)	<u>(22,000)</u>	<u>(21,306)</u>	<u>694</u>
Excess revenues over expenditures and other financing uses	65,575	70,062	4,487
Fund Balance - beginning of year	1,246,175	1,246,175	-
Fund Balance - end of year	<u>\$ 1,311,750</u>	<u>\$ 1,316,237</u>	<u>\$ 4,487</u>

City of Griffin, Georgia
Oak Hill Mausoleum Trust Fund
Comparative Balance Sheet
June 30, 2003

	2003	2002
<u>Assets</u>		
Cash - restricted	\$ 277,149	\$ 264,440
Total Assets	\$ 277,149	\$ 264,440
<u>Liabilities and Fund Balance</u>		
Liabilities		
Due to other funds	\$ -	\$ -
Total Liabilities	-	-
Fund Balance		
Reserved for perpetual care	277,149	264,440
Total Fund Balance	277,149	264,440
Total Liabilities and Fund Balance	\$ 277,149	\$ 264,440

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

City of Griffin, Georgia
Oak Hill Mausoleum Trust Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2003

	2003	2002
Revenues:		
Interest income	\$ 12,709	\$ 13,288
Total Revenues	12,709	13,288
Expenditures:		
Current operations	-	-
Total Expenditures	-	-
Excess revenues over (under) expenditures	12,709	13,288
Other financing sources (uses)		
Transfers out	-	-
Total other financing sources (uses)	-	-
Excess revenues over expenditures and other financing uses	12,709	13,288
Fund balance - beginning of year	264,440	251,152
Fund balance - end of year	\$ 277,149	\$ 264,440

City of Griffin, Georgia
Oak Hill Mausoleum Trust Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance Favorable (Unfavorable)
Revenues:			
Interest income	\$ -	\$ 12,709	\$ 12,709
Total Revenues	-	12,709	12,709
Expenditures:			
Current operations	-	-	-
Total Expenditures	-	-	-
Excess revenues over (under) expenditures	-	12,709	12,709
Other financing sources (uses)			
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess revenues over expenditures and other financing uses	-	12,709	12,709
Fund balance - beginning of year	264,440	264,440	-
Fund balance - end of year	<u>\$ 264,440</u>	<u>\$ 277,149</u>	<u>\$ 12,709</u>

City of Griffin, Georgia
Combining Statement of Net Assets
Enterprise Funds
June 30, 2003

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total		
Assets							
Current assets:							
Cash and cash equivalents	\$ 20,785	\$ 205,676	\$ 8,865	\$ 111,863	\$ 347,189	\$ 100,999	
Accounts receivable (net of allowance for uncollectibles)							
Receivables	846,440	7,191,490	92,849	238,156	8,368,935	-	
Interest Receivable	5,797	-	-	55,481	61,278	-	
Intergovernmental receivables	6,014	-	-	-	6,014	-	
Inventories	149,924	1,057,253	-	26,351	1,233,528	77,815	
Total current assets	1,028,960	8,454,419	101,714	431,851	10,016,944	178,814	
Noncurrent assets:							
Restricted cash, cash equivalents, and investments	55,526,670	23,595,418	-	172,436	79,294,524	-	
Special Assessments	1,671	-	-	-	1,671	-	
Due from other funds	-	-	-	51,292	51,292	-	
Fixed assets (net of allowance for depreciation)	52,577,558	11,331,878	6,472,044	8,234,566	78,616,046	4,596,405	
Deferred Charges	1,925,508	-	-	-	1,925,508	-	
Total noncurrent assets	110,031,407	34,927,296	6,472,044	8,458,294	159,889,041	4,596,405	
Total Assets	111,060,367	43,381,715	6,573,758	8,890,145	169,905,985	4,775,219	

City of Griffin, Georgia
 Combining Statement of Net Assets (cont)
 Enterprise Funds
 June 30, 2003

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	
Liabilities and Net Assets						
Liabilities:						
Current liabilities:						
Accounts payable	1,512,480	2,033,118	140,304	168,000	3,853,902	392,254
Accrued liabilities	-	-	-	9,845	9,845	-
Accrued interest	-	-	-	268	268	7,062
Retainage Payable	-	-	-	-	-	58,838
Current portion of long term debt	28,575	-	90,404	-	118,979	579,847
Capital leases payable - current	-	-	-	45,123	45,123	-
Landfill post closure care - current	-	-	-	45,205	45,205	-
Total current liabilities	1,541,055	2,033,118	230,708	268,441	4,073,322	1,038,001
Current liabilities payable from restricted assets:						
Deposits	-	2,021,509	-	-	2,021,509	-
Retainage Payable	353,806	-	-	-	353,806	-
Revenue bonds payable	1,235,000	-	-	-	1,235,000	-
Total current liabilities payable from restricted assets	1,588,806	2,021,509	-	-	3,610,315	-
Noncurrent liabilities:						
Due to other funds	-	-	-	874,162	874,162	-
Compensated absences	355,969	542,695	64,214	431,846	1,394,724	41,884
Notes payable	279,001	-	2,174,621	-	2,453,622	221,942
Revenue bonds payable	76,470,000	-	-	-	76,470,000	-
Deposits	-	-	-	1,528	1,528	-
Landfill post closure care	-	-	-	1,250,491	1,250,491	-
Total noncurrent liabilities	77,104,970	542,695	2,238,835	2,558,027	82,444,527	263,826
Total Liabilities	80,234,831	4,597,322	2,469,543	2,826,468	90,128,164	1,301,827

City of Griffin, Georgia
 Combining Statement of Net Assets (cont)
 Enterprise Funds
 June 30, 2003

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total		
Net Assets:							
Invested in capital assets, net of related debt	19,830,472	11,331,878	6,472,044	8,234,566	45,868,960	3,735,778	
Restricted for:							
Renewal and extension	789,869	-	-	-	789,869	-	
Debt service	5,621,278	-	-	-	5,621,278	-	
Emergency	1,000,000	-	-	-	1,000,000	-	
Revenue bond construction	1,440,818	-	-	-	1,440,818	-	
Sewer capacity recovery	1,364,862	-	-	-	1,364,862	-	
Electrical deregulation	-	12,602,154	-	-	12,602,154	-	
Energy rate fluctuations	-	6,185,298	-	-	6,185,298	-	
Future operations	-	2,833,707	-	-	2,833,707	-	
Landfill closure	-	-	-	404,255	404,255	-	
Local landfill	-	-	-	158,446	158,446	-	
Capital improvements	-	-	-	311,383	311,383	-	
Unrestricted	778,237	5,831,356	(2,367,829)	(3,044,973)	1,196,791	(262,386)	
Total net assets	\$ 30,825,536	\$ 38,784,393	\$ 4,104,215	\$ 6,063,677	\$ 79,777,821	\$ 3,473,392	

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

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Net Assets
 Enterprise Funds
 For the year ended June 30, 2003

	Business type Activities - Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds			
Operating revenues:							
Charges for sales and services	\$ -	\$ -	\$ 1,429,951	\$ 4,975,617	\$ 6,405,568	\$ 3,097,495	
Charges for sales and services, pledged as security for revenue bonds	10,896,989	29,359,504	-	-	40,256,493	-	
Other services	374,379	957,103	3,793	453,571	1,788,846	81,936	
Total operating revenues	11,271,368	30,316,607	1,433,744	5,429,188	48,450,907	3,179,431	
Operating expenses:							
Personal services	2,856,203	2,234,047	635,170	2,988,565	8,713,985	472,454	
Purchased or contracted service	1,217,216	801,283	291,300	2,676,316	4,986,115	430,067	
Supplies	1,779,265	21,019,033	136,355	615,317	23,549,970	937,941	
Other costs	2,240,615	829,324	154,269	4,342	3,228,550	10,066	
Depreciation expense	1,534,699	610,219	128,732	354,159	2,627,809	1,246,901	
Total operating expenses	9,627,998	25,493,906	1,345,826	6,638,699	43,106,429	3,097,429	
Operating income	1,643,370	4,822,701	87,918	(1,209,511)	5,344,478	82,002	

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

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Net Assets
 Enterprise Funds
 For the year ended June 30, 2003

	Business-type Activities - Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds			
Nonoperating revenue (expenses):							
Grant income	-	-	398,567	-	-	398,567	-
Intergovernmental	(740,380)	(1,119,255)	(381,663)	(361,311)	(2,602,609)	(2,602,609)	(42,736)
Clubhouse escrow fees	-	-	-	27,926	-	27,926	-
Local landfill surcharge	-	-	-	31,769	-	31,769	-
Local closure surcharge	-	-	-	51,398	-	51,398	-
Interest income	378,216	871,332	933	1,386	444	1,251,867	444
Interest expense	(994,655)	-	(92,147)	(8,540)	-	(1,095,342)	(53,309)
Total nonoperating revenue (expenses)	(1,356,819)	(247,923)	(74,310)	(257,372)	(1,936,424)	(1,936,424)	(95,601)
Income (loss) before transfers	286,551	4,574,778	13,608	(1,466,883)	3,408,054	3,408,054	(13,599)
Transfers in	5,773,243	-	2,737,897	1,101,744	9,612,884	9,612,884	1,518,205
Transfers out	(1,390,428)	(8,368,444)	(172,075)	(43,329)	(9,974,276)	(9,974,276)	(162,400)
Total transfers	4,382,815	(8,368,444)	2,565,822	1,058,415	(361,392)	(361,392)	1,355,805
Change in net assets	4,669,366	(3,793,666)	2,579,430	(408,468)	3,046,662	3,046,662	1,342,206
Total net assets - beginning, before adjustment	26,121,170	42,578,059	1,524,785	6,472,145	76,696,159	76,696,159	2,099,558
Prior period adjustment	35,000	-	-	-	35,000	35,000	31,628
Total net assets - beginning, restated	26,156,170	42,578,059	1,524,785	6,472,145	76,731,159	76,731,159	2,131,186
Total net assets - ending	\$ 30,825,536	\$ 38,784,393	\$ 4,104,215	\$ 6,063,677	\$ 79,777,821	\$ 79,777,821	\$ 3,473,392

City of Griffin, Georgia
Statement of Cash Flows
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 11,146,565	\$ 30,112,902	\$ 1,511,719	\$ 5,656,583	\$ 48,427,769	\$ 3,181,964
Receipts from interfund users	-	-	-	606	606	(633,021)
Receipts for customer utility deposits	-	296,760	-	-	296,760	-
Payments for interfund services provided	(5,006,759)	1,689,179	-	-	(3,317,580)	-
Payments to suppliers	(3,652,205)	(22,892,052)	(2,611,133)	(3,338,024)	(32,493,415)	(1,153,761)
Payments to employees	(2,770,285)	(2,040,566)	(659,842)	(2,911,930)	(8,382,623)	(459,955)
Net cash provided (used) by operating activities	(282,684)	7,166,222	(1,759,256)	(592,765)	4,531,517	935,227
Cash flows from non-capital financing activities:						
Payments to other governmental agencies	-	-	(57,481)	-	(57,481)	-
Other fees and surcharges	-	-	-	77,617	77,617	-
Transfers in	5,773,243	-	2,737,897	1,101,744	9,612,884	1,518,205
Transfers out	(1,390,428)	(8,368,444)	(172,075)	(43,329)	(9,974,276)	(162,400)
Net cash provided (used) by non-capital financing activities	4,382,815	(8,368,444)	2,508,341	1,136,032	(341,256)	1,355,805
Cash flows from capital and related financing activities:						
Acquisition and construction of assets	(7,929,105)	(1,153,095)	(860,700)	(232,986)	(10,175,886)	(1,637,648)
Principal paid to other funds	(7,000,000)	-	-	-	(7,000,000)	-
Grant income	-	-	398,567	-	398,567	-
Intergovernmental expenses	(740,380)	(1,119,255)	(381,663)	(361,311)	(2,602,609)	-
Prior period adjustment	35,000	-	-	-	35,000	-
Proceeds from Georgia Envir. Fac. Loan	-	-	145,547	-	145,547	-
Proceeds from capital leases	-	-	-	(121,199)	(121,199)	(536,857)
Proceeds from revenue bonds, net of bond issuance costs	-	-	-	-	-	-
Principal paid on revenue bonds and installment contracts	63,112,244	-	-	-	63,112,244	-
Interest paid on revenue bonds and installment contracts	(7,359,254)	-	-	-	(7,359,254)	-
Net cash provided (used) by capital and related financing activities	(994,655)	-	(92,147)	(9,242)	(1,096,044)	(59,349)
	39,123,850	(2,272,350)	(790,396)	(724,738)	35,336,366	(2,233,854)

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

City of Griffin, Georgia
Statement of Cash Flows - continued
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Cash flows from investing activities:						
Purchase of securities (net)	-	2,427,570	-	-	2,427,570	-
Interest on investments	378,216	871,332	933	1,386	1,251,867	444
Net cash provided (used) by investing activities	378,216	3,298,902	933	1,386	3,679,437	444
Net increase (decrease) in cash	43,602,197	(175,670)	(40,378)	(180,085)	43,206,064	57,622
Cash at beginning of year	11,945,258	2,355,604	49,243	464,384	14,814,489	43,377
Cash at end of year	\$ 55,547,455	\$ 2,179,934	\$ 8,865	\$ 284,299	\$ 58,020,553	\$ 100,999
Unrestricted	\$ 20,785	\$ 205,676	\$ 8,865	\$ 111,863	\$ 347,189	\$ 100,999
Restricted	55,526,670	1,974,258	-	172,436	57,673,364	-
	\$ 55,547,455	\$ 2,179,934	\$ 8,865	\$ 284,299	\$ 58,020,553	\$ 100,999

Reconciliation of operating income to net cash provided (used) by operating activities	\$ 1,643,370	\$ 4,822,701	\$ 87,918	\$ (1,209,511)	\$ 5,344,478	\$ 39,266
Operating income (loss)						
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	1,534,699	610,219	128,732	354,159	2,627,809	1,246,901
New customers utility deposits	-	296,760	-	-	296,760	-
Changes in assets and liabilities (Increase) decrease in:						
Accounts receivable	(124,803)	(203,705)	77,975	227,523	(23,010)	2,533
Inventories	-	103,661	-	(18,097)	85,564	(54,095)
Amount due from other funds	(8,330)	1,818,907	-	(38,820)	1,771,757	(633,021)

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

City of Griffin, Georgia
Statement of Cash Flows - continued
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Water/ Wastewater Utility Fund	Electric Utility Fund	Stormwater Utility Fund	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Increase (decrease) in:						
Accounts payable	1,239,415	(346,074)	(459,295)	29,380	463,426	262,306
Accrued liabilities	(51,815)	(28,174)	(53,677)	(29,705)	(163,371)	(5,813)
Retainage payable	-	-	-	-	-	58,838
Contracts payable	353,806	-	-	-	353,806	-
Amount due to other funds	(4,845,221)	-	(1,569,914)	-	(6,415,135)	-
Amounts due to other agencies and governments	(161,538)	(129,728)	-	(14,512)	(305,778)	-
Compensated absences	137,733	221,655	29,005	106,340	494,733	18,312
Customer deposits	-	-	-	478	478	-
Net cash provided (used) by operating activities	\$ (282,684)	\$ 7,166,222	\$ (1,759,256)	\$ (592,765)	\$ 4,531,517	\$ 935,227

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

City of Griffin, Georgia
Water and Wastewater Fund
Comparative Statement of Net Assets
June 30, 2003 and 2002

<u>Assets</u>	2003	2002
Current assets:		
Cash	\$ 20,785	\$ -
Account receivables (net of allowance for uncollectibles)	846,440	729,105
Interest receivables	5,797	-
Due from other governments and agencies	6,014	550
Inventories	149,924	141,594
Total Current Assets	1,028,960	871,249
Non-current assets:		
Due from other governments and agencies	-	36,290
Special assessments	1,671	-
Due from other funds	-	-
Fixed assets (net of allowance for depreciation)	52,577,558	46,183,152
Total Non-current Assets	52,579,229	46,219,442
Restricted assets:		
Deposit accounts:		
Cash	8,957,259	1,745,850
Construction accounts:		
Cash	45,020,553	7,960,019
Bond accounts:		
Cash	-	36
Investments with fiscal agent	1,548,858	2,239,353
Deferred charges	1,925,508	652,752
Total Restricted Assets	57,452,178	12,598,010
Total Assets	111,060,367	59,688,701

City of Griffin, Georgia
Water and Wastewater Fund
Comparative Statement of Net Assets (cont)
June 30, 2003 and 2002

	2003	2002
Liabilities and Net Assets		
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	1,512,480	273,065
Accrued liabilities	-	51,815
Due to other funds	-	11,845,221
Due to other government agencies	-	192,364
Current portion of long term debt	28,575	-
Total Current Liabilities:	1,541,055	12,362,465
Current liabilities (payable from restricted assets):		
Revenue bonds payable	1,235,000	1,140,000
Retainage payable	353,806	-
Total current liabilities payable from restricted assets	1,588,806	1,140,000
Long-term liabilities (net of current portion):		
Compensated absences	355,969	218,236
Notes payable	279,001	316,830
Revenue bonds	76,470,000	19,530,000
Total long-term liabilities	77,104,970	20,065,066
Total Liabilities	80,234,831	33,567,531
Net Assets		
Invested in capital assets, net of debt	19,830,472	21,174,982
Restricted for:		
Renewal and extension	789,869	1,180,072
Debt service	5,621,278	2,194,868
Emergency	1,000,000	1,000,000
Revenue bond construction	1,440,818	1,536,373
Sewer capacity recovery	1,364,862	1,041,128
Unrestricted	778,237	(2,006,253)
Total Net Assets	\$ 30,825,536	\$ 26,121,170

City of Griffin, Georgia
Water and Wastewater Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
Budget and Actual - Budgetary Basis
For the years ended June 30, 2003 and 2002

	FY 2003			FY 2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Charges for sale and services	\$ 11,099,844	\$ 10,896,989	\$ (202,855)	\$ 9,639,250
Other services	715,500	374,379	(341,121)	-
Total operating revenues	<u>11,815,344</u>	<u>11,271,368</u>	<u>(543,976)</u>	<u>9,639,250</u>
Expenditures:				
Personal services	3,076,144	2,856,203	219,941	2,544,216
Purchased Contracted Services	622,810	1,217,216	(594,406)	775,244
Supplies	1,168,300	1,779,265	(610,965)	1,483,445
Other costs	2,175,000	2,240,615	(65,615)	1,950,380
Depreciation expense	1,807,000	1,534,699	272,301	1,535,181
Total operating expenses	<u>8,849,254</u>	<u>9,627,998</u>	<u>(778,744)</u>	<u>8,288,466</u>
Operating Income	2,966,090	1,643,370	(1,322,720)	1,350,784
Non-operating revenue (expenses):				
Intergovernmental	(658,793)	(740,380)	(81,587)	(4,800)
Interest income	202,000	378,216	176,216	189,595
Interest expense	(1,093,430)	(994,655)	98,775	(1,103,071)
Total non-operating revenue (expenses)	<u>(1,550,223)</u>	<u>(1,356,819)</u>	<u>193,404</u>	<u>(918,276)</u>
Income (loss) before transfers	1,415,867	286,551	(1,129,316)	432,508
Transfers-in	-	5,773,243	5,773,243	-
Transfers-out	(1,388,601)	(1,390,428)	(1,827)	(1,931,945)
Total transfers	<u>(1,388,601)</u>	<u>4,382,815</u>	<u>5,771,416</u>	<u>(1,931,945)</u>
Change in net assets	27,266	4,669,366	4,642,100	(1,499,437)
Total net assets - beginning	26,191,170	26,121,170	70,000	-
Prior period adjustment	-	35,000	35,000	(510,517)
Total net assets - beginning as restated	<u>26,191,170</u>	<u>26,156,170</u>	<u>105,000</u>	<u>6,434,145</u>
Total net assets - ending	<u>\$ 26,218,436</u>	<u>\$ 30,825,536</u>	<u>\$ 4,747,100</u>	<u>\$ 4,424,191</u>

City of Griffin, Georgia
Water Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 11,146,565	\$ 9,482,715
Cash payments to interfund for services	(5,006,759)	4,874,496
Cash payments to suppliers for goods and services	(3,652,205)	(3,646,059)
Cash payment to employees for services	(2,770,285)	(2,507,401)
Net cash provided by operating activities	\$ (282,684)	\$ 8,203,751
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	5,773,243	-
Operating transfers out to other funds	(1,390,428)	(1,931,945)
Miscellaneous expense	-	(3,562)
Contributed Capital from Combined Utility Fund	-	1,627,670
Net cash provided by (used in) noncapital financing activities	4,382,815	(307,837)
Cash flows from capital and related financing activities:		
Deposits to the sinking fund	-	3,368,112
Disbursements from the sinking fund	-	(2,730,052)
Due to other funds	(7,000,000)	6,970,725
Intergovernmental expenses	(740,380)	-
Prior period adjustment	35,000	-
Proceeds from revenue bonds, net of bond issuance costs	63,112,244	-
Principal paid on revenue bond maturities	(7,359,254)	(1,095,000)
Acquisition and construction of capital assets	(7,929,105)	(3,785,518)
Interest expense paid on debt	(994,655)	(1,103,071)
Fiscal charges on revenue bonds	-	(4,800)
Net cash provided by (used in) capital and related financing activities	39,123,850	1,620,396
Cash flows from investing activities:		
Purchase of investment securities	-	-
Proceeds from sale and maturities of investment securities	-	-
Interest on investments	378,216	189,595
Net cash provided by (used in) investing activities	378,216	189,595
Net increase (decrease) in cash	43,602,197	9,705,905
Cash at beginning of year	11,945,258	-
Cash at end of year	\$ 55,547,455	\$ 9,705,905

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	1,643,370	\$ 1,350,784
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	1,534,699	1,535,181
Allowance for uncollectibles	-	6,255
Non-operating miscellaneous income	-	60,529
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(124,803)	\$ (735,360)
Decrease (increase) in due from other governments and agencies	30,826	(550)
Decrease (increase) in inventories	(8,330)	(141,594)
Increase (decrease) in accounts payable	1,239,415	273,299
Increase (decrease) in contracts payable	353,806	15,000
Increase (decrease) in due to other governments and agencies	(192,364)	192,364
Increase (decrease) in compensated absences	137,733	218,236
Increase (decrease) in due to other funds	(4,845,221)	4,874,496
Increase (decrease) in salaries payable	(51,815)	36,815
Total adjustments	(3,460,753)	4,732,706
Net cash provided by (used in) operating activities	\$ (282,684)	\$ 7,685,455

Non-cash Investing, Capital and Financing Activities

Contributions of fixed assets from government		
Contributed capital from the Combined Utility Fund	-	\$ 17,481,662
Contributed capital	-	3,693,320

City of Griffin, Georgia
 Electric Fund
 Comparative Statement of Net Assets
 June 30, 2003 and 2002

<u>Assets</u>	2003	2002
Current assets:		
Cash	\$ 205,676	\$ 436,077
Investments at fair market value	-	1,400,000
Account receivables (net of allowance for uncollectibles)	7,191,490	6,987,785
Due from other funds	-	1,818,907
Due from other governments and agencies	-	10,243
Inventories	1,057,253	1,160,914
Total Current Assets	8,454,419	11,813,926
Non-current assets:		
Restricted cash, cash equivalents, and investments	-	-
Fixed assets (net of allowance for depreciation)	11,331,878	10,789,002
Total Non-current Assets	11,331,878	10,789,002
Restricted assets:		
Deposit accounts:		
Cash	1,974,258	1,919,527
Municipal competitive trust		
Investments	21,621,160	22,648,730
Total Restricted Assets	23,595,418	24,568,257
Total Assets	43,381,715	47,171,185

City of Griffin, Georgia
Electric Fund
Comparative Statement of Net Assets (cont)
June 30, 2003 and 2002

	2003	2002
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	2,033,118	2,379,192
Accrued liabilities	-	28,174
Due to other governments and agencies	-	139,971
Total Current Liabilities:	2,033,118	2,547,337
Non-current Liabilities:		
Compensated absences	542,695	321,040
Deposits	2,021,509	1,724,749
Total Non-current Liabilities	2,564,204	2,045,789
Total Liabilities	4,597,322	4,593,126
Net Assets		
Invested in capital assets	11,331,878	10,789,002
Restricted for:		
Electrical deregulation	12,602,154	12,044,139
Energy rate fluctuations	6,185,298	5,873,305
Future operations	2,833,707	4,731,286
Unrestricted	5,831,356	9,140,327
Total Net Assets	\$ 38,784,393	\$ 42,578,059

City of Griffin, Georgia
Electric Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Charges for sale and services	\$ 31,149,000	\$ 29,359,504	\$ (1,789,496)	\$ 28,395,402
Other services	604,018	957,103	353,085	-
Total operating revenues	<u>31,753,018</u>	<u>30,316,607</u>	<u>(1,436,411)</u>	<u>28,395,402</u>
Expenditures:				
Personal services	1,969,145	2,234,047	(264,902)	1,924,440
Purchased Contracted Services	845,781	801,283	44,498	1,077,573
Supplies	20,881,255	21,019,033	(137,778)	22,248,215
Other costs	-	829,324	(829,324)	10,000
Depreciation expense	658,705	610,219	48,486	580,873
Total operating expenses	<u>24,354,886</u>	<u>25,493,906</u>	<u>(1,139,020)</u>	<u>25,841,101</u>
Operating Income	7,398,132	4,822,701	(2,575,431)	2,554,301
Non-operating revenue (expenses):				
Investment income	300,000	871,332	571,332	2,273,472
Intergovernmental	(1,153,143)	(1,119,255)	33,888	-
Total non-operating revenue (expenses)	<u>(853,143)</u>	<u>(247,923)</u>	<u>605,220</u>	<u>2,273,472</u>
Income (loss) before transfers	6,544,989	4,574,778	(1,970,211)	4,827,773
Transfers-out	(3,815,450)	(8,368,444)	(4,552,994)	(5,209,118)
Total transfers	<u>(3,815,450)</u>	<u>(8,368,444)</u>	<u>(4,552,994)</u>	<u>(5,209,118)</u>
Change in net assets	2,729,539	(3,793,666)	(6,523,205)	(381,345)
Total net assets - beginning	<u>42,578,059</u>	<u>42,578,059</u>	<u>-</u>	<u>42,959,404</u>
Total net assets - ending	<u>\$ 45,307,598</u>	<u>\$ 38,784,393</u>	<u>\$ (6,523,205)</u>	<u>\$ 42,578,059</u>

City of Griffin, Georgia
Electric Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 30,112,902	\$ 19,055,870
Cash payments to suppliers for goods and services	(22,892,053)	(21,479,827)
Cash payment to employees for services	(2,040,566)	(1,897,618)
New customer utility deposits	296,760	1,919,527
Due to other funds	1,689,179	-
Non-operating miscellaneous income	-	16,770
Net cash provided by operating activities	\$ 7,166,222	\$ (2,385,278)
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	(8,368,444)	(5,209,118)
Delinquent penalties	-	805,632
Fiber optic communications	-	792,741
Web access	-	10,974
Miscellaneous expense	-	(394)
Contributed capital from Combined Utility Fund	-	7,128,869
Net cash provided by (used in) noncapital financing activities	(8,368,444)	3,528,704
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,153,095)	(1,061,294)
Intergovernmental expenses	(1,119,255)	-
Net cash provided by (used in) capital and related financing activities	(2,272,350)	(1,061,294)
Cash flows from investing activities:		
Purchase of investment securities	-	1,075,866
Proceeds from sale and maturities of investment securities	2,427,570	1,118,880
Interest on investments	871,332	78,726
Net cash provided by (used in) investing activities	3,298,902	2,273,472
Net increase (decrease) in cash	(175,670)	2,355,604
Cash at beginning of year	2,355,604	-
Cash at end of year	\$ 2,179,934	\$ 2,355,604

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	4,822,701	\$ 2,207,024
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	610,219	580,873
Allowance for uncollectibles	-	2,004,470
Non-operating miscellaneous income	-	16,770
New customer utility deposits	296,760	1,919,527
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(203,705)	\$ (8,992,255)
Decrease (increase) in due from other funds	1,818,907	(1,818,907)
Decrease (increase) in due from other governments and agencies	10,243	(10,243)
Decrease (increase) in inventories	103,661	(1,160,914)
Increase (decrease) in accounts payable	(346,074)	2,379,192
Increase (decrease) in contracts payable	-	1,352
Increase (decrease) in due to other governments and agencies	(139,971)	139,971
Increase (decrease) in compensated absences	221,655	321,040
Increase (decrease) in salaries payable	(28,174)	26,822
Total adjustments	1,436,542	(9,113,942)
Net cash provided by (used in) operating activities	\$ 7,166,222	\$ (2,385,278)

Non-cash Investing, Capital and Financing Activities

Contributions of fixed assets from government		
Contributed capital from the Combined Utility Fund	\$ -	\$ 15,170,646

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

City of Griffin, Georgia
Stormwater Fund
Comparative Statement of Net Assets
June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Current assets:		
Cash	\$ 8,865	\$ 49,243
Account receivables (net of allowance for uncollectibles)	92,849	170,824
Total Current Assets	101,714	49,243
Non-current assets:		
Fixed assets (net of allowance for depreciation)	6,472,044	5,740,076
Total Non-current Assets	6,472,044	5,740,076
Total Assets	6,573,758	5,789,319
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	140,304	599,599
Accrued liabilities	-	53,677
Current portion of long term debt	90,404	17,209
Due to other funds	-	1,569,914
Due to other governmental agencies	-	57,481
Total Current Liabilities:	230,708	2,297,880
Non-current Liabilities:		
Notes payable	2,174,621	2,102,269
Compensated absences	64,214	35,209
Total Non-current Liabilities	2,238,835	2,137,478
Total Liabilities	2,469,543	4,435,358
Net Assets		
Invested in capital assets	6,472,044	5,740,076
Unrestricted	(2,367,829)	(4,215,291)
Total Net Assets	\$ 4,104,215	\$ 1,524,785

City of Griffin, Georgia
Stormwater Fund
Statement of Revenues, Expenditures and Changes in Fund Net Assets
For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating revenues:				
Charges for sale and services	\$ 1,432,104	\$ 1,429,951	\$ (2,153)	\$ 1,326,759
Other services	-	3,793	3,793	-
Total operating revenues	<u>1,432,104</u>	<u>1,433,744</u>	<u>1,640</u>	<u>1,326,759</u>
Operating expenses:				
Personal services	555,856	635,170	(79,314)	481,338
Purchased Contracted Services	280,364	291,300	(10,936)	388,517
Supplies	112,700	136,355	(23,655)	106,037
Other costs	-	154,269	(154,269)	33,064
Depreciation expense	359,000	128,732	230,268	133,366
Total operating expenses	<u>1,307,920</u>	<u>1,345,826</u>	<u>(37,906)</u>	<u>1,142,322</u>
Operating Income	124,184	87,918	(36,266)	184,437
Non-operating revenue (expenses):				
Intergovernmental	(565,633)	(381,663)	183,970	230,545
Grant income	418,244	398,567	(19,677)	447
Interest income	1,830	933	(897)	23
Interest expense	(78,475)	(92,147)	(13,672)	(53,945)
Total non-operating revenue (expenses)	<u>(224,034)</u>	<u>(74,310)</u>	<u>149,724</u>	<u>177,070</u>
Income (loss) before transfers	(99,850)	13,608	113,458	361,507
Transfers-in	-	2,737,897	2,737,897	-
Transfers-out	-	(172,075)	(172,075)	(361,507)
Total transfers	<u>-</u>	<u>2,565,822</u>	<u>2,565,822</u>	<u>(361,507)</u>
Change in net assets	(99,850)	2,579,430	2,679,280	-
Total net assets - beginning	<u>1,524,785</u>	<u>1,524,785</u>	<u>-</u>	<u>1,524,785</u>
Total net assets - ending	<u>\$ 1,424,935</u>	<u>\$ 4,104,215</u>	<u>\$ 2,679,280</u>	<u>\$ 1,524,785</u>

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

City of Griffin, Georgia
 Combining Statement of Net Assets (cont)
 Non-major Enterprise Funds
 June 30, 2003

	Business-type Activities Nonmajor Enterprise Funds				Total
	Solid Waste Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable	103,364	43,241	3,899	17,496	168,000
Accrued liabilities	5,503	1,427	-	2,915	9,845
Accrued interest	268	-	-	-	268
Capital leases payable - current	45,123	-	-	-	45,123
Landfill post closure care - current	45,205	-	-	-	45,205
Total current liabilities	<u>199,463</u>	<u>44,668</u>	<u>3,899</u>	<u>20,411</u>	<u>268,441</u>
Noncurrent liabilities:					
Landfill post closure care	1,250,491	-	-	-	1,250,491
Compensated absences	335,741	14,217	-	81,888	431,846
Due to other funds	500,000	225,000	-	149,162	874,162
Deposits	-	-	1,528	-	1,528
Total noncurrent liabilities	<u>2,086,232</u>	<u>239,217</u>	<u>1,528</u>	<u>231,050</u>	<u>2,558,027</u>
Total Liabilities	<u>2,285,695</u>	<u>283,885</u>	<u>5,427</u>	<u>251,461</u>	<u>2,826,468</u>
Net Assets:					
Invested in capital assets, net of related debt	745,649	3,322,394	2,323,260	1,843,263	8,234,566
Restricted for:					
Landfill closure	404,255	-	-	-	404,255
Local landfill	158,446	-	-	-	158,446
Capital improvements	-	180,793	-	130,590	311,383
Unrestricted	<u>(2,541,700)</u>	<u>(361,343)</u>	<u>45,865</u>	<u>(187,795)</u>	<u>(3,044,973)</u>
Total Net Assets	<u>\$ (1,233,350)</u>	<u>\$ 3,141,844</u>	<u>\$ 2,369,125</u>	<u>\$ 1,786,058</u>	<u>\$ 6,063,677</u>

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Non-major Enterprise Funds
 For the year ended June 30, 2003

	Business-type Activities Nonmajor Enterprise Funds				Total
	Solid Waste	Airport	Fund	Golf Course	
Welcome Center					
Operating revenues:					
Charges for sales and services	\$ 4,199,868	\$ 398,049	\$ 23,155	\$ 354,545	\$ 4,975,617
Other services	136,653	316,312	-	606	453,571
Total operating revenues	4,336,521	714,361	23,155	355,151	5,429,188
Operating expenses:					
Personal services	2,215,595	274,498	3,878	494,594	2,988,565
Purchased Contracted Service	2,381,726	138,578	13,845	142,167	2,676,316
Supplies	126,564	316,202	29,694	142,857	615,317
Other costs	-	-	-	4,342	4,342
Depreciation expense	175,686	115,008	41,829	21,636	354,159
Total operating expenses	4,899,571	844,286	89,246	805,596	6,638,699
Operating income	(563,050)	(129,925)	(66,091)	(450,445)	(1,209,511)
Nonoperating revenue (expenses):					
Intergovernmental	(202,487)	(158,824)	-	-	(361,311)
Clubhouse escrow fees	-	-	-	27,926	27,926
Local landfill surcharge	31,769	-	-	-	31,769
Local closure surcharge	51,398	-	-	-	51,398
Interest income	346	261	-	779	1,386
Interest expense	(6,152)	-	-	(2,388)	(8,540)
Total nonoperating revenue (expenses)	(125,126)	(158,563)	-	26,317	(257,372)
Income (loss) before transfers	(688,176)	(288,488)	(66,091)	(424,128)	(1,466,883)

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

City of Griffin, Georgia
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets (cont)
 Non-major Enterprise Funds
 For the year ended June 30, 2003

	Business-type Activities Nonmajor Enterprise Funds				
	Solid Waste	Airport	Fund Welcome Center	Golf Course	Total
Transfers in	477,044	303,735	66,667	254,298	1,101,744
Transfers out	(37,107)	(396)	(576)	(5,250)	(43,329)
Total transfers	439,937	303,339	66,091	249,048	1,058,415
Change in net assets	(248,239)	14,851	-	(175,080)	(408,468)
Total net assets - beginning	(985,111)	3,126,993	2,369,125	1,961,138	6,472,145
Total net assets - ending	\$ (1,233,350)	\$ 3,141,844	\$ 2,369,125	\$ 1,786,058	\$ 6,063,677

City of Griffin, Georgia
Statement of Cash Flows
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Solid Waste Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 4,557,435	\$ 720,157	\$ 23,633	\$ 355,358	\$ 5,656,583
Miscellaneous operating income	-	-	-	606	606
Payments to suppliers	(2,754,086)	(452,443)	(85,847)	(45,648)	(3,338,024)
Payments to employees	(2,154,493)	(273,223)	(3,878)	(480,336)	(2,911,930)
Net cash provided (used) by operating activities	(351,144)	(5,509)	(66,092)	(170,020)	(592,765)
Cash flows from non-capital financing activities:					
Golf escrow fees	-	-	-	27,926	27,926
Postclosure costs	(33,476)	-	-	-	(33,476)
Landfill closure surcharges	51,398	-	-	-	51,398
Local landfill surcharges	31,769	-	-	-	31,769
Transfers out	(37,107)	(396)	(576)	(5,250)	(43,329)
Transfers in	477,044	303,735	66,667	254,298	1,101,744
Net cash provided (used) by non-capital financing activities	489,628	303,339	66,091	276,974	1,136,032
Cash flows from capital and related financing activities:					
Acquisition and construction of assets	(73,288)	(159,699)	1	-	(232,986)
Principal paid on capital leases	(104,447)	-	-	(16,752)	(121,199)
Intergovernmental expenses	(202,487)	(158,824)	-	-	(361,311)
Interest expense paid on debt	(6,854)	-	-	(2,388)	(9,242)
Net cash provided (used) by capital and related financing activities	(387,076)	(318,523)	1	(19,140)	(724,738)

The accompanying notes are an integral part of these statements.

City of Griffin, Georgia
Statement of Cash Flows
All Proprietary Funds - Enterprise Funds (cont)
For the year ended June 30, 2003

	Solid Waste Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Total
Cash flows from investing activities:					
Interest on investments	346	261	-	779	1,386
Net cash provided (used) by investing activities	346	261	-	779	1,386
Net increase (decrease) in cash	(248,246)	(20,432)	-	88,593	(180,085)
Cash at beginning of year	296,557	64,475	-	103,252	464,384
Cash at end of year	<u>\$ 48,411</u>	<u>\$ 44,043</u>	<u>\$ -</u>	<u>\$ 191,845</u>	<u>\$ 284,299</u>
Unrestricted	\$ 6,565	\$ 44,043	\$ -	\$ 61,255	\$ 111,863
Restricted	41,846	-	-	130,590	172,436
	<u>\$ 48,411</u>	<u>\$ 44,043</u>	<u>\$ -</u>	<u>\$ 191,845</u>	<u>\$ 284,299</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ (563,050)	\$ (129,925)	\$ (66,091)	\$ (450,445)	\$ (1,209,511)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	175,686	115,008	41,829	21,636	354,159
Changes in assets and liabilities (Increase) decrease in:					
Accounts receivable	220,914	5,796	-	813	227,523
Inventories	-	(18,097)	-	-	(18,097)
Amount due from other funds	(256,557)	1,977	(35,513)	251,073	(38,820)
Increase (decrease) in:					
Accounts payable	16,982	18,457	(6,795)	736	29,380
Compensated absences	84,092	3,870	-	18,378	106,340
Amounts due to other governments and agencies	(6,421)	-	-	(8,091)	(14,512)
Customer deposits	-	-	478	-	478
Salaries payable	(22,990)	(2,595)	-	(4,120)	(29,705)
Net cash provided (used) by operating activities	<u>\$ (351,144)</u>	<u>\$ (5,509)</u>	<u>\$ (66,092)</u>	<u>\$ (170,020)</u>	<u>\$ (592,765)</u>

The accompanying notes are an integral part of these statements.

City of Griffin, Georgia
Solid Waste
Comparative Statement of Net Assets
June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Current assets:		
Cash	\$ 6,565	\$ 296,657
Account receivables (net of allowance for uncollectibles)	238,156	479,199
Receivables	20,129	-
Total Current Assets	264,850	775,856
Non-current assets:		
Restricted cash, cash equivalents, and investments	41,846	-
Fixed assets (net of allowance for depreciation)	745,649	848,047
Total Non-current Assets	787,495	848,047
Total Assets	1,052,345	1,623,903
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	103,364	86,382
Accrued liabilities	5,503	28,493
Accrued interest	268	970
Due to other governments & agencies	-	6,421
Capital leases payable - current	45,123	104,446
Landfill post closure - current	45,205	45,630
Total Current Liabilities:	199,463	272,342
Non-current Liabilities:		
Compensated absences	335,741	251,649
Due to other funds	500,000	756,357
Landfill post-closure care	1,250,491	1,283,542
Capital leases	-	45,124
Total Non-current Liabilities	2,086,232	2,336,672
Total Liabilities	2,285,695	2,609,014
Net Assets		
Invested in capital assets	745,649	698,477
Restricted for:		
Landfill closure	404,255	352,857
Local landfill	158,446	126,677
Unrestricted	(2,541,700)	(2,163,122)
Total Net Assets	\$ (1,233,350)	\$ (985,111)

City of Griffin, Georgia
Solid Waste Fund
Statement of Revenues, Expenditures and Changes in Fund Net Assets
For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating revenues:				
Charges for sale and services	\$ 4,845,200	\$ 4,199,868	\$ (645,332)	\$ 4,231,408
Other services	70,850	136,653	65,803	-
Total operating revenues	<u>4,916,050</u>	<u>4,336,521</u>	<u>(579,529)</u>	<u>4,231,408</u>
Operating expenses:				
Personal services	2,426,591	2,215,595	210,996	1,917,535
Purchased Contracted Services	1,778,115	2,381,726	(603,611)	2,195,447
Supplies	138,250	126,564	11,686	114,866
Other costs	-	-	-	84,094
Depreciation expense	347,077	175,686	171,391	178,203
Total operating expenses	<u>4,690,033</u>	<u>4,899,571</u>	<u>(209,538)</u>	<u>4,490,145</u>
Operating Income	226,017	(563,050)	(789,067)	(258,737)
Non-operating revenue (expenses):				
Intergovernmental	(202,579)	(202,487)	92	34,141
Local landfill surcharge	-	31,769	31,769	44,712
Landfill closure surcharge	-	51,398	51,398	49,099
Interest income	5,000	346	(4,654)	4,222
Interest expense	(5,254)	(6,152)	(898)	(10,391)
Total non-operating revenue (expenses)	<u>(202,833)</u>	<u>(125,126)</u>	<u>77,707</u>	<u>121,783</u>
Income (loss) before transfers	23,184	(688,176)	(711,360)	(136,954)
Transfers-in	-	477,044	477,044	-
Transfers-out	(11,754)	(37,107)	(25,353)	(359,493)
Total transfers	<u>(11,754)</u>	<u>439,937</u>	<u>451,691</u>	<u>(359,493)</u>
Change in net assets	11,430	(248,239)	(259,669)	(496,447)
Total net assets - beginning	(985,111)	(985,111)	-	(488,664)
Total net assets - ending	<u>\$ (973,681)</u>	<u>\$ (1,233,350)</u>	<u>\$ (259,669)</u>	<u>\$ (985,111)</u>

City of Griffin, Georgia
Solid Waste Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	FY 2003	FY 2002
Cash flows from operating activities:		
Cash received from customers	\$ 4,557,435	\$ 3,873,917
Cash payments to suppliers for goods and services	(2,754,086)	(1,931,246)
Cash payment to employees for services	(2,154,493)	(1,917,141)
Non-operating miscellaneous income	-	-
Net cash provided by operating activities	\$ (351,144)	\$ 25,530
Cash flows from noncapital financing activities:		
Operating transfers out	(37,107)	-
Operating transfers in	477,044	-
Local landfill surcharges	31,769	44,712
Landfill closure surcharges	51,398	49,099
Georgia landfill surcharges	-	13,142
Operating grants received	-	34,141
Georgia disposal fees	-	(116,034)
Post closure costs	(33,476)	(39,728)
Net cash provided by (used in) noncapital financing activities	489,628	(14,668)
Cash flows from capital and related financing activities:		
Capital from GMA lease	-	-
Principal payments GMA lease	(104,447)	(253,476)
Intergovernmental expenses	(202,487)	-
Acquisition and construction of capital assets	(73,288)	(142,408)
Interest expense paid on debt	(6,854)	(17,776)
Net cash provided by (used in) capital and related financing activities	(387,076)	(413,660)
Cash flows from investing activities:		
Interest on cash deposits	346	4,222
Net cash provided by (used in) investing activities	346	4,222
Net increase (decrease) in cash	(248,246)	(398,576)
Cash at beginning of year	296,657	695,233
Cash at end of year	\$ 48,411	\$ 296,657

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	\$ (563,050)	\$ (258,828)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	175,686	178,203
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	220,914	\$ (357,400)
Decrease (increase) in prepaids	-	17,817
Decrease (increase) in due from other funds	(256,357)	396,787
Increase (decrease) in accounts payable	16,982	47,960
Increase (decrease) in compensated absences	84,092	16,251
Increase (decrease) in due to other governments & agencies	(6,421)	(15,654)
Increase (decrease) in salaries payable	(22,990)	394
Total adjustments	36,220	106,155
Net cash provided by (used in) operating activities	\$ (351,144)	\$ 25,530

Non-cash Investing, Capital and Financing Activities

Contributions of fixed assets from government		
Contributed capital from the General Fixed Asset Group of Accounts	\$ -	\$ 1,499,660

City of Griffin, Georgia
 Airport Fund
 Comparative Statement of Net Assets
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Current assets:		
Cash	\$ 44,043	\$ 64,475
Account receivables (net of allowance for uncollectibles)	-	958
Receivables	32,941	-
Due from other governments	-	37,779
Inventories	26,351	8,254
Total Current Assets	103,335	111,466
Non-current assets:		
Fixed assets (net of allowance for depreciation)	3,322,394	3,277,703
Total Non-current Assets	3,322,394	3,277,703
Total Assets	3,425,729	3,389,169
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	43,241	24,784
Accrued liabilities	1,427	4,022
Capital leases payable - current	-	-
Landfill post closure - current	-	-
Total Current Liabilities:	44,668	28,806
Non-current Liabilities:		
Compensated absences	14,217	10,347
Landfill post-closure care	-	-
Due to Other Funds	225,000	223,023
Deposits	-	-
Total Non-current Liabilities	239,217	233,370
Total Liabilities	283,885	262,176
Net Assets		
Invested in capital assets	3,322,394	3,231,845
Reserved for capital improvements	180,793	180,793
Unreserved - Undesignated	(361,343)	(285,645)
Total Net Assets	\$ 3,141,844	\$ 3,126,993

City of Griffin, Georgia
 Airport Fund
 Statement of Revenues, Expenditures and Changes in Fund Net Assets
 For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating revenues:				
Charges for sale and services	\$ 298,000	\$ 398,049	\$ 100,049	\$ 468,710
Other services	542,653	316,312	(226,341)	-
Total operating revenues	<u>840,653</u>	<u>714,361</u>	<u>(126,292)</u>	<u>468,710</u>
Operating expenses:				
Personal services	271,046	274,498	(3,452)	219,428
Purchased Contracted Services	72,820	138,578	(65,758)	86,937
Supplies	286,700	316,202	(29,502)	326,201
Depreciation expense	125,000	115,008	9,992	122,815
Total operating expenses	<u>755,566</u>	<u>844,286</u>	<u>(88,720)</u>	<u>755,381</u>
Operating Income	85,087	(129,925)	(215,012)	(286,671)
Non-operating revenue (expenses):				
Intergovernmental	(158,594)	(158,824)	(230)	259,420
Interest income	1,800	261	(1,539)	285
Miscellaneous expense	-	-	-	(1,437)
Total non-operating revenue (expenses)	<u>(156,794)</u>	<u>(158,563)</u>	<u>(1,769)</u>	<u>258,268</u>
Income (loss) before transfers	(71,707)	(288,488)	(216,781)	(28,403)
Transfers-in	190,587	303,735	(113,148)	227,296
Transfers-out	(396)	(396)	-	(198,893)
Total transfers	<u>190,191</u>	<u>303,339</u>	<u>(113,148)</u>	<u>28,403</u>
Change in net assets	118,484	14,851	(329,929)	-
Total net assets - beginning	3,126,993	3,126,993	-	3,126,993
Total net assets - ending	<u>\$ 3,245,477</u>	<u>\$ 3,141,844</u>	<u>\$ (329,929)</u>	<u>\$ 3,126,993</u>

City of Griffin, Georgia
 Airport Fund
 Statement of Cash Flows
 For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 720,157	\$ 467,752
Cash payments to suppliers for goods and services	(452,443)	(280,238)
Cash payment to employees for services	(273,223)	(218,529)
Non-operating miscellaneous income	-	(1,437)
Net cash provided by operating activities	\$ (5,509)	\$ (32,452)
Cash flows from noncapital financing activities:		
Operating transfers out	(396)	227,296
Operating transfers in	303,735	(198,893)
Post closure costs	-	-
Net cash provided by (used in) noncapital financing activities	303,339	28,403
Cash flows from capital and related financing activities:		
Capital from Georgia Department of Transportation	-	108,304
Principal payments GMA lease	-	-
Intergovernmental expenses	(158,824)	113,337
Acquisition and construction of capital assets	(159,699)	(176,863)
Interest expense paid on debt	-	-
Net cash provided by (used in) capital and related financing activities	(318,523)	44,778
Cash flows from investing activities:		
Interest on cash deposits	261	285
Net cash provided by (used in) Investing activities	261	285
Net increase (decrease) in cash	(20,432)	41,014
Cash at beginning of year	64,475	23,461
Cash at end of year	\$ 44,043	\$ 64,475

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	\$ (129,925)	\$ (286,671)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	115,008	122,815
Non-operating miscellaneous expense	-	(1,437)
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	5,796	(958)
Decrease (increase) in inventories	(18,097)	-
Decrease (increase) in due from other funds	1,977	116,663
Increase (decrease) in accounts payable	18,457	13,150
Increase (decrease) in compensated absences	3,870	3,087
Increase (decrease) in due to other governments & agencies	-	-
Increase (decrease) in salaries payable	(2,595)	899
Total adjustments	9,408	132,841
Net cash provided by (used in) operating activities	\$ (5,509)	\$ (32,452)

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

City of Griffin, Georgia
 Welcome Center Fund
 Comparative Statement of Net Assets
 June 30, 2003 and 2002

	2003	2002
<u>Assets</u>		
Current assets:		
Cash	\$ -	\$ -
Total Current Assets	-	-
Non-current assets:		
Due from other funds	51,292	15,779
Fixed assets (net of allowance for depreciation)	2,323,260	2,365,090
Total Non-current Assets	2,374,552	2,380,869
Total Assets	2,374,552	2,380,869
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	3,899	10,694
Total Current Liabilities:	3,899	10,694
Non-current Liabilities:		
Deposits	1,528	1,050
Total Non-current Liabilities	1,528	1,050
Total Liabilities	5,427	11,744
Net Assets		
Invested in capital assets	2,323,260	2,365,090
Unrestricted	45,865	4,035
Total Net Assets	\$ 2,369,125	\$ 2,369,125

City of Griffin, Georgia
 Welcome Center Fund
 Statement of Revenues, Expenditures and Changes in Fund Net Assets
 For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	2003	Variance Favorable (Unfavorable)	
Operating revenues:				
Charges for sale and services	\$ 35,000	\$ 23,155	\$ (11,845)	\$ 15,779
Total operating revenues	35,000	23,155	(11,845)	15,779
Operating expenses:				
Personal services	57,588	3,878	53,710	56,029
Purchased Contracted Services	7,250	13,845	(6,595)	5,083
Supplies	41,550	29,694	11,856	93,769
Depreciation expense	-	41,829	(41,829)	41,536
Total operating expenses	106,388	89,246	17,142	196,417
Operating Income	(71,388)	(66,091)	5,297	(180,638)
Non-operating revenue (expenses):				
Interest expense	-	-	-	-
Total non-operating revenue (expenses)	-	-	-	-
Income (loss) before transfers	(71,388)	(66,091)	5,297	(180,638)
Transfers-in	-	66,667	66,667	180,958
Transfers-out	(240)	(576)	(336)	(320)
Total transfers	(240)	66,091	66,331	180,638
Change in net assets	(71,628)	-	71,628	-
Total net assets - beginning	2,369,125	2,369,125	-	2,369,125
Total net assets - ending	\$ 2,297,497	\$ 2,369,125	\$ 71,628	\$ 2,369,125

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

City of Griffin, Georgia
 Welcome Center Fund
 Statement of Cash Flows
 For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) In Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 23,633	\$ 15,779
Cash payments to suppliers for goods and services	(85,847)	(102,887)
Cash payment to employees for services	(3,878)	(56,029)
Non-operating miscellaneous income	-	-
Net cash provided by operating activities	\$ (66,092)	\$ (143,137)
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	66,667	180,958
Operating transfers out to other funds	(576)	(320)
Net cash provided by (used in) noncapital financing activities	66,091	180,638
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	1	(37,501)
Net cash provided by (used in) capital and related financing activities	1	(37,501)
Cash flows from investing activities:		
Interest on cash	-	-
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	\$ (66,091)	\$ (180,638)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	41,829	41,536
Non-operating miscellaneous income	-	-
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	-	\$ -
Decrease (increase) in due from other funds	(35,513)	(15,779)
Increase (decrease) in accounts payable	(6,795)	10,694
Increase (decrease) in deposits	478	1,050
Total adjustments	(41,830)	(4,035)
Net cash provided by (used in) operating activities	\$ (66,092)	\$ (143,137)

Non-cash Investing, Capital and Financing Activities

Contributions of fixed assets from government	-	\$ 2,369,125
Contributed capital from the General Fixed Asset Group of Accounts	-	-

City of Griffin, Georgia
Golf Course Fund
Comparative Statement of Net Assets
June 30, 2003 and 2002

<u>Assets</u>	2003	2002
Current assets:		
Cash	\$ 61,255	\$ 103,252
Account receivables (net of allowance for uncollectibles)	2,411	3,224
Due from other funds	-	101,911
Total Current Assets	63,666	208,387
Non-current assets:		
Restricted cash, cash equivalents, and investments	130,590	-
Fixed assets (net of allowance for depreciation)	1,843,263	1,864,899
Total Non-current Assets	1,973,853	1,864,899
Total Assets	2,037,519	2,073,286
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	17,496	16,760
Accrued liabilities	2,915	7,035
Capital leases payable - current	-	13,690
Due to Other Governments	-	8,091
Total Current Liabilities:	20,411	45,576
Non-current Liabilities:		
Landfill post-closure care	-	-
Due to Other Funds	149,162	-
Compensated Absences	81,888	63,510
Capital leases payable (net of current portion)	-	3,062
Total Non-current Liabilities	231,050	66,572
Total Liabilities	251,461	112,148
Net Assets		
Invested in capital assets	1,843,263	1,858,474
Restricted for capital improvements	130,590	102,664
Unrestricted	(187,795)	-
Total Net Assets	\$ 1,786,058	\$ 1,961,138

City of Griffin, Georgia
Golf Fund
Statement of Revenues, Expenditures and Changes in Net Assets
For the years ended June 30, 2003 and 2002

	FY 2003			2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating revenues:				
Charges for sale and services	\$ 476,000	\$ 354,545	\$ (121,455)	\$ 412,979
Other services	-	606	606	545
Total operating revenues	476,000	355,151	(120,849)	413,524
Operating expenses:				
Personal services	482,785	494,594	(11,809)	521,872
Purchased Contracted Services	104,930	142,167	(37,237)	129,585
Supplies	124,700	142,857	(18,157)	177,652
Other costs	-	4,342	(4,342)	-
Depreciation expense	15,000	21,636	(6,636)	20,578
Total operating expenses	727,415	805,596	(78,181)	849,687
Operating Income	(251,415)	(450,445)	(199,030)	(436,163)
Non-operating revenue (expenses):				
Golf Course escrow fees	-	27,926	27,926	32,720
Interest income	-	779	779	801
Interest expense	-	(2,388)	(2,388)	(791)
Total non-operating revenue (expenses)	-	26,317	26,317	32,730
Income (loss) before transfers	(251,415)	(424,128)	(172,713)	(403,433)
Transfers-in	254,298	254,298	-	440,153
Transfers-out	(2,187)	(5,250)	(3,063)	(4,000)
Total transfers	252,111	249,048	(3,063)	436,153
Change in net assets	696	(175,080)	(175,776)	32,720
Total net assets - beginning	1,961,138	1,961,138	-	1,928,418
Total net assets - ending	\$ 1,961,834	\$ 1,786,058	\$ (175,776)	\$ 1,961,138

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

City of Griffin, Georgia
Golf Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 355,358	\$ 409,755
Cash payments to suppliers for goods and services	(45,648)	(320,787)
Cash payment to employees for services	(480,336)	(514,941)
Non-operating miscellaneous income	606	545
Net cash provided by operating activities	\$ (170,020)	\$ (425,428)
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	254,298	440,153
Operating transfers out to other funds	(5,250)	(4,000)
Residual equity from Golf Escrow Fund	-	69,944
Golf escrow fees	27,926	32,720
Net cash provided by (used in) noncapital financing activities	276,974	538,817
Cash flows from capital and related financing activities:		
Principal paid on GMA lease	(16,752)	(10,250)
Acquisition and construction of capital assets	-	-
Interest expense on GMA lease	(2,388)	(688)
Net cash provided by (used in) capital and related financing activities	(19,140)	(10,938)
Cash flows from investing activities:		
Interest on cash	779	801
Net cash provided by (used in) investing activities	779	801
Net increase (decrease) in cash	88,593	103,252
Cash at beginning of year	103,252	-
Cash at end of year	\$ 191,845	\$ 103,252

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	\$ (450,445)	\$ (436,163)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	21,636	20,578
Non-operating miscellaneous income	-	-
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	813	\$ (3,224)
Decrease (increase) in due from other funds	251,073	(101,911)
Increase (decrease) in accounts payable	736	16,760
Increase (decrease) in due to other governments and agencies	(8,091)	8,091
Increase (decrease) in compensated absences	18,378	63,510
Increase (decrease) in salaries payable	(4,120)	6,931
Total adjustments	258,789	(9,843)
Net cash provided by (used in) operating activities	\$ (170,020)	\$ (425,428)

Non-cash Investing, Capital and Financing Activities

Contributions of fixed assets from government		
Contributed capital from the General Fixed Asset Group of Accounts	-	\$ 1,885,477

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

City of Griffin, Georgia
Internal Service Fund
Combining Statement of Net Assets
June 30, 2003

	<u>Assets</u>	Motor Pool Fund	Insurance Risk Fund	Health Insurance Stabilization Fund	Totals
Current assets:					
Cash	\$ 100,999	\$ -	\$ -	\$ -	\$ 100,999
Receivables (net where applicable of allowance for uncollectibles)	-	-	-	-	-
Inventories	77,815	-	-	-	77,815
Total current assets	178,814	-	-	-	178,814
Non-current assets:					
Fixed assets (net of depreciation)	4,596,405	-	-	-	4,596,405
Total non-current assets	4,596,405	-	-	-	4,596,405
Total Assets	4,775,219	-	-	-	4,775,219
<u>Liabilities and Net Assets</u>					
Liabilities:					
Current liabilities:					
Accounts payable	392,254	-	-	-	392,254
Retainage payable	58,838	-	-	-	58,838
Interest payable	7,062	-	-	-	7,062
Capital leases payable	579,847	-	-	-	579,847
Total liabilities:	1,038,001	-	-	-	1,038,001
Long-term liabilities:					
Compensated absences	41,884	-	-	-	41,884
Capital leases payable (net of current portion)	221,942	-	-	-	221,942
Total long-term liabilities	263,826	-	-	-	263,826
Total liabilities	1,301,827	-	-	-	1,301,827
Net Assets:					
Invested in capital assets, net of debt	3,735,778	-	-	-	3,735,778
Unrestricted	(262,386)	-	-	-	(262,386)
Total Net Assets	\$ 3,473,392	\$ -	\$ -	\$ -	\$ 3,473,392

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

City of Griffin, Georgia
Internal Service Fund
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2003

	Motor Pool Fund	Insurance Risk Fund	Health Insurance Stabilization Fund	Totals
Operating Revenue:				
Charges for services	\$ 3,097,495	\$ -	\$ -	\$ 3,097,495
Miscellaneous income	81,936	-	-	81,936
Total operating revenues	<u>3,179,431</u>	-	-	<u>3,179,431</u>
Operating Expenses:				
Personal services and employee benefits	472,454	-	-	472,454
Purchased/contracted services	430,067	-	-	430,067
Supplies	937,941	-	-	937,941
Interfund/Interdepartmental	42,736	-	-	42,736
Other costs	10,066	-	-	10,066
Depreciation	1,246,901	-	-	1,246,901
Total operating expenses	<u>3,140,165</u>	-	-	<u>3,140,165</u>
Operating income (loss)	39,266	-	-	39,266
Non-operating revenue (expenses):				
Interest income	444	-	-	444
Interest expense	(53,309)	-	-	(53,309)
Total non-operating revenues (expenses)	<u>(52,865)</u>	-	-	<u>(52,865)</u>
Income before operating transfers	(13,599)	-	-	(13,599)
Operating transfers:				
Operating transfers out	(2,400)	(80,000)	(80,000)	(162,400)
Operating transfers in	1,438,205	40,000	40,000	1,518,205
Net operating transfers	<u>1,435,805</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>1,355,805</u>
Net income (loss)	1,422,206	(40,000)	(40,000)	1,342,206
Net assets - beginning of year	2,019,558	40,000	40,000	2,099,558
Prior period adjustment	31,628	-	-	31,628
Net assets - beginning of year as restated	<u>2,051,186</u>	<u>40,000</u>	<u>40,000</u>	<u>2,131,186</u>
Net assets - end of year	<u>\$ 3,473,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,473,392</u>

City of Griffin, Georgia
Internal Service Fund
Combining Statement of Cash Flows
For the year ended June 30, 2003

	<u>Increase (Decrease) in Cash</u>				
	Motor Pool Fund	Insurance Risk Fund	Health Insurance Stabilization Fund	Totals	
Cash flows from operating activities:					
Cash received from customers	\$ 3,181,964	-	-	\$ 3,181,964	
Cash received from (paid to) other funds	(713,021)	40,000	40,000	(633,021)	
Cash payments to suppliers for goods and services	(1,153,761)	-	-	(1,153,761)	
Cash payments to employees for services	(459,955)	-	-	(459,955)	
Net cash provided by operating activities	<u>855,227</u>	<u>40,000</u>	<u>40,000</u>	<u>935,227</u>	
Cash flows from noncapital financing activities:					
Operating transfers in from other funds	1,438,205	40,000	40,000	1,518,205	
Operating transfers out to other funds	(2,400)	(80,000)	(80,000)	(162,400)	
Net cash provided by (used in) noncapital financing activities	<u>1,435,805</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>1,355,805</u>	
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,637,648)	-	-	(1,637,648)	
Principal payments on capital leases	(536,857)	-	-	(536,857)	
Interest expense on capital leases	(59,349)	-	-	(59,349)	
Net cash provided by (used in) capital and related financing activities	<u>(2,233,854)</u>	<u>-</u>	<u>-</u>	<u>(2,233,854)</u>	
Cash flows from investing activities:					
Interest on cash	444	-	-	444	
Net cash provided by (used in) investing activities	<u>444</u>	<u>-</u>	<u>-</u>	<u>444</u>	
Net increase (decrease) in cash	<u>57,622</u>	<u>-</u>	<u>-</u>	<u>57,622</u>	
Cash at beginning of year	43,377	-	-	43,377	
Cash at end of year	<u>\$ 100,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,999</u>	
<u>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</u>					
Operating Income	\$ 39,266	\$ -	\$ -	\$ 39,266	
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	1,246,901	-	-	1,246,901	
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	2,533	-	-	2,533	
Decrease (increase) in inventory	(54,095)	-	-	(54,095)	
Decrease (increase) in due from other funds	(713,021)	40,000	40,000	(633,021)	
Increase (decrease) in accounts payable	262,306	-	-	262,306	
Increase (decrease) in retainage payable	58,838	-	-	58,838	
Increase (decrease) in wages payable	(5,813)	-	-	(5,813)	
Increase (decrease) in compensated absences	18,312	-	-	18,312	
Total adjustments	<u>(430,940)</u>	<u>40,000</u>	<u>40,000</u>	<u>(350,940)</u>	
Net cash provided by (used in) operating activities	<u>\$ 855,227</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 935,227</u>	

City of Griffin, Georgia
Motor Pool Fund
Comparative Statement of Net Assets
For the years ended June 30, 2003 and 2002

<u>Assets</u>	<u>FY 2003</u>	<u>FY 2002</u>
Current assets:		
Cash	\$ 100,999	\$ 43,377
Receivables (net where applicable of allowance for uncollectibles)	-	2,533
Inventories	77,815	23,720
Total current assets	178,814	69,630
Non-current assets:		
Fixed assets (net of depreciation)	4,596,405	4,205,658
Total non-current assets	4,596,405	4,205,658
Total Assets	4,775,219	4,275,288
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	392,254	129,948
Wages payable	-	5,813
Due to other funds	-	713,021
Retainage payable	58,838	-
Interest payable	7,062	13,102
Capital leases payable	579,847	555,768
Total liabilities:	1,038,001	1,417,652
Long-term liabilities:		
Compensated absences	41,884	23,572
Capital leases payable (net of current portion)	221,942	814,506
Total long-term liabilities	263,826	838,078
Total liabilities	1,301,827	2,255,730
Net Assets:		
Invested in capital assets, net of debt	3,735,778	2,019,558
Unrestricted	(262,386)	-
Total Net Assets	\$ 3,473,392	\$ 2,019,558

City of Griffin, Georgia
Motor Pool Fund
Statement of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2003

	FY 2003			FY 2002
	Budget	Actual	Variance	
	As Amended		Favorable (Unfavorable)	
Operating Revenue:				
Charges for services	\$ 2,359,586	\$ 3,097,495	\$ 737,909	\$ 2,680,939
Miscellaneous income	10,000	81,936	71,936	54,385
Total operating revenues	<u>2,369,586</u>	<u>3,179,431</u>	<u>809,845</u>	<u>2,735,324</u>
Operating Expenses:				
Personal services and employee benefits	531,276	472,454	58,822	496,560
Purchased/contracted services	340,984	430,067	(89,083)	266,116
Supplies	876,695	937,941	(61,246)	766,350
Interfund/Interdepartmental	(34,477)	42,736	(77,213)	-
Other costs	500,000	10,066	489,934	9,965
Depreciation	-	1,246,901	(1,246,901)	1,110,182
Total operating expenses	<u>2,214,478</u>	<u>3,140,165</u>	<u>(925,687)</u>	<u>2,649,173</u>
Operating income (loss)	155,108	39,266	(115,842)	86,151
Non-operating revenue (expenses):				
Interest income	-	444	444	227
Interest expense	(84,477)	(53,309)	31,168	(84,777)
Total non-operating revenues (expenses)	<u>(84,477)</u>	<u>(52,865)</u>	<u>31,612</u>	<u>(84,550)</u>
Income before operating transfers	70,631	(13,599)	(84,230)	1,601
Operating transfers:				
Operating transfers out	(2,400)	(2,400)	-	(1,601)
Operating transfers in	-	1,438,205	1,438,205	-
Net operating transfers	<u>(2,400)</u>	<u>1,435,805</u>	<u>1,438,205</u>	<u>(1,601)</u>
Net income (loss)	68,231	1,422,206	1,353,975	-
Net assets - beginning of year	2,019,558	2,019,558	-	2,019,558
Prior period adjustment	-	31,628	31,628	-
Net assets - beginning of year as restated	<u>2,019,558</u>	<u>2,051,186</u>	<u>31,628</u>	<u>2,019,558</u>
Net assets - end of year	<u>\$ 2,087,789</u>	<u>\$ 3,473,392</u>	<u>\$ 1,385,603</u>	<u>\$ 2,019,558</u>

City of Griffin, Georgia
Motor Pool Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	FY 2003	FY 2002
Cash flows from operating activities:		
Cash received from customers	\$ 3,181,964	\$ 2,678,406
Cash received from (paid to) other funds	(713,021)	-
Cash payments to suppliers for goods and services	(1,153,761)	(205,424)
Cash payment to employees for services	(459,955)	(490,747)
Non-operating miscellaneous income	-	-
Net cash provided by operating activities	\$ 855,227	\$ 1,982,235
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	1,438,205	-
Operating transfers out to other funds	(2,400)	(1,601)
Accident claims/Insurance proceeds	-	54,385
Net cash provided by (used in) noncapital financing activities	1,435,805	52,784
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,637,648)	(1,160,288)
Principal payments on capital leases	(536,857)	(759,906)
Interest expense on capital leases	(59,349)	(71,675)
Net cash provided by (used in) capital and related financing activities	(2,233,854)	(1,991,869)
Cash flows from investing activities:		
Interest on cash	444	227
Net cash provided by (used in) investing activities	444	227
Net increase (decrease) in cash	57,622	43,377
Cash at beginning of year	43,377	-
Cash at end of year	\$ 100,999	\$ 43,377

Reconciliation of Operating Income to Net Cash Provided By Operating Activities

Operating Income	\$ 39,266	\$ 31,766
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	1,246,901	1,110,182
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	\$ 2,533	\$ (2,533)
Decrease (increase) in inventory	(54,095)	(23,720)
Decrease (increase) in due from other funds	(713,021)	713,021
Increase (decrease) in accounts payable	262,306	129,947
Increase (decrease) in retainage payable	58,838	-
Increase (decrease) in wages payable	(5,813)	-
Increase (decrease) in compensated absences	18,312	23,572
Total adjustments	(430,940)	840,287
Net cash provided by (used in) operating activities	\$ 855,227	\$ 1,982,235

Noncash Investing, Capital and Financing Activities

Contribution of fixed assets from government:		
Contributions from General Fund	\$ -	\$ 3,209
Contributions from Electric Fund	-	501,770
Contributions from Water and Wastewater Fund	-	510,517
Contributions from Solid Waste Fund	-	468,801
Contributions from Airport Fund	-	8,190
Contributions from Stormwater Fund	-	420,554

City of Griffin, Georgia
Insurance Risk Fund
Comparative Statement of Net Assets
For the years ended June 30, 2003 and 2002

<u>Assets</u>	<u>FY 2003</u>	<u>FY 2002</u>
Current assets:		
Cash	\$ -	\$ -
Due from other funds	-	40,000
Total current assets	-	40,000
Total Assets	-	40,000
<u>Liabilities and Net Assets</u>		
Liabilities:		
Total liabilities:	-	-
Net Assets:		
Retained earnings		
Unreserved	-	40,000
Total net assets	-	40,000
Total Liabilities and Net Assets	\$ -	\$ 40,000

City of Griffin, Georgia
Insurance Risk Fund
Statement of Revenues, Expenses and Changes in Net Assets
For the years ended June 30, 2003 and 2002

	FY 2003			FY 2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating Revenue:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Operating Expenses:				
Personal services and employee benefits	-	-	-	-
Purchased/contracted services	-	-	-	-
Supplies	-	-	-	-
Other costs	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	-	-	-	-
Operating income (loss)	-	-	-	-
Non-operating revenue (expenses):				
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
Interest expense	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-
Income before operating transfers	-	-	-	-
Operating transfers:				
Operating transfers out	-	(80,000)	(80,000)	-
Operating transfers in	40,000	40,000	-	40,000
Net operating transfers	40,000	(40,000)	(80,000)	40,000
Net income (loss)	40,000	(40,000)	(80,000)	40,000
Net assets - beginning of year	40,000	40,000	-	-
Net assets - end of year	\$ 80,000	\$ -	\$ (80,000)	\$ 40,000

City of Griffin, Georgia
Insurance Risk Fund
Statement of Cash Flows
For the years ended June 30, 2003 and 2002

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ -	\$ -
Cash received from other funds	40,000	-
Cash payments to suppliers for goods and services	-	-
Cash payment to employees for services	-	-
Non-operating miscellaneous income	-	-
Net cash provided by operating activities	\$ 40,000	\$ -
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	40,000	40,000
Operating transfers out to other funds	(80,000)	(40,000)
Net cash provided by (used in) noncapital financing activities	(40,000)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Net cash provided by (used in) capital and related financing activities	-	-
Cash flows from investing activities:		
Interest on cash	-	-
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -
<u>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</u>		
Operating Income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	-	-
Change in assets and liabilities:		
Decrease (increase) in due from other funds	\$ 40,000	\$ -
Total adjustments	40,000	-
Net cash provided by (used in) operating activities	\$ 40,000	\$ -

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

City of Griffin, Georgia
Health Insurance Stabilization Fund
Comparative Statement of Net Assets
For the years ended June 30, 2003 and 2002

<u>Assets</u>	<u>FY 2003</u>	<u>FY 2002</u>
Current assets:		
Due from other funds	\$ -	\$ 40,000
Total current assets	-	40,000
Total Assets	-	40,000
<u>Liabilities and Net Assets</u>		
Liabilities:		
Total liabilities:	-	-
Net Assets:		
Retained earnings		
Unreserved	-	40,000
Total net assets	-	40,000
Total Liabilities and Net Assets	\$ -	\$ 40,000

City of Griffin, Georgia
 Health Insurance Stabilization Fund
 Statement of Revenues, Expenses and Changes in Net Assets
 For the years ended June 30, 2003 and 2002

	FY 2003			FY 2002
	Budget As Amended	Actual	Variance Favorable (Unfavorable)	
Operating Revenue:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Operating Expenses:				
Personal services and employee benefits	-	-	-	-
Purchased/contracted services	-	-	-	-
Supplies	-	-	-	-
Other costs	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	-	-	-	-
Operating income (loss)	-	-	-	-
Non-operating revenue (expenses):				
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
Interest expense	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-
Income before operating transfers	-	-	-	-
Operating transfers:				
Operating transfers out	-	(80,000)	(80,000)	-
Operating transfers in	40,000	40,000	-	40,000
Net operating transfers	40,000	(40,000)	(80,000)	40,000
Net income (loss)	40,000	(40,000)	(80,000)	40,000
Net assets - beginning of year	40,000	40,000	-	-
Net assets - end of year	\$ 80,000	\$ -	\$ (80,000)	\$ 40,000

*The accompanying notes are an integral part statements.

City of Griffin, Georgia
Health Insurance Stabilization Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2003

<u>Increase (Decrease) in Cash</u>	<u>FY 2003</u>	<u>FY 2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ -	\$ -
Cash received from other funds	40,000	
Cash payments to suppliers for goods and services	-	-
Cash payment to employees for services	-	-
Non-operating miscellaneous income	-	-
Net cash provided by operating activities	\$ 40,000	\$ -
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	40,000	40,000
Operating transfers out to other funds	(80,000)	(40,000)
Net cash provided by (used in) noncapital financing activities	(40,000)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Net cash provided by (used in) capital and related financing activities	-	-
Cash flows from investing activities:		
Interest on cash	-	-
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	-	-
<u>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</u>		
Operating Income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	-	-
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	\$ -	\$ -
Decrease (increase) in due from other funds	40,000	-
Total adjustments	40,000	-
Net cash provided by (used in) operating activities	\$ 40,000	\$ -

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



MELVIN, ROOKS & HOWELL, PC
Certified Public Accountants & Consultants

1120 Zebulon Road
P.O. Box 59
Griffin, Georgia 30224

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 Honorable Mayor
Members of City Council
City of Griffin
Griffin, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Griffin, Georgia, as of and for the year ended June 30, 2003, which collectively comprise the City of Griffin, Georgia's basic financial statements and have issued our report thereon dated January 5, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Griffin, Georgia's 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, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Griffin, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the 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 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

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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 City Griffin, Georgia, in a separate letter dated January 5, 2004.

This report is intended solely for the information and use of the audit committee, management, 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.

Melvin, Rooks & Howell, P.C.

Certified Public Accountants
Griffin, Georgia

January 5, 2004

الشيخ محمد بن عبد الوهاب

City of Griffin, Georgia
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Griffin Operating</u>	<u>Debt Service</u>	<u>Griffin/ Spalding County Schools</u>	<u>Spalding County Operating</u>	<u>State of Georgia Operating</u>	<u>Total</u>
1994	8.10	-	17.33	10.96	0.25	36.64
1995	8.02	0.43	18.33	10.83	0.25	37.86
1996	7.27	0.33	17.91	11.55	0.25	37.31
1997	8.32	0.28	17.89	11.55	0.25	38.29
1998	8.32	0.28	18.83	11.55	0.25	39.23
1999	9.59	-	18.64	11.55	0.25	40.03
2000	9.46	-	19.57	9.70	0.25	38.98
2001	9.46	-	18.94	9.88	0.25	38.53
2002	9.46	-	18.94	9.88	0.25	38.53
2003	8.85	-	18.95	13.53	0.25	41.58

City of Griffin, Georgia
Tax Revenue By Source
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Sales & Use Tax	Business Taxes	Other (1)	Total
1994	\$ 2,665,316	\$ 1,349,109	\$ 828,653	\$ 1,539,498	6,382,576
1995	2,610,956	1,499,220	608,790	1,567,796	6,286,762
1996	2,403,417	1,745,711	692,080	1,775,285	6,616,493
1997	2,973,569	2,101,199	737,354	1,907,272	7,719,394
1998	3,166,400	2,847,386	729,663	2,012,012	8,755,461
1999	4,241,475	3,314,580	743,904	2,092,884	10,392,843
2000	4,108,099	2,808,714	683,703	2,129,553	9,730,069
2001	4,238,572	3,113,301	655,464	2,326,113	10,333,450
2002	4,524,434	3,190,446	776,000	2,159,241	10,650,121
2003	4,486,104	2,895,960	656,909	2,268,443	10,307,416

(1) Includes Alcoholic Business Taxes, Hotel/Motel Taxes, Insurance Premium Taxes, and Franchise Fees

City of Griffin, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Year	Total Assessed Valuations	Taxable Assessed Valuations	Levy	Tax Collection	Percent	Delinquent Taxes Outstanding
1994	1993	\$ 826,756,890	\$ 330,702,756	\$2,678,692	\$2,670,704	99.70	\$ 7,988
1995	1994	841,327,575	336,531,030	2,678,979	2,673,157	99.78	5,822
1996	1995	848,373,805	339,349,522	2,467,075	2,442,579	99.01	24,496
1997	1996	867,150,813	346,860,325	2,885,875	2,842,519	98.50	43,356
1998	1997	883,327,563	353,331,025	2,937,713	2,880,332	98.05	57,381
1999	1998	996,576,498	398,630,599	3,715,237	3,630,941	97.73	84,296
2000	1999	1,081,171,125	432,468,450	4,091,152	4,052,286	99.05	38,866
2001	2000	1,137,381,468	454,952,587	4,303,851	4,200,464	97.60	103,387
2002	2001	1,169,392,998	467,757,199	4,424,983	4,264,682	96.38	160,301
2003	2002	1,151,632,683	460,653,073	4,611,972	4,410,071	95.62	613,314

City of Griffin, Georgia
General Governmental Expenditures and Other Uses By Function
Last Ten Fiscal Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Government	\$ 1,171,927	\$ 1,312,676	\$ 1,323,495	\$ 1,413,604	\$ 1,459,738	\$ 1,571,065	\$ 1,962,370	\$ 2,221,682	\$ 3,486,772	\$ 8,401,422
Judicial	37,053	25,261	24,765	25,454	26,807	27,002	26,482	26,791	26,605	-
Public Safety	4,413,011	5,233,131	4,778,850	4,878,450	5,131,299	5,900,301	6,649,200	7,239,272	9,809,631	10,390,709
Public Works	1,299,721	1,343,075	1,471,642	1,556,589	1,659,928	1,932,758	2,147,568	2,338,129	2,818,154	3,553,463
Culture - Recreation	475,888	509,119	474,089	517,767	560,182	627,525	702,363	830,948	315,851	307,340
Sanitation	2,115,549	3,134,611	3,107,383	2,998,299	2,783,720	3,197,058	-	-	-	-
Economic Development	88,386	106,933	373,558	114,607	29,584	16,886	26,655	710,661	904,778	727,349
Non - Departmental	3,599,043	3,742,741	3,840,784	5,092,987	4,729,664	4,370,432	6,482,743	1,404,530	-	131,858
Debt Service	53,845	25,879	19,250	9,379	15,240	2,750	36	538,902	293,975	-
Capital Outlay	824,980	710,856	509,705	550,498	874,987	704,633	532,911	2,704,545	2,187,716	1,464,127
Bond Redemption	225,593	100,000	100,000	100,000	100,000	100,000	-	-	-	-
	\$ 14,304,996	\$ 16,244,282	\$ 16,023,521	\$ 17,257,634	\$ 17,371,449	\$ 18,450,410	\$ 18,530,328	\$ 18,015,460	\$ 19,843,482	\$ 24,776,268

Includes General, Special Revenue, Capital Projects, and Permanent Funds

City of Griffin, Georgia
General Governmental Revenues and Other Financing Sources
Last Ten Fiscal Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes	\$ 5,553,923	\$ 5,677,972	\$ 5,924,413	\$ 6,982,040	\$ 8,025,798	\$ 9,048,939	\$ 9,046,566	\$ 11,149,131	\$ 10,984,400	\$ 10,585,396
Licenses and Permits	932,682	739,644	783,779	868,700	895,324	903,983	851,207	264,997	311,351	228,375
Charges for Services	2,702,537	3,041,500	2,906,861	3,251,078	3,678,812	4,151,209	530,679	1,783,200	252,969	2,783,999
Fines and Forfeitures	603,381	642,113	561,064	599,527	411,091	140,514	75,971	59,200	44,707	54,876
Investment Income	47,033	77,257	96,340	73,020	87,343	143,612	151,520	492,127	122,707	1,118,213
Contributions	-	-	-	-	-	-	-	33,508	10,578	-
Miscellaneous Revenue	86,905	94,960	197,982	685,479	171,205	1,211,055	575,337	42,094	61,191	12,796
Intergovernmental Revenues	2,766	186,437	232,321	175,119	283,420	222,742	1,200,000	558,868	38,839	328,115
Transfers In	5,047,696	5,290,052	5,326,139	4,461,750	4,219,967	5,060,025	4,880,553	5,371,783	8,485,393	8,815,445
Net increase in fair value of investments	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	995,756	-	817,982
Total Revenues	\$ 14,976,923	\$ 15,749,935	\$ 16,028,899	\$ 17,096,715	\$ 17,772,960	\$ 21,482,079	\$ 17,311,633	\$ 20,750,664	\$ 20,312,135	\$ 24,745,198

Includes General, Special Revenue, Capital Projects, and Permanent Funds

City of Griffin, Georgia
Building Permits and Values
Last Ten Fiscal Years

Fiscal Year	Residential and Commercial Construction	
	Number of Permits	Value
1994	535	21,822,295
1995	629	13,135,437
1996	577	33,999,921
1997	650	26,503,683
1998	644	30,171,917
1999	795	14,107,229
2000	809	23,433,008
2001	842	17,393,909
2002	445	20,376,681
2003	104	19,907,042

City of Griffin, Georgia
 Top Ten Sewer Customers
 June 30, 2003

	<u>Usage</u>	<u>Charges</u>	<u>Percent of Total Revenues</u>
Southern Terry,	385,726	\$ 163,044	1.40%
National Housing Management Service	296,546	122,956	1.06%
Standard Products Company	221,627	90,644	0.78%
Nacom	191,338	79,121	0.68%
Griffin-Spalding County Hospital	168,422	76,855	0.66%
Rental Uniform Service	129,682	55,671	0.48%
Griffin Crossings	79,078	21,319	0.18%
University of Georgia Griffin Campus,	76,755	32,732	0.28%
Griffin Housing Authority	73,858	31,720	0.27%
Walden Pointe Apartments	70,752	29,399	0.25%
		<u>\$ 703,461</u>	<u>6.04%</u>

Based on total revenues of \$11,649,584 for fiscal year 2003.

City of Griffin, Georgia
 Top Ten Electric Customers
 June 30, 2003

	<u>Usage</u>	<u>Charges</u>	<u>Percent of Total Revenues</u>
Standard Products Company	996,617	\$ 1,078,393	3.46%
Bandag Inc	686,190	902,261	2.89%
Exopack	422,434	721,685	2.31%
Caterpillar Inc,	89,341	460,554	1.48%
University of Georgia Griffin Campus	1,447	558,416	1.79%
Griffin-Spalding County Hospital	851,864	469,927	1.51%
Weyerhaeuser Co,	559,814	362,021	1.16%
Filter Plant/River And Reservoir Pm	568,353	522,727	1.68%
Southern Terry	154,039	302,120	0.97%
Wal-Mart	706,678	357,796	1.15%
		<u>\$ 5,735,900</u>	<u>18.39%</u>

Based on total electric revenues of \$31,187,935 for fiscal year 2003.

City of Griffin, Georgia
 Top Ten Water Customers
 June 30, 2003

	<u>Usage</u>	<u>Charges</u>	<u>Percent of Total Revenues</u>
Springs Industries, Inc.	697,919	\$ 660,218	5.67%
City Of Zebulon	729,369	125,348	1.08%
Southern Terry	385,726	118,098	1.01%
National Housing Management Service	296,546	95,202	0.82%
Standard Products Company	221,627	66,594	0.57%
Nacom	181,440	55,609	0.48%
Griffin-Spalding County Hospital	168,442	56,364	0.48%
City Of Williamson	139,594	23,562	0.20%
University of Georgia Griffin Campus	129,874	45,183	0.39%
Rental Uniform Service	129,682	40,901	0.35%
		<u>\$ 1,287,079</u>	<u>11.05%</u>

City of Griffin, Georgia
 Principle Taxpayers
 Year Ended June 30, 2003

Company	Purpose	100 % Value	Taxable Value	Levy
Cooper Standard	Automotive Components	\$ 32,201,610	\$ 11,827,116	\$ 104,670
NACOM	Electronic Automotive Components	106,257,780	10,931,703	96,745
Griffin/Spalding County Hospital	Hospital	26,423,330	10,569,332	93,538
BANDAG	Retread	23,181,735	6,671,844	59,045
Halpern	Retail Development	16,568,466	5,633,279	49,854
BellSouth	Public Utility	22,813,224	5,549,611	49,114
Williamette Industrial	Corrugated Goods	16,809,583	5,061,048	44,790
Walden Pointe Apartments	Apartments	9,750,005	3,900,002	34,515
Exopack LLC	Plastic Bag Manufacturer	12,947,264	3,801,881	33,646
United Dominion	Real Estate (Apartments)	9,031,622	3,612,649	31,971
1888 Group	Textile Manufacturer	7,222,769	2,889,108	25,035
Stowe Woodward		6,245,028	2,459,005	21,762
Home Depot	Building Supplies	5,631,642	2,252,657	19,936

City of Griffin, Georgia
 Schedule of Water and Sewer Revenue Bond Coverage

Year	Operating Revenue	Operating Expenses	Net Revenue Available for			Interest	Total	Coverage Ratio
			Debt Service	Principal	Total			
1994	\$ 30,759,509	\$ 22,497,997	\$ 8,261,512	\$ 1,630,425	\$ 637,844	\$ 2,268,269	3.64	
1995	30,943,273	22,970,182	7,973,091	923,481	681,061	1,604,542	4.97	
1996	32,694,149	23,386,104	9,308,045	477,723	657,406	1,135,129	8.20	
1997	33,274,489	23,108,085	10,166,404	505,460	1,085,277	1,590,737	6.39	
1998	37,530,449	26,360,884	11,169,565	962,352	1,353,783	2,316,135	4.82	
1999	39,999,526	28,833,337	11,166,189	998,777	1,296,916	2,295,693	4.86	
2000	40,473,775	33,492,124	6,981,651	1,035,482	1,196,737	2,232,219	3.13	
2001	41,277,944	30,290,061	10,987,883	1,460,298	1,151,656	2,611,954	4.21	
2002	37,687,375	33,776,815	3,910,560	1,085,000	1,174,486	2,259,486	1.73	
2003	41,686,448	34,189,811	7,496,637	1,140,000	994,655	2,134,655	3.51	

City of Griffin, Georgia
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Public Utilities		Totals		Percentage of Total Assessed to Total Estimated Actual Value
	Estimated Actual Value	Assessed Value							
1994	\$ 525,182,815	\$ 210,073,126	\$ 227,483,048	\$ 90,993,219	\$ 19,636,898	\$ 7,854,759	\$ 772,302,760	\$ 308,921,104	40%
1995	573,484,398	229,393,759	238,700,250	95,480,100	18,675,688	7,470,275	830,860,336	332,344,134	40%
1996	587,469,580	234,987,832	239,462,120	95,784,848	20,530,475	8,212,190	847,462,175	338,984,870	40%
1997	613,940,718	245,576,287	295,682,565	118,273,026	19,877,020	7,950,808	929,500,303	371,800,121	40%
1998	629,874,468	251,949,787	379,105,693	151,642,277	19,877,020	7,950,808	1,028,857,180	411,542,872	40%
1999	661,340,458	264,536,183	464,491,253	185,796,502	21,760,438	8,704,175	1,147,592,150	459,036,860	40%
2000	702,280,283	280,912,113	482,839,993	193,135,997	21,365,418	8,546,167	1,206,485,693	482,594,277	40%
2001	817,003,210	326,801,284	489,830,773	195,932,309	23,668,123	9,467,249	1,330,502,105	532,200,842	40%
2002	834,808,160	333,923,264	469,321,873	187,728,749	21,054,433	8,421,773	1,325,184,465	530,073,786	40%
2003	991,996,008	396,798,403	337,584,993	135,033,997	23,251,720	9,300,688	1,352,832,720	541,133,088	40%

City of Griffin, Georgia
Assessed Valuations, Millage and Taxes Levied and Collected
Last Ten Fiscal Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Valuations	#####	\$365,032,173	\$380,028,303	\$420,312,648	\$470,849,937	\$482,594,277	\$522,485,779	\$532,200,842	\$530,073,799	\$521,126,785
Real estate exemptions:										
Veterans exemption	171,289	171,289	171,541	113,612	177,276	241,264	279,176	284,336	298,084	169,672
Freeport exemption	16,262,541	15,104,274	20,022,148	34,662,096	59,660,846	45,524,624	43,146,504	31,991,693	26,606,494	22,689,141
Development Authority exemption	-	3,029,656	9,163,796	26,878,377	44,793,362	35,359,525	41,684,164	40,017,346	30,753,604	31,987,896
Personal property exemption	-	-	-	-	-	16,803	18,755	15,493	15,107	15,617
Conservation exemption	54,039	93,578	-	194,484	212,922	248,026	394,836	384,945	384,945	382,984
Covenanted agricultural exemption	6,348	-	-	-	-	-	-	-	5,516	-
Landmark and Historical Preservation exemption	-	-	-	-	-	-	-	-	-	-
Net taxable digest	340,517,538	346,653,376	350,582,084	358,464,079	366,005,531	401,204,035	436,908,386	459,453,071	471,974,091	465,804,033
Individual or Homestead exemption	9,814,782	10,102,346	11,232,562	11,603,754	12,674,506	2,573,436	4,439,936	4,500,484	4,216,892	5,150,960
Net maintenance & Operational Taxable Digest	#####	\$336,531,030	\$339,349,522	\$346,860,325	\$353,331,025	\$398,630,599	\$432,468,450	\$454,952,587	\$467,757,199	\$460,653,073
Millage Levied	8.10	8.02	7.27	8.32	8.32	9.59	9.46	9.46	9.46	8.85
General Obligations	-	0.43	0.33	0.28	0.28	-	-	-	-	-
Bonded indebtedness	-	-	-	-	-	-	-	-	-	-
Total Taxes Levied	\$ 2,678,692	\$ 2,678,979	\$ 2,685,147	\$ 2,885,875	\$ 2,937,713	\$ 3,715,237	\$ 4,091,152	\$ 4,303,851	\$ 4,424,983	\$ 4,611,972
Less adjustments	-	-	(218,072)	-	-	-	-	-	-	-
Net taxes Levied	\$ 2,678,692	\$ 2,678,979	\$ 2,467,075	\$ 2,885,875	\$ 2,937,713	\$ 3,715,237	\$ 4,091,152	\$ 4,303,851	\$ 4,424,983	\$ 4,611,972
Tax Collections:										
Current Collections	\$ 2,670,704	\$ 2,673,157	\$ 2,442,579	\$ 2,842,519	\$ 2,880,332	\$ 3,018,568	\$ 4,010,677	\$ 4,115,208	\$ 3,794,149	\$ 4,410,071
Delinquent Collections	-	-	-	-	-	612,373	41,609	85,256	470,533	59,120
Net collections	\$ 2,670,704	\$ 2,673,157	\$ 2,442,579	\$ 2,842,519	\$ 2,880,332	\$ 3,630,941	\$ 4,052,286	\$ 4,200,464	\$ 4,264,682	\$ 4,469,191

City of Griffin, Georgia
Computation of Direct and Overlapping Debt
June 30, 2003

Direct Debt:	
GMA Capital Lease Program	<u>\$ 801,789</u>
Overlapping Debt	
Capital Leases	3,139,136
Certificates of Participation	<u>5,521,424</u>
	8,660,560
City's share of Net Overlapping Debt	1,301,249
Total City Direct and Overlapping Debt	<u>801,789</u>
	<u>#####</u>

City's Taxable Valuation/County Taxable Valuation =
541,133,088 / 3,601,662,268 = 15.025

City of Griffin, Georgia
Computation of Legal Debt Margin
June 30, 2003

Total Assessed Value	521,126,785
Debt Limit (10 percent of Total Assessed Value)	52,112,679
Amount of Debt Applicable to Debt Limit Georgia Municipal Association Capital Leases	801,789
Legal Debt Margin	<u>51,310,890</u>

City of Griffin, Georgia
Miscellaneous Statistics
June 30, 2003

Date of Incorporation ; 1843

Form of Government:

Commission/Manager

Commission consists of seven members

Terms of office:

Mayor - appointed annually by Commission

Commission term - 4 years

Manager - appointed by Commission

Land area - 14.141 square miles

City Utilities:

Electric System - City of Griffin owned

Average number of customers - 14,652

Pole miles of transmission lines - 284

Primary Distribution Sub-System Capacity - 190 million volt amps

Average daily consumption (kilowatt hrs/day) - 1,020,751

Peak Demand (kilowatts) - 90,353

Sewer System

Miles of Sanitary Sewers - 160

Number of Lift Stations - 2

Sewer Treatment Facilities - 3

Daily Average Treatment - 3.38 MGD

Peak Day Treatment Rate - 3.43 MGD

Number of Service Connections - 9,290

Water System

Miles of Water Mains - 175

Daily Average Consumption - 8.16 MGD

Plant Capacity - 12.0 MGD

Number of Service Connections - 9,430

Deep Wells - 5

Number of Fire Hydrants - 7,392

Ground Storage Capacity - 500,000 gallons

Heads Creek Reservoir Capacity - 620,000,000 gallons

Elevated Storage Capacity - 4,000,000 gallons

Peak Day Pumping Rate - 14.28 MGD

Transportation:

Public Airport

Highways:

US 19/41, Interstate 75

State Roads: Highways 16, 92, 155, and 362

Railroads - Norfolk Southern Railroad

Trucking Facilities:

5 Interstate and 28 Inter/intrastate common carriers

5 local Taxicab Companies

Land Use:

Single Family Residential 30%

Vacant/Undeveloped 15%

Transportation/Comm/Utility 15%

Public/Institutional 10%

Commercial 8%

Other 22%

Number of Street Lights - 879

Miles of Streets:

Paved - 162.5

Unpaved - .5

Fire Protection:

Number of Stations - 3

Number of Employees - 66

Police Protection:

Number of Employees - 84

Number of Vehicular Patrol Units - 65

Public Education:

High Schools - 2

Number of Classrooms - 161

Number of Teachers - 195

Number of Students - 2,475

Middle Schools - 4

Number of Classrooms - 168

Number of Teachers - 174

Number of Students - 2,614

Elementary Schools - 10

Number of Classrooms - 353

Number of Teachers - 386

Number of Students - 5,293

Colleges and Universities:

Griffin Technical College

Mercer University - Griffin Extension

Gordon College

University of Georgia - Griffin Campus

City of Griffin, Georgia
Miscellaneous Statistics
June 30, 2003

Recreation:

Park Facilities - 4
Basketball Courts - 2
Tennis Courts - 6
Games/Activity Rooms - 1
Walking Trails - 1
Miniature Golf - 1
Swimming Pools - 1
Roller Hockey - 1
Pavilions - 7

Private Facilities:

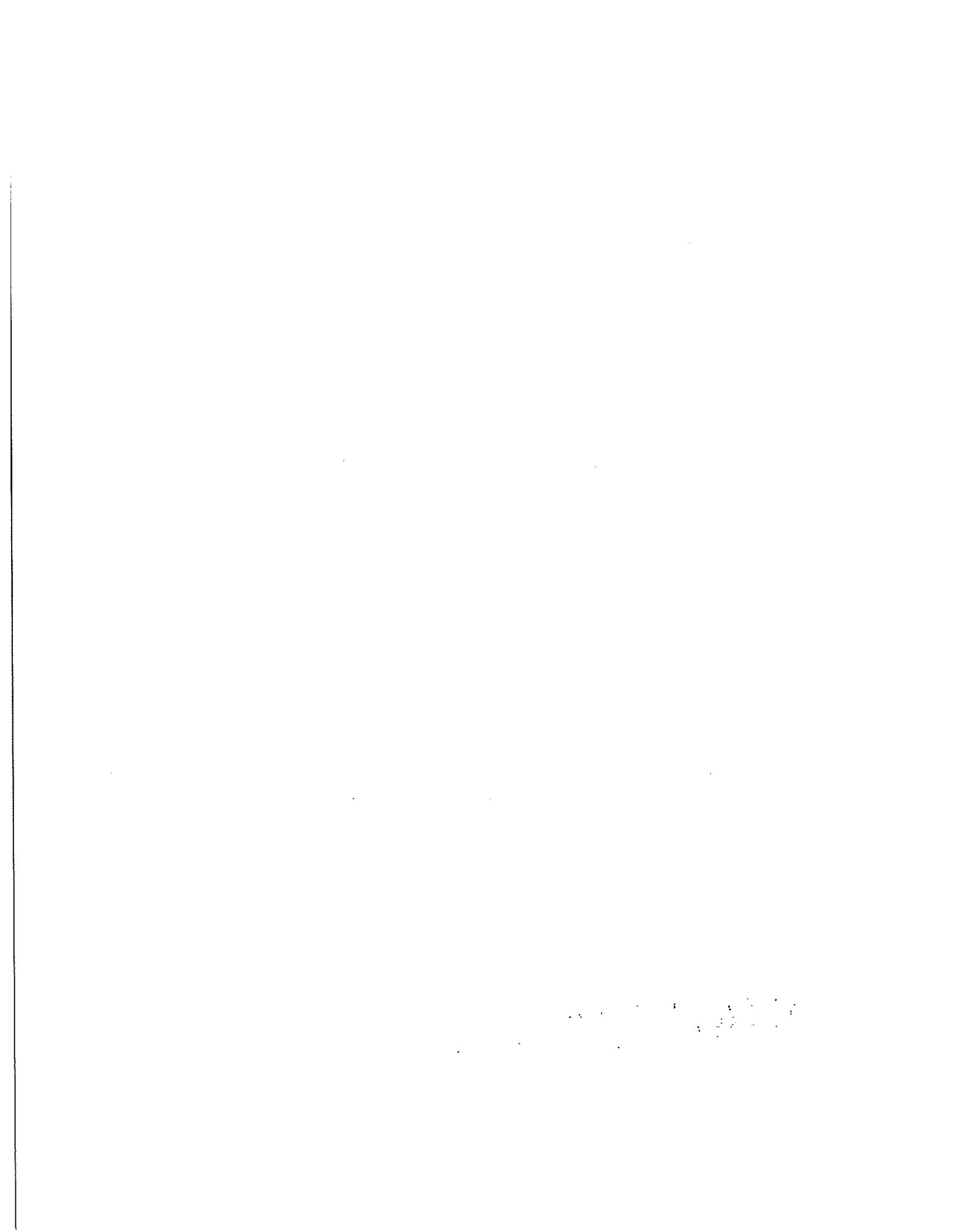
Golf Courses - 5
Miniature Golf - 1
Indoor Playground - 1
Indoor Skating Rinks - 2
Motion Picture Screens - 4
Fitness Centers - 3
Billiards Centers - 3
Bowling Centers - 1

The Arts:

Camelot Theater Company, Main Street Theater,
Griffin Ballet Theater, Rhythm Nation, Griffin Arts,
Griffin/Spalding Art Association, Griffin Music Club,
Griffin Area Community Concert Association,
Griffin Art Gallery

Meeting Facilities (seating capacity)

Griffin Auditorium	1,00
Griffin Technical College Lecture Hall	206
City of City of Griffin Welcome Center	200





MELVIN, ROOKS & HOWELL, PC
Certified Public Accountants & Consultants

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Griffin, Georgia 30224

INDEPENDENT AUDITOR'S REPORT ON SPECIAL COUNTY
1 PERCENT SALES AND USE TAX

To The Board of Commissioners
City of Griffin, Georgia

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds and remaining fund information of the City of Griffin, Georgia, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service funds and fiduciary fund in the accompanying combined and individual fund financial statements as of and for the year ended June 30, 2003. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In the conduct of our audit, we verified and tested expenditures of each project constructed or under construction, which were identified in the resolution or ordinance calling for imposition of the special sales and use tax authorized by section 48-8-110 OCGA. The accompanying schedule, which lists each identified project and information required by section 48-8-121 OCGA, is not to be a complete presentation of the entity's assets, liabilities and expenses. This schedule presents fairly the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project through June 30, 2003, the end of the fiscal year covered by this audit.

Melvin, Rooks & Howell, P.C.

January 5, 2004

1/20/2020

CITY OF GRIFFIN, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED
 WITH SPECIAL PURPOSE SALES TAX PROCEEDS
 FOR THE YEAR ENDED JUNE 30, 2003

No.	Project	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
1	Stormwater Improvements	\$ 1,000,000	\$ 1,715,561	\$ 3,238	\$ 1,718,799	100.00%
2	Street Improvements	3,500,000	2,618,757	909,162	3,527,919	100.00%
		<u>\$ 4,500,000</u>	<u>\$ 4,334,318</u>	<u>\$ 912,400</u>	<u>\$ 5,246,718</u>	

The accompanying notes are an integral part of these statements.

