

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017
CITY OF GRIFFIN, GEORGIA



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The Complete Annual Budget and Comprehensive Annual Financial Report are available at City Hall and the City's website www.cityofgriffin.com.



FINANCIAL REPORT MESSAGE

We are pleased to present the City of Griffin's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2017. This is the City's tenth PAFR, and is formulated as an easy to read version of the City's Comprehensive Annual Financial Report (CAFR) that we publish on a yearly basis.

The Comprehensive Annual Financial Report (CAFR) is a detailed account of the City's financial statements, notes, schedules, and statistics. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by Mauldin & Jenkins, Certified Public Accountants, LLC, 439 Mulberry Street, Post Office Box 1877, Macon Georgia 31202-1877.

The CAFR received an unmodified opinion. A copy of our CAFR can be found on the City's website under Departments, Administrative Services, Finance, Finance Reports
<http://http://www.cityofgriffin.com/Departments/AdministrativeServices/Finance/FinanceReports/PopularAnnualFinancialReports.aspx>.

The Popular Annual Financial Report (PAFR) provides citizens with an overview of the City's revenues, expenditures, and general information, in a simplified interpretation of the CAFR. The PAFR is prepared by the Department of Administrative Services, Finance and Accounting staff and is not obligated to be audited under GAAP rules.

Thank you for your interest in the City of Griffin's government and its functions. Please feel free to comment or offer suggestions on the PAFR to Markus Schwab, CPA/CITP/CGMA, Chief Financial Officer, email mschwab@cityofgriffin.com.

Respectfully submitted,

Kenny Smith

City Manager

VISION

MISSION

VALUES

5

VISION

The City of Griffin shall be a model of excellence in local government; and a safe, well-planned community with equal opportunity for all.

MISSION

In partnership with our community, the mission of the City of Griffin is to protect and enhance the quality of life by providing a high level of service in an efficient and responsive manner for all the citizens.

VALUES

- ▶ We believe in honest, open, and democratic government.
- ▶ We are dedicated to the highest ideals of honor and integrity in order to merit the respect, trust, and confidence of the citizens of Griffin.
- ▶ We believe our primary responsibility is to those who live, work, visit, or otherwise come in contact with our City. We are committed to enhancing the quality of life by providing exemplary services.
- ▶ We believe that the employees of the City are its most important resource and through them, we will accomplish our mission and vision. We will support the employees with dignity, respect, and fairness.
- ▶ We believe it is important to listen to our citizens and be sensitive and responsive to their needs.
- ▶ We believe that proper planning, training, and teamwork will fulfill our mission and vision for the future of the City of Griffin.

QUICK FACTS

Services: Police, Fire, Electric, Water, Sewer, Storm Drainage, Streets, Solid Waste, Airport, Parks, Recreation, Planning and Economic Development, and Fiber networks.

Form of Government: Board of Commissioners/Chairperson/City Manager

Governing Body: 6 District and 1 at-Large Commissioners are elected to four year terms

Population – (2014 est.): 23,329

Number of Households – 2014: 8,554

Median Age – (2015 Citi-Data): 33.6

Median Household Income – (2015 Citi-Data): \$31,655

Planning Area (square miles): 14.5

Incorporated (square miles): 14.5

Acres of Parks: 190

Operating Budget – 2018: \$105M

Employees: 460

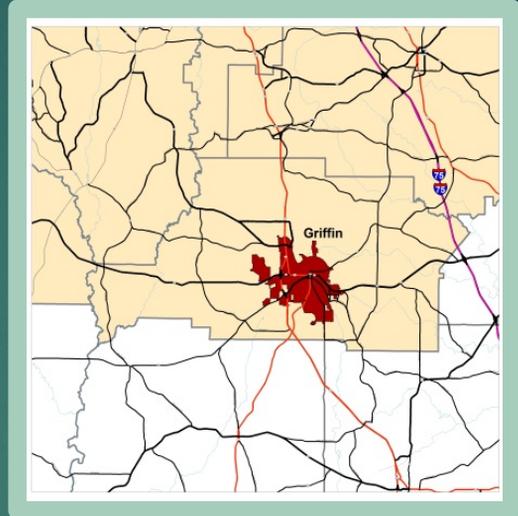
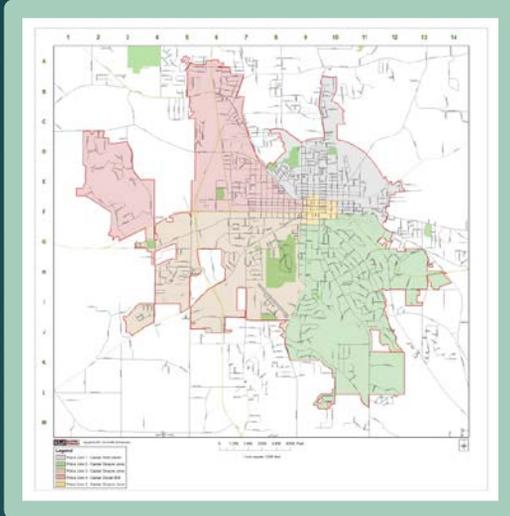
2017 Operating Millage Rate (City): 7.771

2017 Total Operating Millage Rate (State, City, County, & School): 41.335

2017 Sales and Use Tax Rate: 7%

Incorporated: 1840

LOCATION

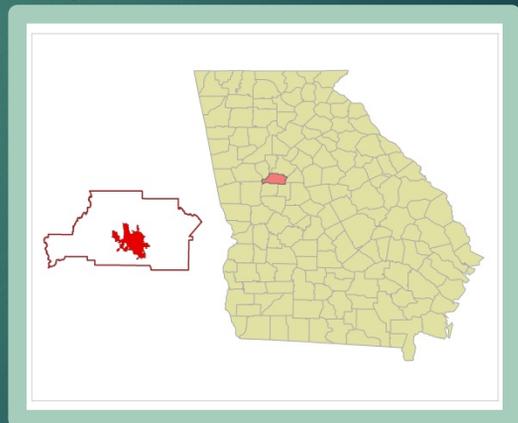


The City of Griffin is located in Spalding County along Highway 16 just west of I-75 with easy access to Griffin-Spalding County Municipal Airport.

Griffin is a major employment center for Spalding County and serves as a regional retail and service provider for counties south of the Atlanta metropolitan area.

The City's location has several advantages that have helped sustain its economy over the years.

- ▶ Proximity to Hartsfield-Jackson Airport
- ▶ Midway between Interstates 75 and 85
- ▶ Access to the amenities of Atlanta while retaining its historic heritage
- ▶ Important regional center midway between the cities of Atlanta, Macon, and Columbus



ELECTED OFFICIALS



Cynthia Reid Ward,
Commissioner
District 1



Cora Flowers,
Commissioner
District 2



Ryan McLemore,
Commissioner
District 3



David Brock,
Commissioner
District 4



Richard Morrow,
Commissioner
District 5

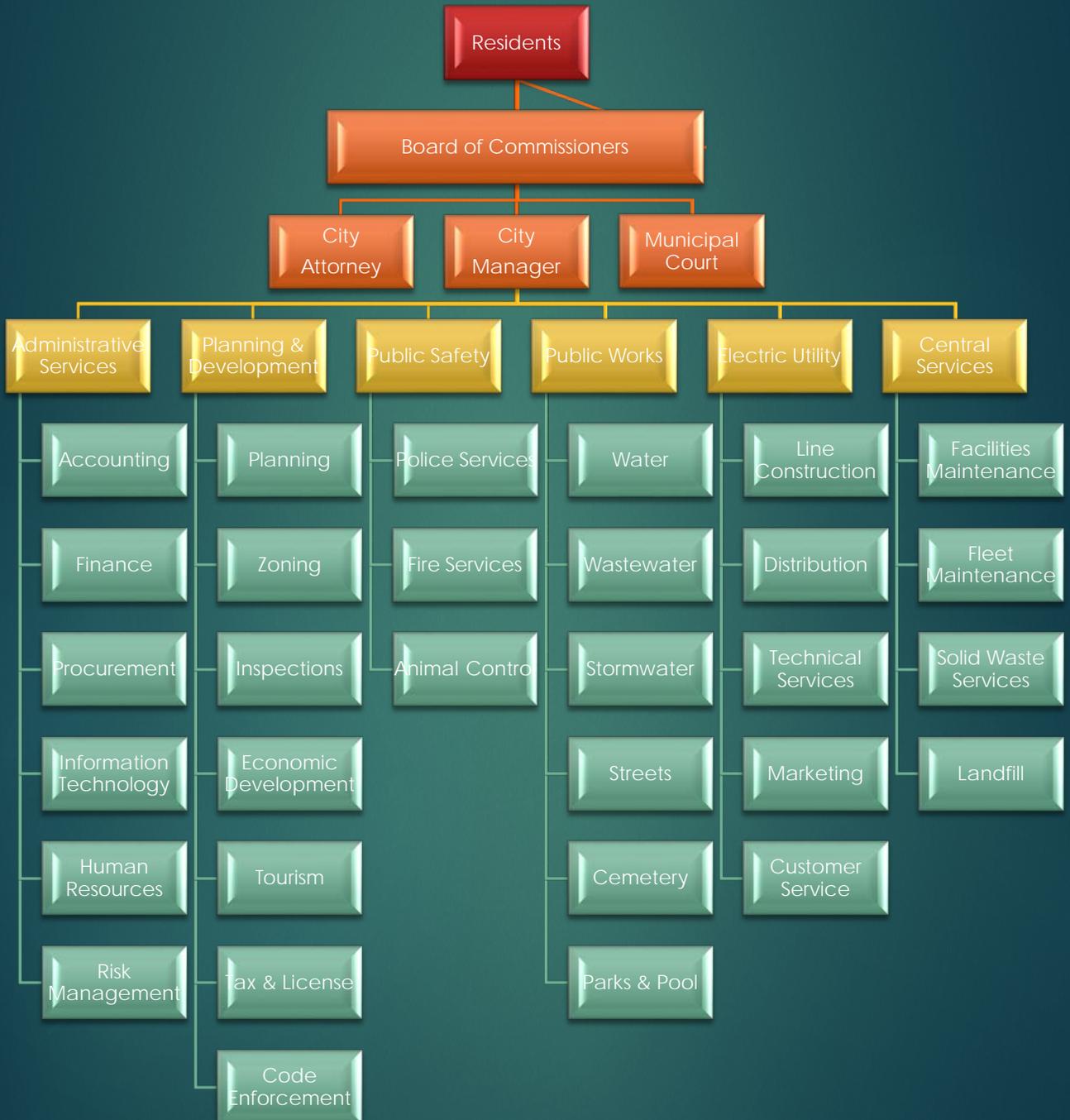


Douglas S. Hollberg,
Commissioner
City At-Large



Rodney McCord,
Commissioner
District 6

ORGANIZATION CHART



DEFINITIONS

- ▶ **Capital assets.** Land, buildings, equipment, machinery, works of art, infrastructure, etc., that are used in operations and that have initial useful lives extending beyond a single reporting period.
- ▶ **Deferred inflow of resources.** An acquisition of net position by the government that is applicable to a future reporting period.
- ▶ **Deferred outflow of resources.** A consumption of net position by the government that is applicable to a future reporting period.
- ▶ **Fund.** Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.



DEFINITIONS

- ▶ **Fund balance.** Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).
- ▶ **Governmental activities.** Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.
- ▶ **Net investment in capital assets.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, less debt associated with the acquisition, construction, or improvement of those assets. Deferred outflows of resources.
- ▶ **Net position.** The residual of all other financial statement elements presented in the statement of financial position.



DEFINITIONS

- ▶ **Restricted net position.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- ▶ **Unrestricted net position.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).





NEW FIRE STATION (\$PLO\$)

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NEW FIRE STATION (\$PLO\$T)

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FINANCIAL INFORMATION

The City's Net Position reflects financial strength and fiscal health as of June 30, 2017. Assets of the City exceeded liabilities by \$134 million (not including deferred outflows). Total assets increased by \$19.4 million and the City's liabilities increased by \$9.5 million, largely due to debt issuance in Water Wastewater Utility Fund.

City of Griffin's Net Position as of June 30th

(in thousands of dollars... '000s)

	2017	2016	2015	2014	2013
Current and other assets	\$ 88,582	\$ 89,285	\$ 70,639	\$ 71,256	\$ 68,676
Capital assets	170,106	149,994	140,072	135,064	134,347
Total Assets	258,688	239,279	210,711	206,320	203,023
Deferred outflows of resources	5,320	7,027	4,871	3,967	2,199
Other liabilities	11,111	13,688	10,676	11,155	10,814
Long-term liabilities outstanding	113,186	101,123	86,668	90,356	74,461
Total Liabilities	124,297	114,811	97,344	101,511	85,275
Deferred inflows of resources	97	-0-	1,419	-0-	-0-
Net position:					
Net investment in capital assets	85,540	86,575	75,008	67,276	63,193
Restricted	17,790	15,484	10,184	12,210	14,611
Unrestricted	36,285	29,436	31,627	29,290	42,142
Total net position	\$ 139,615	\$ 131,495	\$ 116,819	\$ 108,776	\$ 119,946

FINANCIAL INFORMATION

The City's Changes in Net Position reflects all the financial activity for the City during the fiscal year ended June 30, 2017. This statement presents information to show how the City's net position changed during the year as a result of financial activity (i.e. revenues and expenses). This is a summarized version of the more detailed statement found in the City's complete Comprehensive Annual Financial Report.

Changes in Net Position for the Fiscal Year Ended June 30th

(in thousands of dollars... '000s)

	2017	2016	2015	2014	2013
Revenues	\$ 102,349	\$ 104,369	\$ 97,118	\$ 98,055	\$ 102,313
Less: expenses	94,229	89,693	89,074	88,323	91,111
Special item:					
Transfer Assets to Airport Authority	0	0	0	-3,153	0
Increase (decrease) in net position	8,120	14,676	8,044	6,579	11,202
Prior period adjustment	0	0	0	-17,751	0
Net position, beginning as restated	131,495	116,819	108,775	119,947	108,745
Net position, end of year	\$ 139,615	\$ 131,495	\$ 116,819	\$ 108,775	\$ 119,947

This statement shows that the City's change net position increased each year for the past five years. This reflects a strong fiscal mindset and stewardship in areas that fund future capital improvements. While revenues decreased \$ 2 million from 2016, expenses increased \$ 4.5 million.

The prior period adjustment in 2014 is a direct result of GASB Statement No. 68 that requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

EXCLUDES COMPONENT UNIT revenue of \$9.0M and expense of \$1.3M. See CAFR page 14 for component units.

AWARDS

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Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**City of Griffin
Georgia**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

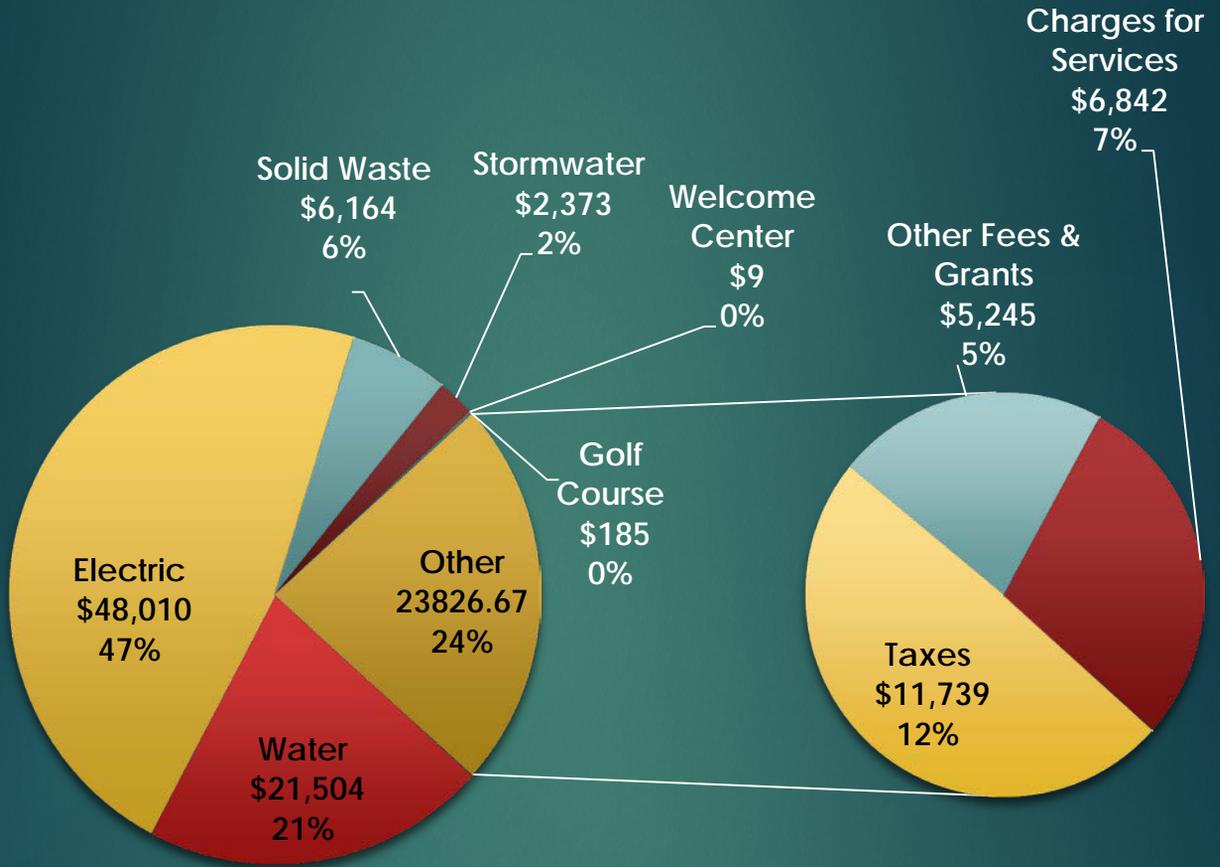
A handwritten signature in black ink, appearing to read 'Jeffrey R. Brown'.

Executive Director/CEO

Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for Comprehensive Annual Financial Report (CAFR) – 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, and 2004

GFOA Award for Outstanding Achievement in Popular Financial Reporting (PAFR) – 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

FINANCIAL INFORMATION



Revenues

(in thousands)

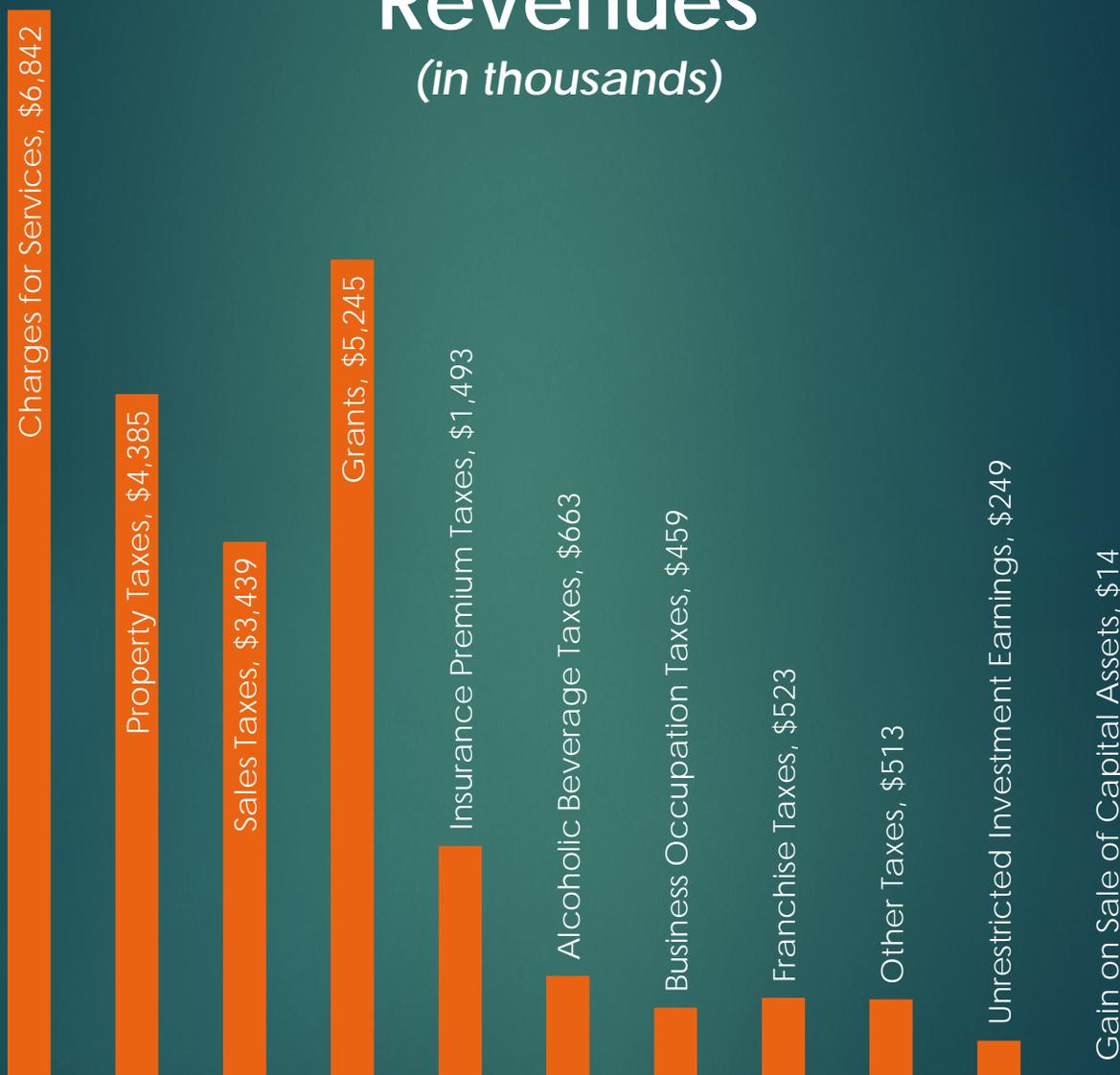
Data comes from governmental activities reported in the Government-wide statements. See Comprehensive Annual Financial Report, page 14.

FINANCIAL INFORMATION

2020

Governmental Revenues

(in thousands)

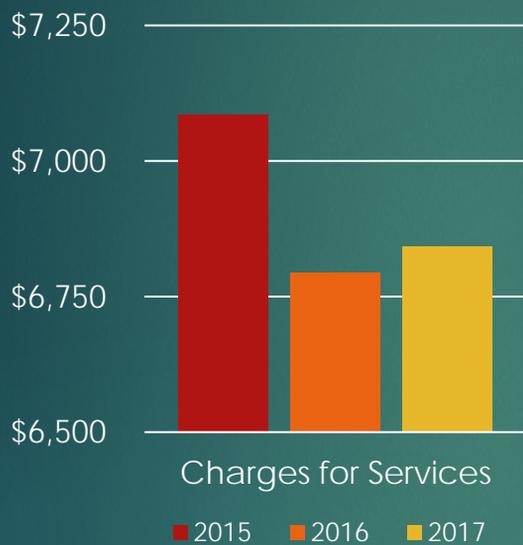


Data comes from governmental activities reported in the Government-wide statements. See Comprehensive Annual Financial Report, page 14.

FINANCIAL INFORMATION

Governmental Revenues by Year

(in thousands)



Charges for Services decreased mainly in Fine and Forfeiture collections, and reduced activities in License and Permits.

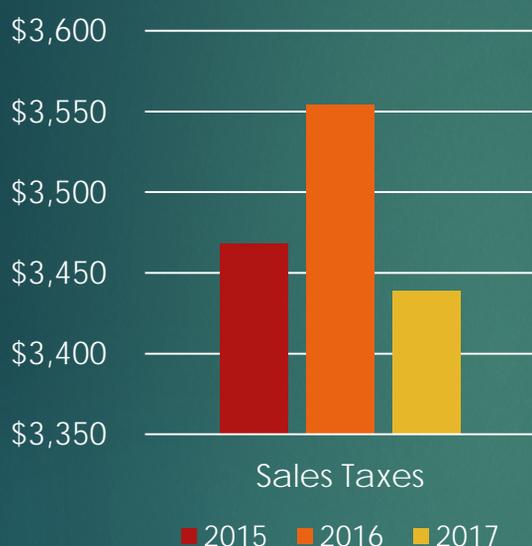


Property Tax revenue continues to decline as the Board elects to maintain downward pressure on the City's millage rate.

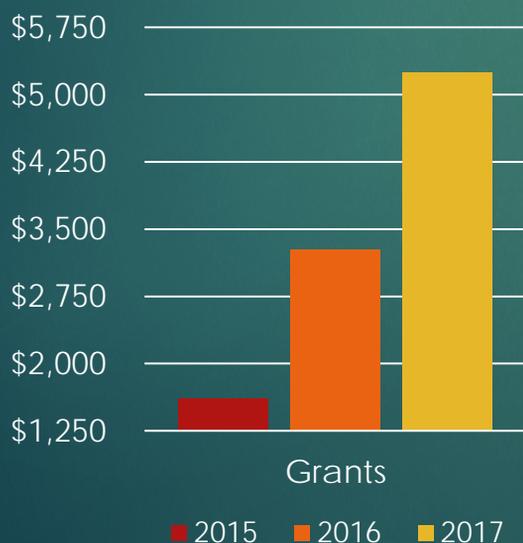
FINANCIAL INFORMATION

Governmental Revenues by Year

(in thousands)



Sales tax revenues continue on a steady pace despite the year to year fluctuations. We anticipate slight increases over the next few years.



Grant revenues continue to benefit the City as we continue to apply for more infrastructure, and Community Development Block Grants.

FINANCIAL INFORMATION

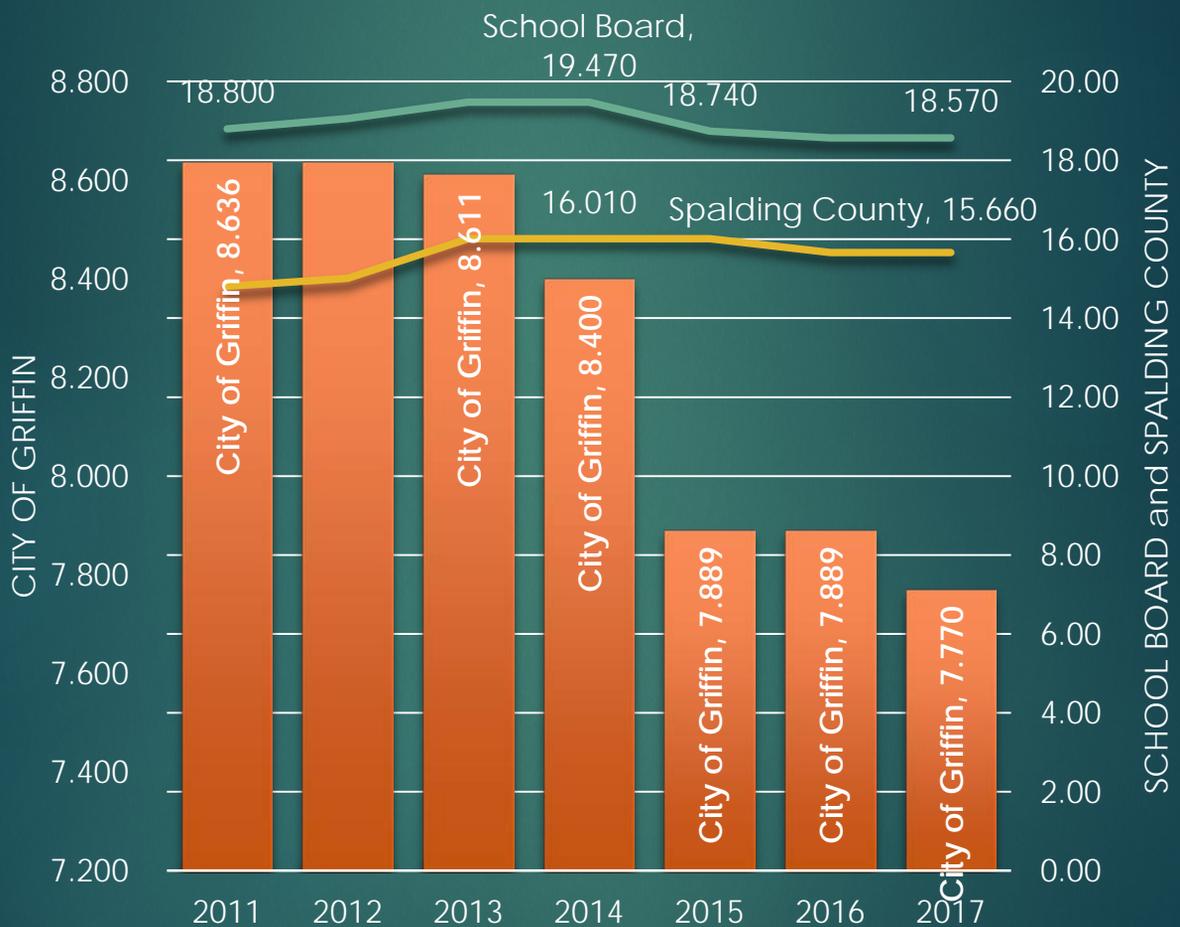
PROPERTY TAX REVENUE History by Fiscal Year



2014 was the first year for Title Ad Valorem Tax (TAVT) on motor vehicles. TAVT collections exceeded expectations by \$300 thousand. In subsequent years, TAVT decreased \$125 thousand each year for 2015, 2016 and 2017. Coupled with a hospital converting to not-for-profit, thereby reducing the tax digest, overall collections dropped by \$500 thousand in 2015. Subsequent year decrease is due to reduced TAVT collections. (99 out of 165 municipalities experienced TAVT losses – Georgia State University Fiscal Research Center, Analysis of Georgia’s TAVT 2016-16, Laura Wheeler, September 26, 2017).

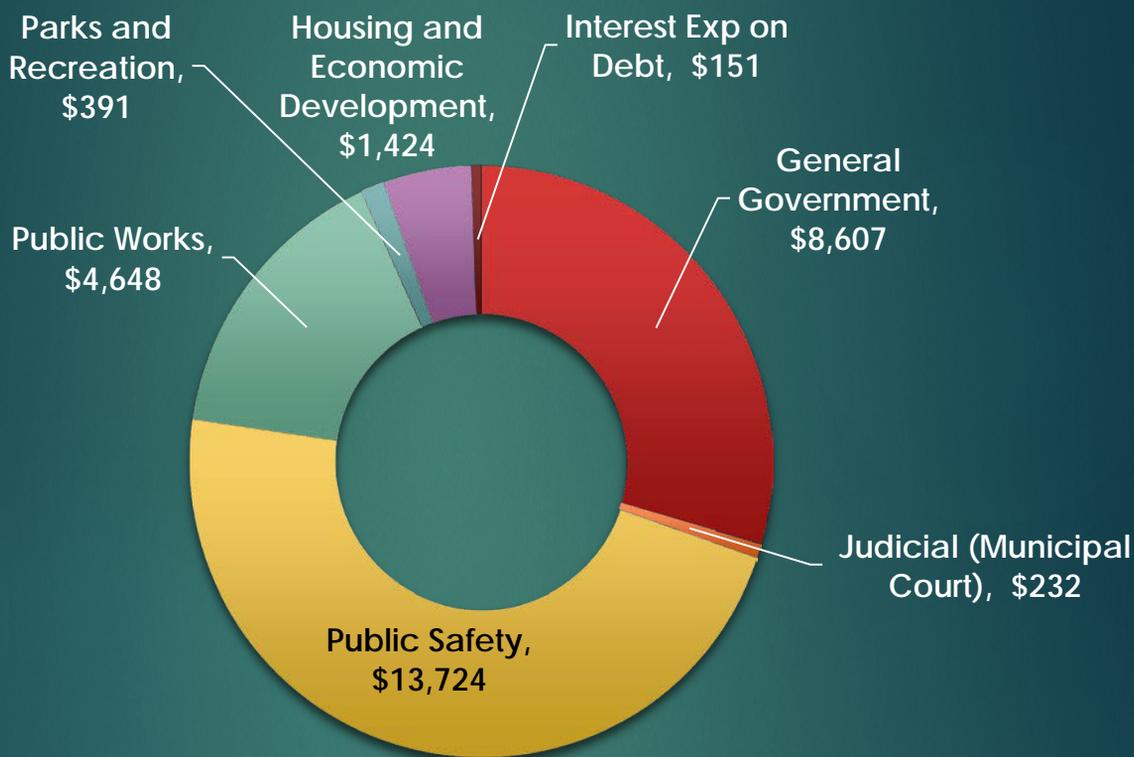
FINANCIAL INFORMATION

PROPERTY TAX MILLAGE RATES



Data comes from Statistical Section, page 116, of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION



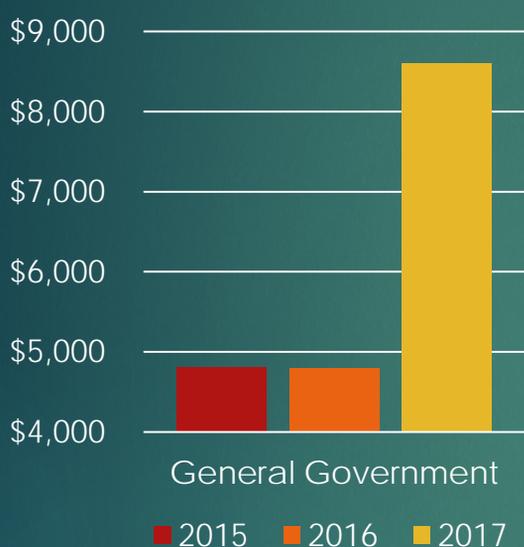
\$ 8,477	Police
5,120	Fire
127	Other Safety Services

GOVERNMENTAL EXPENSES

(In thousands)

Data comes from governmental activities reported in the Government-wide statements. Comprehensive Annual Financial Report, page 14.

FINANCIAL INFORMATION

Governmental
Expenses by Year*(in thousands)*

General Government expenses increased \$3.8M from 2016 to 2017. Of that increase, \$3.3M to recognize the City's share (fifty percent) of Griffin-Spalding Airport Authority bonded debt obligation.



Housing and Economic Development increased \$200K from 2015 to 2016 as part of Blight Abatement program. Expenses remained constant from 2016 to 2017.

FINANCIAL INFORMATION

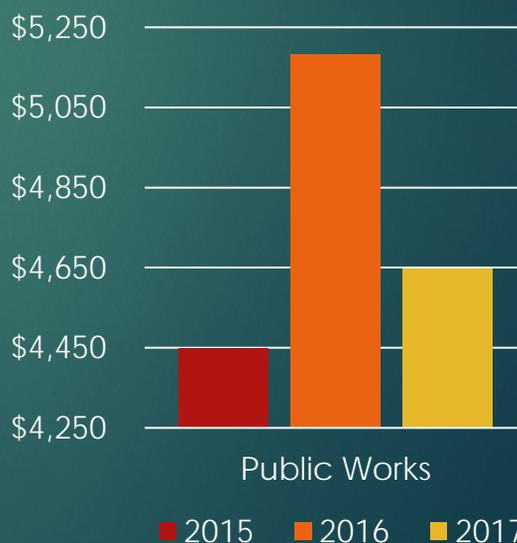
Governmental Expenses by Year

(in thousands)

Public Safety expenses decreased \$1.1M from 2016 to 2017. In 2016 the Fire Department purchased a ladder truck for \$1.1M. In 2017 the Fire Department sold an old unit for \$200K. The remaining increase is due to increased costs for Inmate Custody program for \$249K, and various operating cost increases.

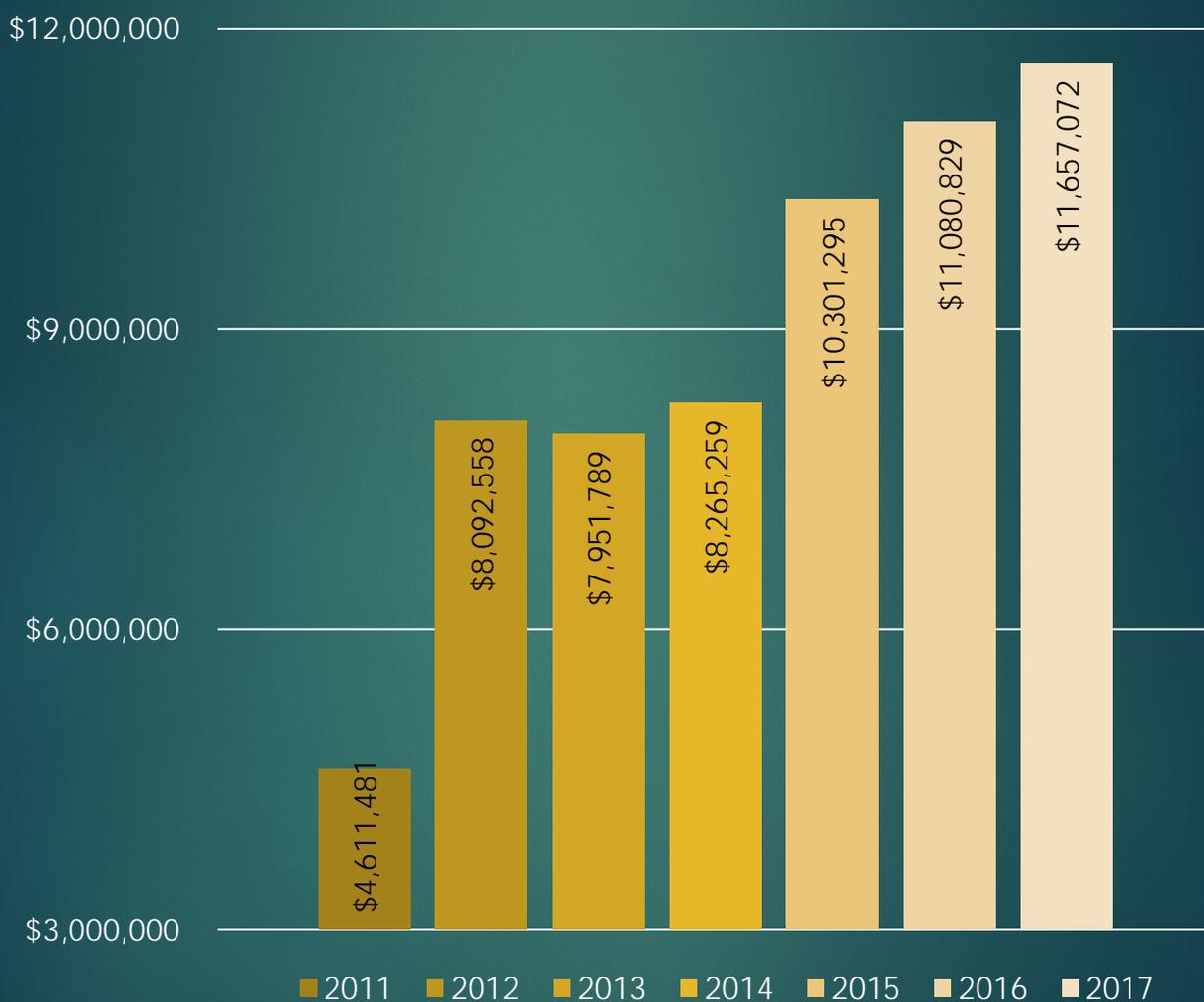


Public Works expenses decreased \$533K from 2016 to 2017 resulting from capital purchase(s) in 2016 and operational cost efficiencies implemented in 2017.



FINANCIAL INFORMATION

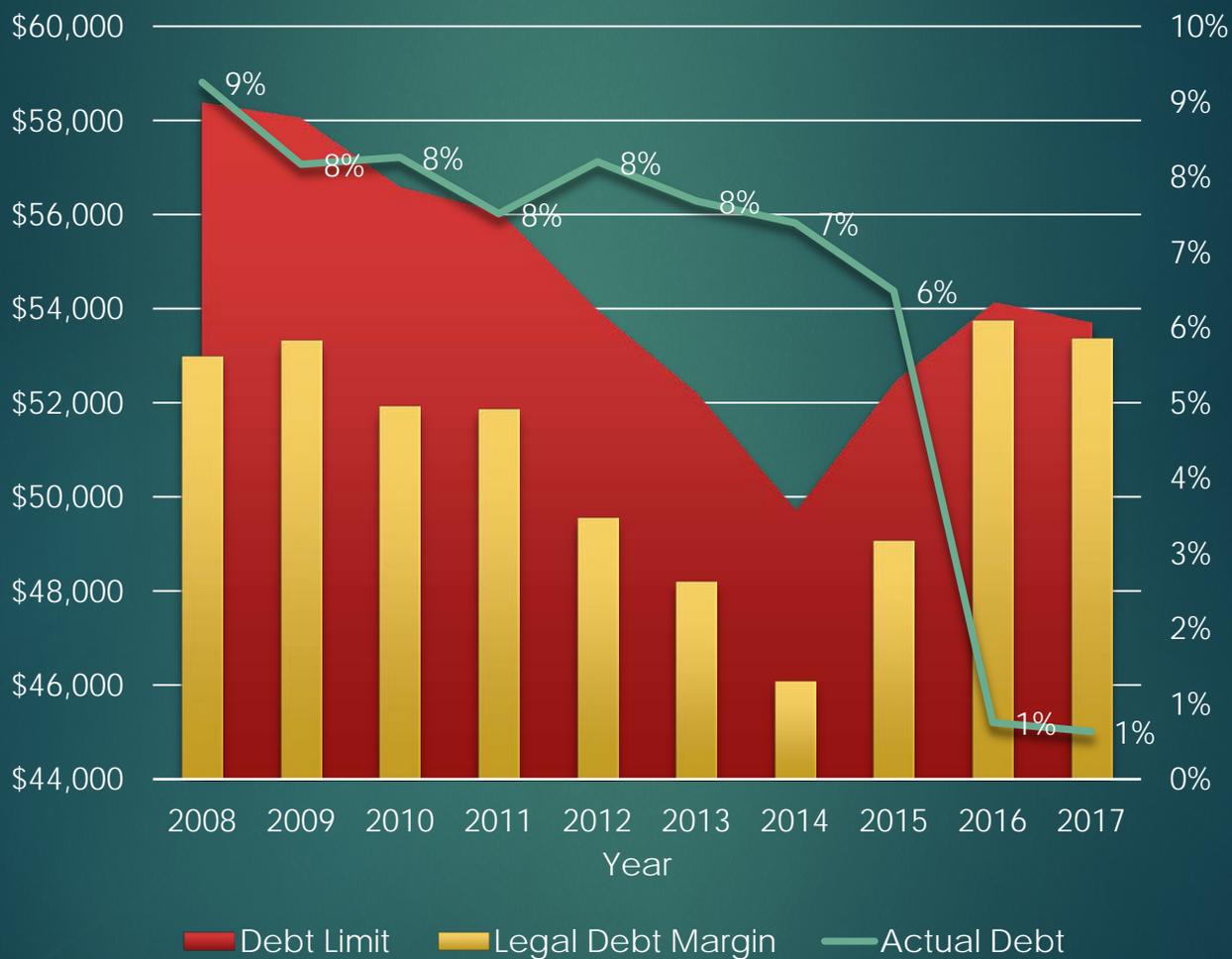
General Fund FUND BALANCE HISTORY by Fiscal Year



Data comes from Statistical Section, page 112, of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

LEGAL DEBT MARGIN Last Ten Fiscal Years *(in thousands)*



Data comes from Statistical Section, page 124, Comprehensive Annual Financial Report.

COMPONENT UNITS

City of Griffin Main Street Association (Main Street):

The City Commission appoints several positions of the Main Street's board with additional positions being appointed by various organizations. There are 12 members plus two ex-officio officers. Budget requests for Main Street are submitted to the City Commission for approval, with the City possessing the authority to amend the budget. The City provides approximately 80 percent of Main Street's annual operating budget. The Main Street program serves as a "community-driven" initiative focused on revitalizing older and more traditional business districts. The underlying premise of the Main Street concept is to encourage and foster economic development within the context of historic preservation in ways that are appropriate for today's marketplace.



COMPONENT UNITS

City of Griffin Downtown Development Authority (DDA):

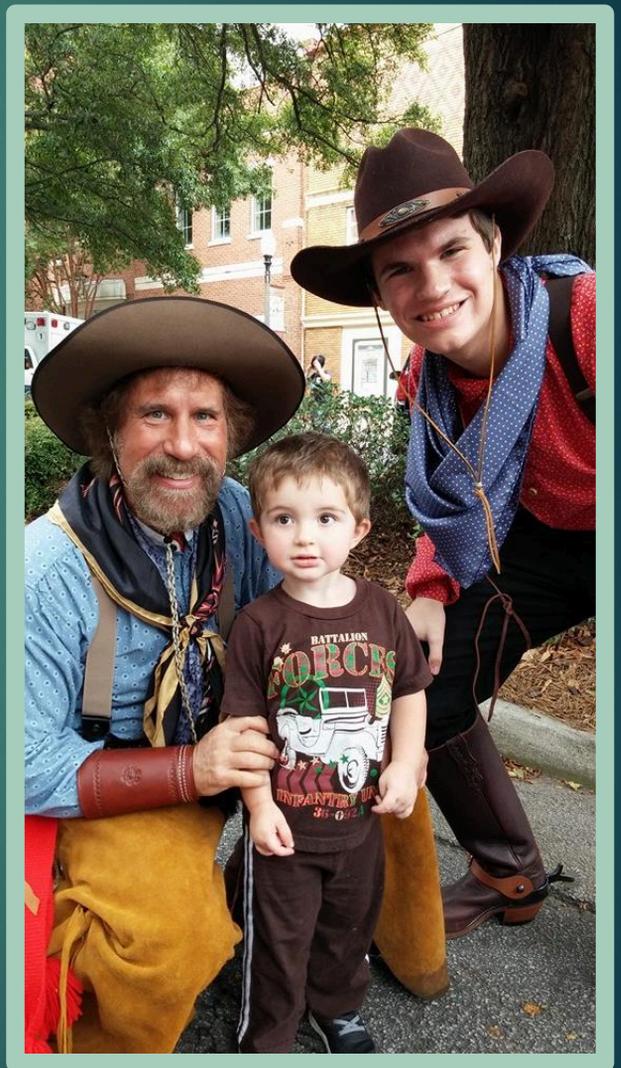
The City Commission appoints all seven members of the DDA's board (one of which is an elected official of the City Commission). Budget requests for the DDA are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. The DDA is responsible for the revitalization strategy for Downtown Griffin. The DDA's mission is to encourage economic activity in Griffin's central business district by attracting businesses, residents, and visitors. The DDA works closely with the City's Planning and Development Department and Main Street program in assisting new businesses through the permitting process.



COMPONENT UNITS

Griffin-Spalding Business and Tourism Association (GSBTA):

The City and Spalding County Board of Commissioners appoint all members of the GSBTA board. Board members consist of the City Commission Chairperson, City Manager, City Attorney, and City Finance Director. Budget requests for GSBTA are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. As a 501-(c)6, not-for-profit organization, the GSBTA's purpose is to promote business, tourism, trade and business conventions for the City. The GSBTA has provided tourism initiatives, brochures and other marketing materials and paid for training and conference registrations to increase awareness of the City of Griffin for both tourism and economic development purposes. The GSBTA is solely devoted to economic development through business attraction and retention; tourism; redevelopment; and other special events and projects to promote the City of Griffin.



COMPONENT UNITS

Griffin-Spalding County Airport Authority (the Airport Authority):

The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. The City Commission appoints five of the nine member Airport Authority board. The City and County have mutually agreed to fund one-half of the annual shortfall in revenues required to fund the Airport Authority's budget in future years. Due to these factors and due to the City maintaining the administrative functions of the Authority, the City has elected to include the Airport Authority operations as a component unit of the City. Separate financial statements for the Airport Authority are not prepared.



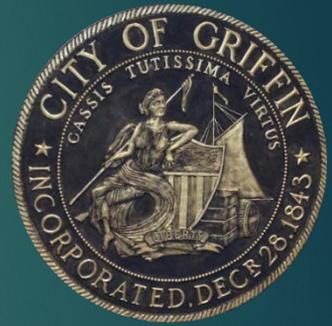
PURPOSE OF REPORT

The purpose of the Popular Annual Financial Report (PAFR) is to provide an overview of the financial position of the City of Griffin, as reported in the City's Comprehensive Annual Financial Report (CAFR), along with other information of interest. The financial information presented here is in summarized and condensed form and does not substitute for the City's CAFR. The CAFR outlines the City's financial position and operating activities each fiscal year presented in conformity with generally accepted accounting principles (GAAP). The PAFR does not conform to GAAP and associated standards as set forth by the applicable governing bodies, but is suitable for those readers who prefer an overview or summary of the City's government and its financial condition. Some of the information is from the City's Annual Budget. The City's CAFR received the award for outstanding financial reporting from the Government Finance Officers Association.

The CAFR, Annual Budget, and PAFR are available at City Hall and the City's website at www.cityofgriffin.com.

CONTACT INFORMATION

Airport	770.227.2928	Emergency	911		
Accounting	770.229.6401	Fire Rescue	770.229.6415		
Administrative Services	770.229.6425	Station One- 314 North Hill Street	770.229.6417		
Building Inspections & Permits	770.233.4130	Station Two – 401 North Expressway	770.229.6416		
Building Safety	770.233.4130	Station Three- 101 Crescent West	770.229.6414		
Cemetery	770.229.6410	FOG (Fats Oils Grease)	678.692.0404	Sign Shop	770.229.6632
City Manager	770.229.6408	Fleet Management	770.233.4399	Solid Waste	770.229.6421
Code Enforcement	770.233.4130	Human Resources	770.229.6400	Storm Water	770.229.6424
Customer Service / Billing	770.229.6403	Information Technology	770.229.6614	Streets	770.229.6413
Downtown Development	770.233.2901	Planning & Development	770.233.4130	Tax and License	770.229.6402
Electric Outage	770.229.6406	Police	770.229.6450	Trash Collection	770-229-6421
		Public Works	770.229.6424	Water Wastewater	770-229-6423





- Thinking, **TOGETHER**
- Celebrating, **TOGETHER**
- Thriving, **TOGETHER**
- Playing, **TOGETHER**
- Working, **TOGETHER**
- Helping, **TOGETHER**
- Learning, **TOGETHER**
- Shopping, **TOGETHER**
- Exploring, **TOGETHER**
- Achieving, **TOGETHER**
- Discovering, **TOGETHER**
- Building, **TOGETHER**
- Creating, **TOGETHER**

City of Griffin
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www.cityofgriffin.com