

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

Prepared by:
Griffin Finance Department

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	i - vi
Organizational Chart	vii
List of Principal Officials	viii
Certificate of Achievement for Excellence in Financial Reporting	ix

FINANCIAL SECTION

Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3 - 11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	17 and 18
Statement of Net Assets – Proprietary Funds	19 and 20
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	21 and 22
Statement of Cash Flows – Proprietary Funds	23 - 26
Statement of Fiduciary Assets and Liabilities	27
Notes to Financial Statements	28 - 63
Required Supplementary Information:	
Schedules of Funding Progress	64
Combining Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	65 - 67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	68 - 70
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds):	
Hotel/Motel Tax Fund	71
Multiple Grant Fund	72

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

Page

Combining Statements and Schedules (Continued):
- **Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds) (Continued):**
  - **Confiscated Assets Fund 73**
  - **Police Technology Fund 74**
  - **Court Technology Fund 75**
  - **Police Donations Fund 76**
  - **2008 CDBG Fund 77**
  - **2009 CDBG Fund 78**
  - **2010 CDBG Fund 79**
  - **2008 CHIP Fund 80**
  - **2011 Tornado Grants Fund 81**
  - **Neighborhood Stabilization Fund 82**
  - **Tax Allocation Districts 83**
- **Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 84**
- **Combining Statement of Net Assets – Nonmajor Enterprise Funds 85**
- **Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds 86**
- **Combining Statement of Cash Flows – Nonmajor Enterprise Funds ..... 87 and 88**
- **Statement of Changes in Assets and Liabilities – Agency Fund 89**
- **Balance Sheet – Component Units 90**
- **Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Units 91**

STATISTICAL SECTION

Fund information:
- **Net Assets by Activity 92**
- **Changes in Net Assets ..... 93 - 95**
- **Fund Balances, Governmental Funds ..... 96 and 97**
- **Changes in Fund Balances, Governmental Funds ..... 98 and 99**
- **General Governmental Tax Revenues by Source 100**
- **Assessed Value and Estimated Actual Value of Taxable Property 101**
- **Direct and Overlapping Property Tax Rates 102**
- **Property Tax Levies and Collections 103**
- **Principal Property Taxpayers 104**
- **Top Ten Sewer Customers 105**
- **Top Ten Water Customers 106**

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS (CONTINUED)

STATISTICAL SECTION (Continued)

Page

Top Ten Electric Customers **107**
Ratios of Outstanding Debt by Type **108**
Legal Debt Margin Information **109**
Direct and Overlapping Governmental Activities Debt **110**
Revenue Bond Coverage – Combined Public Utility Revenue Bonds **111**
Demographic Statistics **112**
Principal Employers **113**
Full-Time Equivalent City Government Employees by Function **114**
Operating Indicators by Function **115**
Capital Asset Statistics by Function **116**

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... **117 and 118**
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 ..... **119 and 120**
Schedule of Expenditures of Federal Awards **121**
Notes to Schedule of Expenditures of Federal Awards **122**
Schedule of Findings and Questioned Costs ..... **123 and 124**
Summary Schedule of Prior Year Findings **125**

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

CITY OF GRIFFIN SINCE 1840

Commission Members

Joanne Todd
Chairperson

Cynthia Reid Ward
Vice Chairperson

Shaheer Beyah

William Evans

Doug Hollberg

Ryan McLemore

Dick Morrow

City Manager
Kenny L. Smith

October 31, 2011

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

Ladies and Gentlemen:

We are pleased to present the City of Griffin's (the City's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. The financial statements included in this report conform with accounting principles generally accepted in the United States (U.S. GAAP) and as established by the Governmental Accounting Standards Board (GASB). State law requires that 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 (GAAS) by a firm of licensed certified public accountants.

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 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.

INDEPENDENT AUDIT

The City of Griffin's financial statements have been audited by Mauldin & Jenkins Certified Public Accountants, LLC. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2011, 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.



"The Iris City"

One Griffin Center ✤ 100 South Hill Street ✤ Griffin, Georgia 30223 ✤ Tel. 770-229-6425 ✤ FAX 770-229-6630
Post Office Box T ✤ Griffin, Georgia 30224
Web Site: *www.cityofgriffin.com*

The independent audit of the financial statements of the City is sometimes part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the administration of federal and state awards. For fiscal year 2011, the City spent $2,251,991 of federal funds on the following programs:

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grant/Pass-through Grantor/Program Title	*Expenditures*
U.S Department of Housing and Urban Development	
• *Community HOME Investment Program (CHIP)*	$ 69,300
• *Community Development Block Grant (CDBG)*	34,017
• *Neighborhood Stabilization Program (NSP)*	455,223
U.S. Department of Justice Grants	
• *Bullet Proof Vest Partnership Program*	2,587
U.S. Department of Energy	
• *Energy Efficiency and Conservation Block Grant (EECBG)*	175,517
U.S. Department of Homeland Security	
• *Disaster Grants - Public Assistance*	131,851
• *Assistance to Firefighters Grant*	46,649
U.S. Department of Transportation	
(Passed through Georgia Department of Transportation)	
• *Highway Planning and Construction Grant – ARRA*	1,306,193
U.S. National Endowment for the Humanities	
• *Promotion of the Humanities*	3,000
U.S. Environmental Protection Agency	
(Passed through Georgia Environmental Protection Agency)	
• *Nonpoint Source Implementation Program*	27,654
Total Expenditures of Federal Awards	**$ 2,251,991**

In accordance with GAAP, this Comprehensive Annual Report (CAFR) includes a narrative introduction from management, that provides an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of local economic conditions and some of the City's current and future initiatives.

PROFILE OF THE GOVERNMENT

The City of Griffin, was incorporated in 1843, is located in the central portion of the state and currently occupies a land area of 14.1 square miles and a population of 23,887. 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 seven Commissioners. The governing council is responsible, among other things, for passing ordinances, adopting budgets, appointing committees, and hiring both the City's manager and legal counsel. The City Manager is responsible for carrying out the day to day operations of government and for appointing the heads of the various departments. The Board is elected on a non-partisan basis, and serves staggered terms. Elections are held every two years with three Commissioners on one cycle and four Commissioners the next cycle. The Chairperson is elected by the Board and serves for one year.

The City of Griffin is a "full service" municipality that offers the following services: water, waste water, electricity, and sanitation. The City also provides a full range of other services, including police and fire protection; the construction and maintenance of streets, and other infrastructure; and recreational and cultural activities, including an eighteen hole golf course; and a municipal airport. Each of the service areas function 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 departments of the City of Griffin are required to submit requests for appropriations to the City Manager on or about March 2nd. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents the 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 annual budget is prepared by fund, function, and department; for example: General Fund, Public Safety, Police. Department directors 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 and enterprise funds (business-type activities) are presented in the other Required Supplementary Information (RSI) section of the financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

THE CITY OF GRIFFIN'S ECONOMY IN 2011

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. The City of Griffin is moving into the future with a more diversified economic portfolio from having historically concentrated its efforts into manufacturing. Presently, City of Griffin has identified four economic engines that are prime to lead the city into the future:

1. The West Griffin Educational Corridor, which is the area surrounding the University of Georgia Griffin Campus and Southern Crescent Technical College;

2. The Medical Overlay District, encompasses the area surrounding the Spalding Regional Hospital area, with the intent to facilitate redevelopment and revitalization of professional office and medical uses with incentives;
3. Historic Downtown Griffin has seen a rebirth and is becoming vibrant again since the adoption of the Livable Centers Initiative (LCI) Study and Downtown Master Plan. Our downtown area now offers a mixture of incentives for businesses looking to locate and operate within the district;
4. The City and County have jointly decided to relocate and build a new airport facility consisting of a runway of 5,500 feet adjacent to the 600 acres Lake at Green Valley Industrial/Business Park.

The future synergy of these economic engines are well aligned for attracting new industry to Griffin Spalding County, whereby providing for new job opportunities for our residents. With the growth in these four areas, the City can look forward to a more balanced revenue streams coming from its governmental and business-type activities, as such, the City is not dependent upon a single source of income. Diversified revenues come from two sources of activities: governmental and business-type activities. Governmental activities (or program revenues) include revenues from property taxes, sales taxes, charges for services, fines and forfeitures, and donations. Business-type activities (enterprise) are those functions that the City provides and operates for profit generation geared for reinvestment into infrastructure. Examples of infrastructure investment are electrical supply (power lines), water distribution (underground pipes), solid waste services (environmental cleanup), or a municipal airport.

Local Economy

The City of Griffin prides itself on an historic downtown that combines "old world charm" from an architectural perspective with contemporary amenities and services. The region has a varied manufacturing and industrial base. Major industries with corporate headquarters or divisions located within the City's boundaries or close proximity include medical, manufacturing, automotive parts, materials and packaging, as well as fine dining, retail (with specialty shops), and real estate development. To facilitate these businesses locating within the City of Griffin, the Board of Commissioners has adopted numerous incentive programs such as the Opportunity Zone, Enterprise Zone, Tax Allocation District, and Utility Incentive Program. Each of these programs would provide a business looking to expand or relocate job tax credit, property tax abatement, infrastructure bonding and utility rate reductions. The economic future is bright in Griffin Georgia.

Cash Management Policies and Practices

The City invests idle unrestricted cash into certificates of deposit and other investment vehicles as allowed by law. The City invested restricted cash from Water – Wastewater and Electric funds in obligations of the general government and Local Government Investment Pool. Cemetery Trust Fund cash was held in treasury securities.

Pension and Other Post Employment Retirement Benefits

The City of Griffin has ongoing obligations to complete funding for its employees' pensions and retirees' health care obligations. Nevertheless, the City's overall financial position remains steady, despite various fiscal challenges in providing services to City residents.

The City of Griffin Retirement Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The day-to-day management of those assets and activities are handled by internal staff and the Georgia Municipal Employees Benefits System. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary.

Post Employment Health Care Plan

The City also provides other post employment health care benefits (OPEB) to retirees on a pay-as-you-go basis. The OPEB plan provides a subsidy for medical and dental insurance benefits to eligible retirees. Benefit provisions and contribution requirements are established and may be amended by the City Commission. For the fiscal year 2011, the City contributed $856,673 to the plan. Additional information on the City's pension plan and its funding progress can be found under note 16, in the notes to the financial statements.

MAJOR INITIATIVES

During fiscal year 2011, the City of Griffin achieved many significant accomplishments in connection with goals established by the Board of City Commissioners. These broad-based goals are summarized as follows:

- Solid Waste Division received "Most Innovative Recycling Program" in the State of Georgia from the Georgia Recycling Coalition for 2011;
- Received Gold Awards (fourth consecutive year) from Georgia Association of Water Professionals for permit compliance for:
    - Water Treatment Plants at Still Branch and Harry Simmons,
    - Wastewater Treatment Plants at Cabin Creek, Shoal Creek, and Potato Creek;
- Electric Division completed installation of solar power generation project, and
    - initiated web based energy audit software, and
    - established residential e-newsletter with funding through EECBG Grant;
- The City implemented a Utility Incentive Program for new businesses;
- Received CRS-5 Rating in the National Floodplain Insurance Program, First in State of Georgia;
- Received Fats Oils and Grease (F.O.G.) "Excellence Award" from Georgia F.O.G. Alliance
- Constructed 3rd Ward Green Park
- Implemented Leak Detection Program for water distribution division

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the City of Griffin, Georgia for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the 7th consecutive year that the City of Griffin has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The timely preparation and publication of this Comprehensive Annual Financial Report represents a significant effort of the Accounting and Finance Divisions of the Department of Administrative Services as well as the excellent cooperation and assistance of other City of Griffin employees and independent auditors, Mauldin & Jenkins, Certified Public Accountants, LLC, who contributed to its preparation. In particular we wish to express our appreciation to the Accounting and Finance staff who were responsible for assimilating and compiling the data comprising this report.

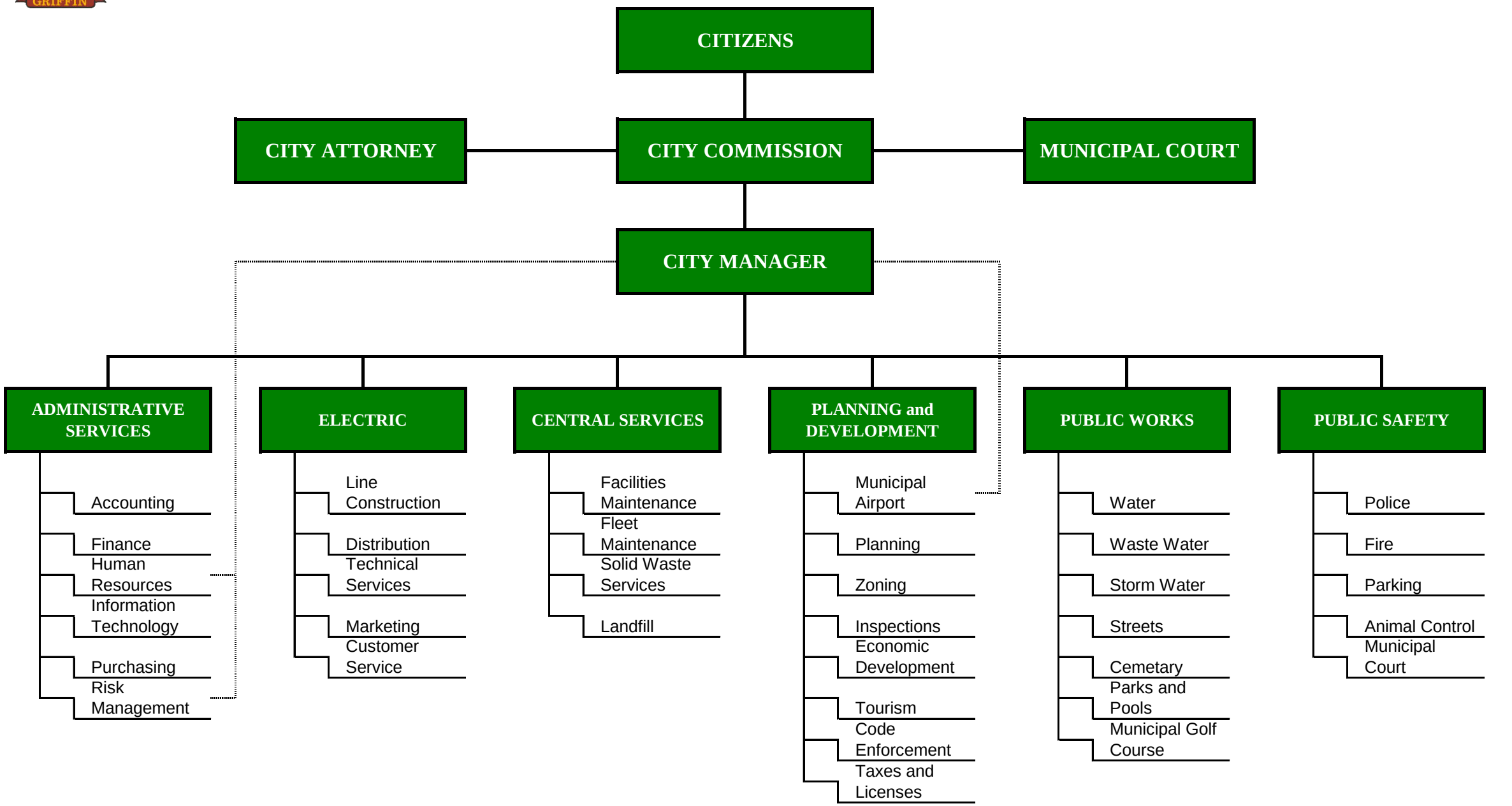
We would like to make a special mention of the accounting department and team for the long hours, hard work, and dedication to clearing all outstanding issues and being the instrument of change.

Sincere appreciation is also expressed to the Commissioners, City Manager, and Directors of Departments and Divisions for their assistance and leadership throughout the year in matters pertaining to the financial affairs of this great City.

Respectfully submitted,

Joanne Todd,
Chairperson, City of Griffin

CITY OF GRIFFIN
Organization Chart



20100730 ms

CITY OF GRIFFIN, GEORGIA

PRINCIPAL OFFICIALS
JUNE 30, 2011

Commission Member – District I	Cynthia Reid Ward
Commission Member – District II	William H. Evans
Commission Member – District III	Ryan McLemore
Commission Member – District IV	Joanne Todd
Commission Member – District V	Dick Morrow
Commission Member – District VI	Shaheer A. Beyah
Commission Member – At Large	Douglas S. Hollberg
Chairman	Joanne Todd
Chairman Pro-Tem	Cynthia Reid Ward
City Manager & City Clerk	Kenny Smith
City Attorney	Andrew Whalen, Esq.
Municipal Court Judge	A. Ronald Cook
Municipal Court Solicitor	Reid Turner
Director of Administrative Services	Markus Schwab, CPA.CITP
Police Chief	Frank Strickland
Fire Chief	Tommy Jones
Water/Wastewater Director	Brant Keller, PhD
Electric Director	Bill Bosch
Central Services Director	Phill Francis
Airport Manager	Robert Mohl
Developmental Services Director	Frederick Gardiner

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Griffin
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Commission
Griffin, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Griffin, Georgia** (the "City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Griffin, Georgia's management. Our responsibility is to express opinions 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Griffin, Georgia, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of the City of Griffin, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 11) and the Schedule of Funding Progress (on page 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures to not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Griffin, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Griffin, Georgia. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the City of Griffin, Georgia. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Macon, Georgia
October 27, 2011

CITY OF GRIFFIN, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 of Griffin, Georgia for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $101,677,315 (*net assets*). Of this amount, $33.57 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by $10,535,136 due mostly to continued strong operations from the City's water and electric utility funds.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $10,069,497, an increase of $3,026,341 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was $4,611,481, or 19.4% of total General Fund expenditures.
- The City's total long term liabilities decreased by $2,149,005 during the current fiscal year. This included a decrease of debt by $2,597,144 which was due to scheduled principle payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Griffin's basic financial statements. The City's basic financial statements consist of 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.

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

The *statement of net assets* presents information on all 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 City'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 the 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, judicial, public safety, public works, parks and recreation, and housing and development. The business-type activities of the City include water and wastewater, electric, solid waste, stormwater, welcome center operations, airport operations, and golf course operations.

The government-wide financial statements can be found on pages 12 and 13 of this report.

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, proprietary funds, and fiduciary 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 nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund only, because it is considered to be a major fund. Data from the other eighteen governmental funds (thirteen special revenue funds, three capital projects funds, and two permanent funds) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 and 15 of this report.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water/Wastewater Utility Fund, Electric Utility Fund, Solid Waste Fund, Stormwater Utility Fund, Airport Fund, Welcome Center Fund, and the Golf Course Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally amount the City's various functions. The City uses internal service funds to account for its motor vehicle fleet. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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/Wastewater Utility Fund, Electric Utility Fund, and Solid Waste Fund, all of which are considered to be major funds of the City. Conversely, the nonmajor enterprise funds and the internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 19 - 26 of this report.

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

The basic fiduciary fund financial statement can be found on page 27 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. The notes to the financial statements can be found on pages 28 – 63 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 65 – 88 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $101,677,315 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (62.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Griffin's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 18,937,150	$ 14,228,602	$ 33,162,740	$ 31,024,673	$ 52,099,890	$ 45,253,275
Capital assets	20,079,322	18,340,762	115,742,482	115,651,297	135,821,804	133,992,059
Total assets	39,016,472	32,569,364	148,905,222	146,675,970	187,921,694	179,245,334
Other liabilities	2,177,710	1,540,797	8,442,135	8,576,375	10,619,845	10,117,172
Long-term liabilities outstanding	4,959,069	5,346,846	70,665,465	72,639,137	75,624,534	77,985,983
Total liabilities	7,136,779	6,887,643	79,107,600	81,215,512	86,244,379	88,103,155
Net assets:						
Invested in capital assets, net of related debt	15,867,708	13,665,934	47,893,557	45,704,091	63,761,265	59,370,025
Restricted	3,334,266	-	1,007,038	1,000,105	4,341,304	1,000,105
Unrestricted	12,677,719	12,015,787	20,897,027	18,756,262	33,574,746	30,772,049
Total net assets	$ 31,879,693	$ 25,681,721	$ 69,797,622	$ 65,460,458	$ 101,677,315	$ 91,142,179

An additional portion of the City's net assets (4.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($33,574,746) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities during the fiscal year ended June 30, 2011, increased the City of Griffin's net assets by $6,197,972. Business-type activities during the same period increased net assets by $4,337,164 for a total increase in net assets of $10,535,136. Key elements of this increase are as follows:

City of Griffin's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	$ 6,779,258	$ 7,191,807	$ 73,059,488	$ 67,095,785	$ 79,838,746	$ 74,287,592
Operating grants and contributions	1,053,102	1,693,407	169,809	141,499	1,222,911	1,834,906
Capital grants and contributions	3,342,662	2,488,143	331,663	571,622	3,674,325	3,059,765
General revenues:						
Property taxes	4,752,266	4,823,429	-	-	4,752,266	4,823,429
Sales taxes	3,274,679	3,327,451	-	-	3,274,679	3,327,451
Insurance premium tax	1,262,410	1,300,347	-	-	1,262,410	1,300,347
Other taxes	1,221,200	1,210,341	-	-	1,221,200	1,210,341
Franchise taxes	555,513	560,428	-	-	555,513	560,428
Unrestricted investment earnings	245,221	(81,675)	231,019	410,381	476,240	328,706
Gain on sale of capital assets	10,530	30,023	9,177	-	19,707	30,023
Total revenues	22,496,841	22,543,701	73,801,156	68,219,287	96,297,997	90,762,988
Expenses:						
General government	4,111,180	3,847,393	-	-	4,111,180	3,847,393
Judicial	168,762	166,044	-	-	168,762	166,044
Public safety	14,673,254	14,034,310	-	-	14,673,254	14,034,310
Public works	5,551,010	4,250,091	-	-	5,551,010	4,250,091
Parks and recreation	265,527	265,882	-	-	265,527	265,882
Housing and development	897,705	960,351	-	-	897,705	960,351
Interest on long-term debt	206,442	218,882	-	-	206,442	218,882
Water and wastewater	-	-	15,633,302	15,439,483	15,633,302	15,439,483
Electric	-	-	34,885,002	31,929,195	34,885,002	31,929,195
Solid Waste	-	-	6,219,035	5,972,508	6,219,035	5,972,508
Stormwater	-	-	1,555,172	1,882,797	1,555,172	1,882,797
Airport operations	-	-	928,157	806,985	928,157	806,985
Welcome Center	-	-	107,105	108,418	107,105	108,418
Golf Course	-	-	561,208	551,005	561,208	551,005
Total expenses	25,873,880	23,742,953	59,888,981	56,690,391	85,762,861	80,433,344
Change in net assets before transfers	(3,377,039)	(1,199,252)	13,912,175	11,528,896	10,535,136	10,329,644
Transfers	9,575,011	6,231,802	(9,575,011)	(6,231,802)	-	-
Change in net assets	6,197,972	5,032,550	4,337,164	5,297,094	10,535,136	10,329,644
Net assets, beginning	25,681,721	20,649,171	65,460,458	60,163,364	91,142,179	80,812,535
Net assets, ending	$ 31,879,693	$ 25,681,721	$ 69,797,622	$ 65,460,458	$ 101,677,315	$ 91,142,179

As can be seen above, the governmental activities show a deficit of revenues over expenses before transfers of $3,377,039 and $1,199,252 for 2011 and 2010, respectively. These deficiencies are normal and consistent throughout all fiscal years. The reason for this is that the City relies on the superior earnings of the enterprise funds (specifically the Water/Wastewater and Electric Funds) to subsidize the operations of the general fund. The transfer 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 the City Commission decides is best for the City. Traditionally, the City has relied upon those transfers to maintain the ad valorem tax rates at a reasonable level. In the absence of those transfers, the City would either have to raise the shortfall in revenues through increases in user fees or taxes, or to cut back the level of services it provides to the citizens.

The increase in total charges for services for the City's business-type activities is due to some rate increases in the water fund and electric utility fund coupled with increased water sales and power usage in 2011 vs that of 2010.

Business-type activities. The City's business-type activities which include the Water/Wastewater Fund, Electric Utility Fund, Solid Waste Fund, and four non-major funds increased net assets by $4,337,164 in 2011 and increased net assets by $5,297,094 in 2010.

City of Griffin
Enterprise Net Operating Income (Loss)
Nonoperating Revenues (Expenses) and Transfers
(Fund level)

	2011	2010
Net operating income (loss):		
Water / Wastewater Fund	$ 6,423,343	$ 4,458,651
Electric Utility Fund	11,196,379	10,655,299
Solid Waste Fund	(334,730)	(359,971)
Nonmajor Enterprise Funds	(279,754)	(416,899)
Total net operating income	17,005,238	14,337,080
Nonoperating expenses and capital contributions	(2,658,004)	(2,385,241)
Income before transfers	14,347,234	11,951,839
Net transfers out	(9,491,891)	(6,212,424)
Changes in net assets	$ 4,855,343	$ 5,739,415

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This 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.

At the end of 2011 and 2010, the combined ending fund balances of the City's governmental funds were a positive $10,069,497 and a positive $7,043,156 respectively. This increase was due to continued spending constraints and significant transfers in from the City's enterprise funds. A positive $4,290,717 at June 30, 2011 of the ending fund balance consists of unassigned fund balance, which is available as working capital for current spending in accordance with the purposes of the specific funds. A portion of the fund balance at June 30, 2011, $2,444,514 is termed non-spendable to indicate that it is not available for new spending because it is reserved for prepaid items, assets held for resale and permanent fund principle. The remainder of $3,334,266 is restricted for law enforcement needs, cemetery maintenance, and other capital projects.

The City of Griffin has only one major governmental fund which is the General Fund. The General Fund is the primary operating fund of the City. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, and administration. At the end of 2011 the General Fund had a positive fund balance of $4,611,481. This is an increase of $2,348,653 from the beginning fund balance. This increase was due to an increase in transfers in from the Proprietary Funds.

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

The net assets of the City's enterprise funds increased by $4,855,343 in 2011 and by $5,739,415 in 2010, as a result of operations in the enterprise funds.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ending June 30, 2011, governmental activities and business-type activities had capital assets of $135,821,803 (net of accumulated depreciation) invested in land, buildings, system improvements, infrastructure, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 1.4% (a 9.5% increase for governmental activities and a .01% increase for business-type activities). The major increase in capital assets for governmental activities and business-type activities was from the infrastructure improvements and scheduled depreciation expense.

City of Griffin's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 1,495,785	$ 1,495,785	$ 7,650,221	$ 7,650,221	$ 9,146,006	$ 9,146,006
Land improvements	-	-	3,762,241	3,634,811	3,762,241	3,634,811
Buildings and improvements	6,447,042	6,546,098	21,713,844	22,529,162	28,160,886	29,075,260
Improvements other than buildings	-	-	73,051,725	74,267,937	73,051,725	74,267,937
Machinery and equipment	2,696,028	2,589,476	6,014,332	6,220,492	8,710,360	8,809,968
Infrastructure	7,752,487	5,863,562	-	-	7,752,487	5,863,562
Construction in progress	1,687,979	1,845,841	3,550,119	1,348,674	5,238,098	3,194,515
Total	$ 20,079,321	$ 18,340,762	$ 115,742,482	$ 115,651,297	$ 135,821,803	$ 133,992,059

Additional information on the City's capital assets can be found in Note 5 on pages 44 - 46 of this report.

Debt Administration. At the end of June 30, 2011, the City had $4,959,069 of outstanding long-term liabilities related to governmental activities and $70,665,465 of long-term liabilities related to business-type activities for a total of $75,624,534 compared to the previous year's total of $77,773,539. This is a decrease of $2,149,005 due mostly to scheduled principle payments on long term debt. At the end of 2011, the City had total bonded debt outstanding of $65,816,000 as compared to $67,677,000 in 2010. The debt is secured solely by specified revenue sources (i.e. revenue bonds). The majority of the bonded debt outstanding is from the issuance of $64,385,000 of Combined Public Utility Revenue Refunding and Improvement Bonds (Series 2002) in 2003. These bonds, along with other available funds were used to refund $6,210,000 in of the Series 1993A bonds, initially fund approximately 33 months of interest on the Series 2002 bonds, and construct improvements and a new regional water supply system for the water and wastewater fund.

Additional information on the City's debt can be found in Note 6 on pages 46 - 52 of this report.

Currently Known Conditions Affecting Future Operations

The governor of the State of Georgia decided to eliminate the Homeowners Tax Relief Grant for fiscal year 2010. The effect on the City is a reduction of approximately $200,000 of general fund revenue. This along with the downturn in the economy will affect the City's operations in the area of reduced sales tax receipts and other general fund revenues. We will be monitoring this closely and amending our forecasts accordingly.

Factors affecting the FY 2010-11 Budget:

The Commission of the City of Griffin considered many factors when approving the City's 2011 budget and are very aware of present economic conditions and their effect on its citizens. The Commission chose to continue to use transfers from the business-type activities to the governmental activities instead of increasing taxes or rates within the governmental activities. There were no contemplated increases to the rates of the business-type activities.

Annually, the City Manager submits to the Commission 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 the General Fund, the Hotel / Motel Tax Fund, the Multiple Grant Fund, the Confiscated Assets Fund, the Police Technology Fund, the Court Technology Fund, the Police Donations Fund, the 2008 CDBG Fund, the 2009 CDBG Fund, the 2010 CDBG Fund, the 2008 CHIP Fund, the 2011 Tornado Fund, the Neighborhood Stabilization Fund, the Tax Allocation Districts Fund, the Water/Wastewater Fund, Electric Utility Fund, Solid Waste Fund, Stormwater Utility Fund, Airport Fund, Welcome Center Fund, and Golf Course Fund. Budgets for the Enterprise Funds are prepared for planning and control purposes only. The legal level of budgetary control is the department level, with the Commissioners being the only body authorized to make amendments to the budget. During the year there was an approximate $19 thousand decrease in appropriations between the original budget and the final amended budget for the City's General Fund. This decrease was due mostly to reduced appropriations in the public works department as offset by additional appropriations needed within the public safety and housing and economic development functions.

Requests for Information

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Cash and cash equivalents	$ 6,730,148	$ 3,810,733	$ 10,540,881	$ 19,886	$ 46,750	$ 1,038
Investments	4,298,293	9,791,301	14,089,594	-	-	-
Taxes receivable	953,806	-	953,806	-	-	-
Accounts receivable, net of allowances	75,940	7,595,557	7,671,497	-	-	-
Due from other governments	997,614	1,933,195	2,930,809	-	-	-
Due from component units	19,788	-	19,788	-	-	-
Due from primary government	-	-	-	-	-	1,609
Internal balances	3,128,458	(3,128,458)	-	-	-	-
Inventories	195,051	2,770,462	2,965,513	-	-	-
Prepaid expenses	219,896	207,269	427,165	152	167	32
Restricted assets:						
Cash and cash equivalents	-	818,943	818,943	-	-	-
Investments	-	7,966,999	7,966,999	-	-	-
Deferred charges	-	1,396,739	1,396,739	-	-	-
Assets held for resale	232,814	-	232,814	-	-	-
Other noncurrent asset - pension	2,085,342	-	2,085,342	-	-	-
Capital assets:						
Nondepreciable	3,183,764	11,200,340	14,384,104	-	250	-
Depreciable, net	16,895,558	104,542,142	121,437,700	-	-	-
Total assets	39,016,472	148,905,222	187,921,694	20,038	47,167	2,679
LIABILITIES						
Accounts payable	1,790,407	5,255,796	7,046,203	-	-	-
Accrued liabilities	385,694	551,361	937,055	1,362	4,361	1,572
Due to primary government	-	-	-	19,788	-	-
Due to component unit	1,609	-	1,609	-	-	-
Customer deposits payable	-	2,634,978	2,634,978	-	-	-
Other noncurrent liability - OPEB	-	53,883	53,883	-	-	-
Capital leases due within one year	427,584	103,926	531,510	-	-	-
Capital leases due in more than one year	3,784,030	127,595	3,911,625	-	-	-
Notes payable due within one year	-	142,624	142,624	-	-	-
Notes payable due in more than one year	-	1,658,780	1,658,780	-	-	-
Bonds payable due within one year	-	1,932,000	1,932,000	-	-	-
Bonds payable due in more than one year	-	63,884,000	63,884,000	-	-	-
Compensated absences due within one year	635,336	474,232	1,109,568	-	-	-
Compensated absences due in more than one year	112,119	83,689	195,808	-	-	-
Due to Pike County due in more than one year	-	169,361	169,361	-	-	-
Landfill postclosure care costs due within one year	-	87,370	87,370	-	-	-
Landfill postclosure care costs due in more than one year	-	1,948,005	1,948,005	-	-	-
Total liabilities	7,136,779	79,107,600	86,244,379	21,150	4,361	1,572
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt	15,867,708	47,893,557	63,761,265	-	-	-
Restricted for debt service	-	1,007,038	1,007,038	-	-	-
Restricted for law enforcement	363,270	-	363,270	-	-	-
Restricted for cemetery maintenance	170,642	-	170,642			
Restricted for other capital projects	2,800,354	-	2,800,354	-	-	-
Unrestricted	12,677,719	20,897,027	33,574,746	(1,112)	42,806	1,107
Total net assets (deficit)	$ 31,879,693	$ 69,797,622	$ 101,677,315	$ (1,112)	$ 42,806	$ 1,107

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-type Activities	Net (Expenses) Revenues and Changes in Net Assets: Total	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Primary government:										
Governmental activities:										
General government	$ 4,111,180	$ 4,918,449	$ 11,500	$ -	$ 818,769	$ -	$ 818,769	$ -	$ -	$ -
Judicial	168,762	-	-	-	(168,762)	-	(168,762)	-	-	-
Public safety	14,673,254	1,347,878	440,391	-	(12,884,985)	-	(12,884,985)	-	-	-
Public works	5,551,010	200,332	601,211	3,342,662	(1,406,805)	-	(1,406,805)	-	-	-
Parks and recreation	265,527	210,767	-	-	(54,760)	-	(54,760)	-	-	-
Housing and economic development	897,705	101,832	-	-	(795,873)	-	(795,873)	-	-	-
Interest on long-term debt	206,442	-	-	-	(206,442)	-	(206,442)	-	-	-
Total governmental activities	25,873,880	6,779,258	1,053,102	3,342,662	(14,698,858)	-	(14,698,858)	-	-	-
Business-type activities:										
Water and Wastewater	15,633,302	18,655,002	-	-	-	3,021,700	3,021,700	-	-	-
Electric	34,885,002	46,041,080	-	331,663	-	11,487,741	11,487,741	-	-	-
Solid Waste	6,219,035	5,602,104	-	-	-	(616,931)	(616,931)	-	-	-
Stormwater	1,555,172	2,038,860	35,894	-	-	519,582	519,582	-	-	-
Airport	928,157	427,705	133,915	-	-	(366,537)	(366,537)	-	-	-
Welcome Center	107,105	10,325	-	-	-	(96,780)	(96,780)	-	-	-
Golf Course	561,208	284,412	-	-	-	(276,796)	(276,796)	-	-	-
Total business-type activities	59,888,981	73,059,488	169,809	331,663	-	13,671,979	13,671,979	-	-	-
Total primary government	$ 85,762,861	$ 79,838,746	$ 1,222,911	$ 3,674,325	(14,698,858)	13,671,979	(1,026,879)	-	-	-
Component units:										
Griffin Main Street	$ 144,010	$ -	$ 136,158	$ -	-	-	-	(7,852)	-	-
Griffin Downtown Development Authority	89,333	-	161,078	-	-	-	-	-	71,745	-
Griffin Business and Tourism Association	27,915	-	37,598	-	-	-	-	-	-	9,683
Total component units	$ 261,258	$ -	$ 334,834	$ -	-	-	-	(7,852)	71,745	9,683
General revenues:										
Property taxes					4,752,266	-	4,752,266	-	-	-
Sales taxes					3,274,679	-	3,274,679	-	-	-
Insurance premium tax					1,262,410	-	1,262,410	-	-	-
Alcoholic beverage taxes					620,485	-	620,485	-	-	-
Business occupational taxes					404,400	-	404,400	-	-	-
Franchise taxes					555,513	-	555,513	-	-	-
Other taxes					196,315	-	196,315	-	-	-
Unrestricted investment earnings					245,221	231,019	476,240	71	-	1
Gain on sale of capital assets					10,530	9,177	19,707	-	-	-
Transfers					9,575,011	(9,575,011)	-	-	-	-
Total general revenues and transfers					20,896,830	(9,334,815)	11,562,015	71	-	1
Change in net assets					6,197,972	4,337,164	10,535,136	(7,781)	71,745	9,684
Net assets (deficit), beginning of year					25,681,721	65,460,458	91,142,179	6,669	(28,939)	(8,577)
Net assets (deficit), end of year					$ 31,879,693	$ 69,797,622	$ 101,677,315	$ (1,112)	$ 42,806	$ 1,107

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

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS	General	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 2,104,429	$ 3,986,815	$ 6,091,244
Investments	2,414,260	1,884,033	4,298,293
Taxes receivable, net	948,175	5,631	953,806
Accounts receivable, net	75,440	-	75,440
Due from other governments	56,870	940,744	997,614
Due from other funds	847,068	52,521	899,589
Due from component units	19,788	-	19,788
Inventories	672	-	672
Prepaid expenditures	211,407	-	211,407
Assets held for resale	-	232,814	232,814
Total assets	$ 6,678,109	$ 7,102,558	$ 13,780,667
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 1,230,031	$ 505,235	$ 1,735,266
Accrued liabilities	345,204	-	345,204
Deferred revenues	361,966	128,125	490,091
Due to other funds	129,427	1,009,573	1,139,000
Due to component unit	-	1,609	1,609
Total liabilities	2,066,628	1,644,542	3,711,170
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	211,407	-	211,407
Assets held for resale	-	232,814	232,814
Permanent fund principal	-	2,000,293	2,000,293
Restricted for:			
Law enforcement	-	363,270	363,270
Cemetery maintenance	-	170,642	170,642
Other capital projects	109,357	2,690,997	2,800,354
Unassigned:	4,290,717	-	4,290,717
Total fund balances	4,611,481	5,458,016	10,069,497
Total liabilities and fund balances	$ 6,678,109	$ 7,102,558	

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.	19,184,438
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	490,091
Net pension asset is not a financial asset in governmental fund activities and therefore is not reported in governmental funds.	2,085,342
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,023,345
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(4,973,020)
Net assets of governmental activities	$ 31,879,693

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	$ 4,662,904	$ -	$ 4,662,904
Other taxes	5,779,930	65,854	5,845,784
Charges for services	4,913,673	40,965	4,954,638
Licenses and permits	285,302	-	285,302
Intergovernmental	275,160	4,011,607	4,286,767
Franchise taxes	555,513	-	555,513
Fines and forfeitures	1,107,799	189,044	1,296,843
Interest revenue	8,829	235,740	244,569
Rental income	196,689	-	196,689
Contributions and donations	454	3,312	3,766
Other revenues	4,957	37,063	42,020
Total revenues	17,791,210	4,583,585	22,374,795
EXPENDITURES			
Current:			
General government	4,071,171	-	4,071,171
Judicial	168,195	-	168,195
Public safety	13,885,077	259,663	14,144,740
Public works	3,804,466	1,958,333	5,762,799
Parks and recreation	293,622	-	293,622
Housing and economic development	873,922	18,144	892,066
Capital outlay	-	1,675,504	1,675,504
Debt service:			
Principal	463,214	-	463,214
Interest	208,474	-	208,474
Total expenditures	23,768,141	3,911,644	27,679,785
Excess (deficiency) of revenues over (under) expenditures	(5,976,931)	671,941	(5,304,990)
OTHER FINANCING SOURCES (USES)			
Transfers in	10,317,966	125,681	10,443,647
Transfers out	(1,992,532)	(119,814)	(2,112,346)
Proceeds from the sale of capital assets	30	-	30
Total other financing sources (uses)	8,325,464	5,867	8,331,331
Net change in fund balances	2,348,533	677,808	3,026,341
Fund balances, beginning of year	2,262,948	4,780,208	7,043,156
Fund balances, end of year	$ 4,611,481	$ 5,458,016	$ 10,069,497

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

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 FISCAL YEAR ENDED JUNE 30, 2011

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

Net change in fund balances - total governmental funds	$	3,026,341
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.		1,855,654
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		110,864
Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.		994,208
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		463,214
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(252,309)
	$	6,197,972

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES:				
Property taxes	$ 4,364,000	$ 4,364,000	$ 4,662,904	$ 298,904
Other taxes	5,530,000	5,530,000	5,779,930	249,930
Charges for services	4,896,420	4,896,420	4,913,673	17,253
Licenses and permits	267,520	267,520	285,302	17,782
Intergovernmental	180,000	275,373	275,160	(213)
Franchise fees	591,000	591,000	555,513	(35,487)
Fines and forfeitures	1,150,800	1,150,800	1,107,799	(43,001)
Interest revenue	15,000	15,000	8,829	(6,171)
Rental income	193,600	193,600	196,689	3,089
Other revenues	13,000	13,000	4,957	(8,043)
Total revenues	17,201,340	17,296,713	17,791,210	494,497
EXPENDITURES:				
Current:				
General government:				
Legislative	476,900	466,900	345,900	121,000
Executive	316,225	312,430	291,607	20,823
Elections	750	750	599	151
Administrative services	3,163,730	3,028,095	2,530,324	497,771
Central services	705,300	807,934	803,290	4,644
Legal	100,000	100,000	99,451	549
Total general government	4,762,905	4,716,109	4,071,171	644,938
Judicial	241,700	241,465	168,195	73,270
Public safety:				
Police	8,902,910	8,871,881	8,845,385	26,496
Fire	4,788,110	4,877,510	4,798,953	78,557
Code enforcement	138,420	138,055	129,211	8,844
Other protection	116,810	116,465	111,528	4,937
Total public safety	13,946,250	14,003,911	13,885,077	118,834
Public works:				
Highways and streets	3,458,850	3,395,305	3,337,570	57,735
Cemetery	446,580	445,345	466,896	(21,551)
Total public works	3,905,430	3,840,650	3,804,466	36,184
Parks and recreation:				
Recreation	63,370	63,370	56,661	6,709
Parks	273,020	272,635	236,961	35,674
Total parks and recreation	336,390	336,005	293,622	42,383

(Continued)

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Housing and economic development:				
Protective inspection	$ 606,640	$ 649,665	$ 609,689	$ 39,976
Griffin Business and Tourism Association	-	-	19,455	(19,455)
Downtown development	-	-	161,078	(161,078)
Main Street	-	-	83,700	(83,700)
Total housing and economic development	606,640	649,665	873,922	(224,257)
Debt service	709,590	702,350	671,688	30,662
Total expenditures	24,508,905	24,490,155	23,768,141	722,014
Deficiency of revenues under expenditures	(7,307,565)	(7,193,442)	(5,976,931)	1,216,511
OTHER FINANCING SOURCES (USES)				
Transfers in	7,207,065	7,113,072	10,317,966	3,204,894
Transfers out	(400)	(400)	(1,992,532)	(1,992,132)
Capital leases	100,900	80,770	-	(80,770)
Proceeds from the sale of capital assets	-	-	30	30
Total other financing sources (uses)	7,307,565	7,193,442	8,325,464	1,132,022
Net change in fund balances	-	-	2,348,533	2,348,533
Fund balances, beginning of year	2,262,948	2,262,948	2,262,948	-
Fund balances, end of year	$ 2,262,948	$ 2,262,948	$ 4,611,481	$ 2,348,533

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 380,285	$ 2,777,841	$ 52,715	$ 599,892
Investments	-	9,791,301	-	-
Restricted assets, cash	608,124	21,542	25,385	163,892
Restricted assets, investments	1,413,242	427,388	124,372	-
Accounts receivable, net of allowances	74,584	7,387,224	-	133,749
Due from other governments	-	1,912,358	-	20,837
Due from other funds	198,457	252,800	42,414	223,875
Inventories	823,603	1,868,922	-	77,937
Prepaid expenses	80,016	33,147	54,854	39,252
Total current assets	3,578,311	24,472,523	299,740	1,259,434
NONCURRENT ASSETS				
Restricted assets, investments	3,323,813	2,586,781	91,403	-
Deferred charges	1,396,739	-	-	-
Capital assets:				
Nondepreciable	6,142,751	2,816,614	-	2,240,975
Depreciable, net of accumulated depreciation	76,123,778	15,965,052	2,131,706	10,321,606
Total noncurrent assets	86,987,081	21,368,447	2,223,109	12,562,581
Total assets	90,565,392	45,840,970	2,522,849	13,822,015
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	910,584	4,037,359	105,281	202,572
Accrued liabilities	56,609	421,212	46,534	27,006
Current portion - compensated absences	234,126	139,637	73,203	27,266
Current portion - notes payable	-	-	-	142,624
Current portion - capital leases payable	-	-	87,209	16,717
Current portion - landfill closure / postclosure care costs	-	-	87,370	-
Customer deposits payable	16,396	2,618,582	-	-
Due to other funds	40,713	400,671	83,211	187,172
Payable from restricted assets:				
Revenue bonds payable, current portion	1,932,000	-	-	-
Total current liabilities	3,190,428	7,617,461	482,808	603,357
NONCURRENT LIABILITIES				
Compensated absences, net of current portion	41,317	24,642	12,918	4,812
Revenue bonds payable, net of current portion	63,884,000	-	-	-
Capital leases payable, net of current portion	-	-	83,202	44,393
Notes payable, net of current portion	-	-	-	1,658,780
Net OPEB liability	-	53,883	-	-
Due to Pike County, net of current portion	169,361	-	-	-
Landfill closure / postclosure care costs	-	-	1,948,005	-
Total noncurrent liabilities	64,094,678	78,525	2,044,125	1,707,985
Total liabilities	67,285,106	7,695,986	2,526,933	2,311,342
NET ASSETS (DEFICITS)				
Invested in capital assets, net of related debt	16,450,529	18,781,666	1,961,295	10,700,067
Restricted for debt service	1,007,038	-	-	-
Unrestricted	5,822,719	19,363,318	(1,965,379)	810,606
Total net assets (deficit)	$ 23,280,286	$ 38,144,984	$ (4,084)	$ 11,510,673

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Net assets of business-type activities

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 3,810,733	$ 638,904
9,791,301	-
818,943	-
1,965,002	-
7,595,557	500
1,933,195	-
717,546	233,632
2,770,462	194,379
207,269	8,489
29,610,008	1,075,904
6,001,997	-
1,396,739	-
11,200,340	-
104,542,142	894,884
123,141,218	894,884
152,751,226	1,970,788
5,255,796	55,141
551,361	9,304
474,232	14,649
142,624	-
103,926	-
87,370	-
2,634,978	-
711,767	-
1,932,000	-
11,894,054	79,094
83,689	2,586
63,884,000	-
127,595	-
1,658,780	-
53,883	-
169,361	-
1,948,005	-
67,925,313	2,586
79,819,367	81,680
47,893,557	894,884
1,007,038	-
24,031,264	994,224
72,931,859	$ 1,889,108
(3,134,237)	
$ 69,797,622	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 18,327,498	$ 43,250,549	$ 5,415,416	$ 2,758,263
Tap and capacity recovery fees	84,690	-	-	-
Other services	242,814	2,790,531	186,688	3,039
Total operating revenues	18,655,002	46,041,080	5,602,104	2,761,302
OPERATING EXPENSES				
Personal services	3,615,888	3,730,292	2,096,526	1,094,786
Purchased or contracted services	3,761,596	2,154,213	2,894,752	1,075,246
Purchased power	-	27,848,720	-	-
Supplies	1,295,389	94,628	52,528	214,880
Miscellaneous	468,040	147,872	468,909	168,211
Depreciation	3,090,746	868,976	424,119	487,933
Total operating expenses	12,231,659	34,844,701	5,936,834	3,041,056
Operating income (loss)	6,423,343	11,196,379	(334,730)	(279,754)
NONOPERATING INCOME (EXPENSES)				
Intergovernmental	-	-	-	169,809
Interest income	108,365	125,892	(4,100)	862
Interest expense	(3,318,449)	-	(8,883)	(72,340)
Gain (loss) on sale of capital assets	(12,094)	-	21,271	-
Total nonoperating income (expenses)	(3,222,178)	125,892	8,288	98,331
Income (loss) before contributions and transfers	3,201,165	11,322,271	(326,442)	(181,423)
CAPITAL CONTRIBUTIONS	-	331,663	-	-
TRANSFERS				
Transfers out	(3,650,515)	(6,569,360)	-	(380,145)
Transfers in	200	-	347,394	760,535
Total transfers	(3,650,315)	(6,569,360)	347,394	380,390
Change in net assets	(449,150)	5,084,574	20,952	198,967
NET ASSETS (DEFICITS), beginning of year	23,729,436	33,060,410	(25,036)	11,311,706
NET ASSETS (DEFICITS), end of year	$ 23,280,286	$ 38,144,984	$ (4,084)	$ 11,510,673

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 69,751,726	$ 1,046,973
84,690	-
3,223,072	3,836
73,059,488	1,050,809
10,537,492	619,751
9,885,807	263,761
27,848,720	-
1,657,425	696,523
1,253,032	49,314
4,871,774	117,094
56,054,250	1,746,443
17,005,238	(695,634)
169,809	-
231,019	652
(3,399,672)	(79)
9,177	10,500
(2,989,667)	11,073
14,015,571	(684,561)
331,663	-
(10,600,020)	(83,120)
1,108,129	1,243,710
(9,491,891)	1,160,590
4,855,343	476,029
	1,413,079
	$ 1,889,108
(518,179)	
$ 4,337,164	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 18,538,468	$ 44,290,372	$ 5,575,765	$ 2,566,689
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(5,747,506)	(29,683,926)	(3,672,087)	(1,470,249)
Payments to employees	(3,605,260)	(3,719,535)	(2,084,445)	(1,089,380)
Net cash provided by (used in) operating activities	9,185,702	10,886,911	(180,767)	7,060
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grant	-	-	-	169,809
Transfers out	(3,650,515)	(6,569,360)	-	(380,145)
Transfers in	200	-	347,394	760,535
Net cash provided by (used in) noncapital financing activities	(3,650,315)	(6,569,360)	347,394	550,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(398,686)	(3,706,863)	(352,349)	(412,512)
Intergovernmental grant	-	216,091	-	-
Proceeds from the sale of capital assets	-	-	32,200	-
Principal paid on bonds	(1,861,000)	-	-	-
Principal paid on notes payable and capital leases	-	-	(83,645)	(153,636)
Principal paid on agreement due to Pike County	(35,649)	-	-	-
Interest paid	(3,227,763)	-	(9,028)	(72,773)
Net cash provided by (used in) capital and related financing activities	(5,523,098)	(3,490,772)	(412,822)	(638,921)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(2,285,059)	(6,359,288)	(94,694)	-
Proceeds from the sale of investments	2,314,685	4,002,164	118,566	-
Interest and dividends received	134,948	152,475	(4,100)	862
Net cash provided by (used in) investing activities	164,574	(2,204,649)	19,772	862
Increase (decrease) in cash and cash equivalents	176,863	(1,377,870)	(226,423)	(80,800)
Cash and cash equivalents:				
Beginning of year	811,546	4,177,253	304,523	844,584
End of year	$ 988,409	$ 2,799,383	$ 78,100	$ 763,784
Classified as:				
Cash and cash equivalents	$ 380,285	$ 2,777,841	$ 52,715	$ 599,892
Restricted assets, cash	608,124	21,542	25,385	163,892
	$ 988,409	$ 2,799,383	$ 78,100	$ 763,784

(Continued)

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 70,971,294	$ -
-	488,895
(40,573,768)	(1,008,015)
(10,498,620)	(616,050)
19,898,906	(1,135,170)
169,809	-
(10,600,020)	(83,120)
1,108,129	1,243,710
(9,322,082)	1,160,590
(4,870,410)	-
216,091	-
32,200	10,500
(1,861,000)	-
(237,281)	-
(35,649)	-
(3,309,564)	(79)
(10,065,613)	10,421
(8,739,041)	-
6,435,415	-
284,185	652
(2,019,441)	652
(1,508,230)	36,493
6,137,906	602,411
$ 4,629,676	$ 638,904
$ 3,810,733	$ 638,904
818,943	-
$ 4,629,676	$ 638,904

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 6,423,343	$ 11,196,379	$ (334,730)	$ (279,754)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,090,746	868,976	424,119	487,933
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	61,608	115,897	-	(55,394)
(Increase) decrease in due from other governments	155,718	(1,910,590)	-	(18,651)
(Increase) decrease in inventories	(165,520)	(169,043)	-	(18,528)
Increase in due from other funds	(154,009)	(120,561)	(22,759)	(466)
Decrease in prepaids and other assets	13,239	272,794	7,075	2,277
Increase (decrease) in accounts payable	(76,989)	526,733	(337,883)	1,451
Increase (decrease) in accrued liabilities	17,417	(58,220)	16,310	6,621
Decrease in due to other governments	(191,858)	-	-	-
Decrease in customer deposits	-	(1,550)	-	-
Increase in landfill closure / postclosure care costs	-	-	70,681	-
Increase (decrease) in due to other funds	12,007	166,096	(3,580)	(118,429)
Net cash provided by (used in) operating activities	$ 9,185,702	$ 10,886,911	$ (180,767)	$ 7,060
Noncash investing, capital, and financing activities:				
Donated assets	$ -	$ 115,572	$ -	$ -
Unrealized loss on investments	(26,583)	(26,583)	-	-
Net noncash investing, capital, and financing activities	$ (26,583)	$ 88,989	$ -	$ -

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 17,005,238	$ (695,634)
4,871,774	117,094
122,111	-
(1,773,523)	-
(353,091)	2,028
(297,795)	(74,964)
295,385	1,858
113,312	(2,303)
(17,872)	3,701
(191,858)	-
(1,550)	-
70,681	-
56,094	(486,950)
$ 19,898,906	$ (1,135,170)
$ 115,572	$ -
(53,166)	-
$ 62,406	$ -

CITY OF GRIFFIN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2011

	Municipal Court
ASSETS	
Cash and cash equivalents	$ 35,769
Total assets	35,769
LIABILITIES	
Due to others	35,769
Total liabilities	$ 35,769

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Griffin, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the City has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting". The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City was chartered in 1843 and operates under a Commission – City Manager form of government. The City Manager is the head of the administrative branch of government. As such, he is responsible for the day-to-day operations of city government. The legislative authority of the City is vested in a seven (7) member Commission including an elected Chairperson and an appointed City Manager. The City provides the following services and operations as authorized by its charter: public safety (police and fire); public works; airport; parks and recreation; housing and development; and public utilities (water, sewer, stormwater, electric, and solid waste). As required by accounting principles generally accepted in the United States of America, these financial statements include the accounts of all City operations and all activities of the City.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational and financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards No. 14, “The Financial Reporting Entity”, the component units’ financial statements have been included as both blended and discretely presented. Blended component units, although legally separate entities, are in substance part of the City’s operations and so financial data from these units are combined with the financial data of the primary government. All of the City’s component units have a June 30 year-end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Discretely Presented Component Units

The City of Griffin Main Street Association (the "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 Commission possessing the authority to amend the budget. The City provides approximately 80 percent of the Main Street's annual operating budget. Separate financial statements for the Main Street are not prepared.

The City of Griffin Downtown Development Authority (the "DDA") - The City Commission appoints all seven members of the DDA's board (one of which is an elected member 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 City also provides for a substantial portion of the DDA's annual budget. Separate financial statements for the DDA are not prepared.

The City of Griffin Business and Tourism Association (the "Association") - The City Commission appoints all of the members of the Association's board. The Board members consist of the City Commission Chairman, the City Manager, the City Attorney, and the City Finance Director. Budget requests for the Association are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. The City also provides for approximately 100% of the Association's annual budget. Separate financial statements for the Association are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The ***General Fund*** is the City'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/Wastewater Utility Fund*** accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The ***Electric Utility Fund*** accounts for the provision of electrical services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The ***Solid Waste Fund*** accounts for the activities of the City's solid waste management operations. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital projects fund*** accounts for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

The ***permanent funds*** are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting of the City's programs.

The ***internal service fund*** is used to account for the rental of motor vehicles and equipment to other departments and related costs of the City, on a cost reimbursement basis.

The ***agency fund*** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other governments and individuals.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported 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.

Proprietary funds distinguish *operating* revenues 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. The principal operating revenues of the proprietary funds are charges to customers for sales and services provided. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are completed in April.

2. Proposed budgets are reviewed and prepared by the City Manager for submission to the Mayor and the City Commission in May.

3. Public hearings on the proposed budget are held in May and June.

4. The budget is legally adopted by the Mayor and City Commission prior to June 30.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of $5,000 between departments requires the approval of the City Commission. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any department or fund must be approved by the City Commission. The City Commission made several immaterial supplemental budget appropriations during the year.

6. Formal budgetary integration is employed as a management control device during the year for all the following funds: (General, Hotel/Motel Tax, Multiple Grant, Confiscated Assets, Police Technology, Court Technology, the Police Donations, the 2008 CDBG, and the 2009 CDBG and the enterprise funds). Budgets for the enterprise funds are prepared for planning and control purposes only.

7. Budgets for the governmental funds and the enterprise funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

8. Revenues and expenditures of the Capital Projects Funds are budgeted on a project basis and are, therefore, excluded from presentation in the financial statements.

E. Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

F. Deposits and Investments

For purposes of the statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Georgia Fund 1 was created under OCGA 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). The pool is regulated by the Georgia Office of Treasury and Fiscal Services.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

G. Inventory and Prepaid Items

Inventory in the proprietary funds is valued at the lower of cost or market using the weighted average method. The City accounts for inventory on the purchase basis. Prepaid expenses are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption, but not consumed as of June 30.

H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements. Short-term interfund loans are classified as "interfund receivables/payables". Long-term interfund loans are classified as advances. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Grants from Other Governments

Federal and state governmental units represent an important source of supplementary funding used to finance housing, business development employment, construction programs, capital asset additions and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in both governmental and proprietary funds. Grant contributions in the proprietary funds, which are for the purpose of construction activities, or land easement or capital asset acquisitions, are recorded as capital contributions within the statement of revenues and expenses. For all funds, a grant receivable is recorded when the City has a right to receive the related grant amounts.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended June 30, 2011, no amounts were capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Depreciation is provided on the straight-line method over the following estimated useful lives:

Governmental Assets	
Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 10 years
Infrastructure	25 - 30 years
Business-type Assets	
Buildings and improvements	10 - 50 years
Utility system	5 - 50 years
Equipment	5 - 20 years

K. Long-Term Liabilities

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 and deferred charges, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Compensated Absences

All employees, except shift firefighters, accrue vacation as follows: 1.54 hours per week of vacation with under 10 years of service; 2.3 hours per week of vacation with greater than 10 years and less than 20 years of service; and 3.07 hours per week of vacation with greater than 20 years of service. Shift firefighters accrue vacation as follows: 3.23 hours per week of vacation with under 10 years of service; 4.62 hours per week of vacation with greater than 10 years and less than 20 years of service; and 6.46 hours per week of vacation with greater than 20 years of service. Vacation time must be taken as time off and will not be paid-out except that any unused vacation will be paid at an employee's termination of employment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences (Continued)

All City employees, except shift firefighters, accrue sick leave at 1.85 hours per week. Shift firefighters accrue sick leave at 5.54 hours per week. Sick leave, however, is not paid upon an employee's termination except to employees who are eligible to retire between January 2, 2005 and January 1, 2010. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Defined Contribution Plan

The City offers its employees a defined contribution plan (the City of Griffin Deferred Compensation Plan) which is administered by MetLife Resources. The Plan is a combined 457 plan and 401A plan. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional and requires the City to match the employees' deferrals up to a maximum of 1% of annual compensation. Employer's contributions are fully vested at the time of contribution. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions and contributions are established and may be amended by the City Council. During the year ended June 30, 2011, the City contributed $166,398 and employees contributed $401,635.

Pursuant to the Statement Number 32 of the Governmental Accounting Standards Board "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the City does not have a fiduciary relationship with the plan. Accordingly, the balances and transactions of the City's plan are not reported in the City's financial statements.

N. Fund Equity

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

***Fund Balance* –** Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. Only the City Commission may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City's Chief Financial Officer, Finance Director, or Director of Administrative Services to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Restricted Assets

The Water/Wastewater Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "certain liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $4,973,020 difference are as follows:

Capital leases	$	4,211,614
Compensated absences		730,220
Accrued interest		31,186
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	4,973,020

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $1,855,654 difference are as follows:

Capital outlay	$	3,124,559
Depreciation expense		(1,268,905)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	1,855,654

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $463,214 difference are as follows:

Proceeds from capital leases	$	-
Principal retirement on long-term debt		463,214
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	463,214

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $252,309 difference are as follows:

Compensated absences	$	(73,086)
Net pension asset		(181,334)
Accrued interest		2,111
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(252,309)

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2011, are summarized as follows:

Amounts as presented on the entity wide statement of net assets:		
Cash and cash equivalents	$	10,540,881
Investments		14,089,594
Restricted cash and cash equivalents		818,943
Restricted investments		7,966,999
Amounts as presented on the fiduciary statement of net assets:		
Cash and cash equivalents - Agency Fund		35,769
Component Units - cash and cash equivalents		67,674
Total	$	33,519,860

Cash deposited with financial institutions	$	14,387,673
Cash deposited with Georgia Fund 1		2,249,096
Investments in the Municipal Competitive Trust		9,791,301
Investments in governmental bonds		4,246,057
Investments in corporate bonds		268,865
Investments in equities and various other securities		2,576,868
Total	$	33,519,860

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by State law. As of June 30, 2011, the City's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's. The City's investment in the Municipal Competitive Trust was not rated. All other City investments were rated as noted on the following table.

The reporting of investments at fair value in accordance with GASB Statement No. 31 resulted in an unrealized loss of $27,341 reflected as interest income in the Water & Sewer Fund, an unrealized loss of $26,583 reflected as interest income in the Electric Utility Fund and an unrealized gain of $162,663 reflected as interest income in the Cemetery Trust Fund.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2011, the City had the following investments:

			Investment Maturities (in Years)					
Investment	**Rating**	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**11 - 15**	**16 - 20**	**> 20**
Georgia Fund 1		$ 2,249,096	$ 2,249,096	$ -	$ -	$ -	$ -	$ -
Certificates of Deposit		2,924,406	1,353,446	970,712	587,067	-	13,181	-
Municipal Competitive Trust		9,791,301	9,791,301	-	-	-	-	-
Equities and various other non-maturing securities		2,576,868	NA	-	-	-	-	-
Governmental bonds	BBB-	56,799	-	-	56,799	-	-	-
Governmental bonds	A-	127,025	-	51,942	-	-	-	75,083
Governmental bonds	A	46,728	-	36,309	-	-	-	10,419
Governmental bonds	A+	230,918	-	-	-	54,577	25,601	150,740
Governmental bonds	AA-	696,418	-	-	25,832	139,062	414,726	116,798
Governmental bonds	AA	912,595	-	-	-	10,377	204,590	697,628
Governmental bonds	AA+	1,051,940	-	-	-	276,275	488,455	287,210
Governmental bonds	AAA	1,123,633	15,217	133,383	96,731	384,032	111,476	382,794
Corporate bonds	AA+	245,588	-	245,588	-	-	-	-
Corporate bonds	AA	23,278	-	-	23,278	-	-	-
Total		$ 22,056,593	$ 13,409,060	$ 1,437,934	$ 789,707	$ 864,323	$ 1,258,029	$ 1,720,672

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 4. RECEIVABLES

Accounts Receivable

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	Water/ Wastewater
Receivables:			
Taxes	$ 1,168,917	$ 5,631	$ -
Accounts	75,440	-	198,560
Intergovernmental	56,870	940,744	-
Gross receivables	1,301,227	946,375	198,560
Less: allowance for uncollectibles	(220,742)	-	(123,976)
Net total receivables	$ 1,080,485	$ 946,375	$ 74,584

	Electric	Nonmajor Enterprise	Total
Receivables:			
Taxes	$ -	$ -	$ 1,174,548
Accounts	14,445,081	133,749	14,852,830
Intergovernmental	1,912,358	20,837	2,930,809
Gross receivables	16,357,439	154,586	18,958,187
Less: allowance for uncollectibles	(7,057,857)	-	(7,402,575)
Net total receivables	$ 9,299,582	$ 154,586	$ 11,555,612

Included in the Electric Revenue Fund's intergovernmental receivable above is a note receivable from a local government from the sale of excess electric power generation. This note is being paid to the City via monthly installments of $59,830 through November 2013.

Property Taxes

Property taxes were levied on behalf of the City by Spalding County on November 1, 2010, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on November 5, 2010, and payable on or before January 5, 2011, for the calendar year 2010 tax. Taxes not paid within 30 days of the January 5 due date were subject to property tax liens on April 5, 2011. Property tax revenues are recognized when levied to the extent they result in current receivables. The City does maintain an allowance for uncollectible property taxes. At June 30, 2011, the allowance for uncollectible property taxes was $220,742.

The tax rate levied during calendar year 2010 for the City's operations was 8.636 mills (mill equals $1 per thousand dollars of assessed value).

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,495,785	$ -	$ -	$ -	$ 1,495,785
Construction in progress	1,845,841	2,360,055	-	(2,517,917)	1,687,979
Total capital assets, not being depreciated	3,341,626	2,360,055	-	(2,517,917)	3,183,764
Capital assets, being depreciated:					
Buildings and improvements	8,670,048	187,767	-	-	8,857,815
Machinery and equipment	20,345,631	576,737	(210,000)	345,990	21,058,358
Infrastructure	28,155,141	-	-	2,171,927	30,327,068
Total capital assets, being depreciated	57,170,820	764,504	(210,000)	2,517,917	60,243,241
Less accumulated depreciation for:					
Buildings and improvements	(2,123,950)	(286,822)	-	-	(2,410,772)
Machinery and equipment	(17,756,155)	(816,175)	210,000	-	(18,362,330)
Infrastructure	(22,291,579)	(283,002)	-	-	(22,574,581)
Total accumulated depreciation	(42,171,684)	(1,385,999)	210,000	-	(43,347,683)
Total capital assets, being depreciated, net	14,999,136	(621,495)	-	2,517,917	16,895,558
Governmental activities capital assets, net	$ 18,340,762	$ 1,738,560	$ -	$ -	$ 20,079,322

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets for them are included as part of the above totals for governmental activities. At year end, $894,884 of internal service fund's capital assets is included in the above amounts.

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 7,650,221	$ -	$ -	$ -	$ 7,650,221
Construction in progress	1,348,674	4,010,833	(12,094)	(1,797,294)	3,550,119
Total capital assets, not being depreciated	8,998,895	4,010,833	(12,094)	(1,797,294)	11,200,340
Capital assets, being depreciated:					
Land improvements	5,002,952	80,400	-	255,065	5,338,417
Buildings	36,292,623	23,337	-	-	36,315,960
Improvements other than buildings	100,278,684	217,061	-	1,066,066	101,561,811
Machinery and equipment	23,547,166	654,351	(27,000)	476,163	24,650,680
Total capital assets, being depreciated	165,121,425	975,149	(27,000)	1,797,294	167,866,868
Less accumulated depreciation for:					
Land improvements	(1,368,141)	(208,035)	-	-	(1,576,176)
Buildings	(13,763,461)	(838,655)	-	-	(14,602,116)
Improvements other than buildings	(26,010,747)	(2,499,339)	-	-	(28,510,086)
Machinery and equipment	(17,326,674)	(1,325,745)	16,071	-	(18,636,348)
Total accumulated depreciation	(58,469,023)	(4,871,774)	16,071	-	(63,324,726)
Total capital assets, being depreciated, net	106,652,402	(3,896,625)	(10,929)	1,797,294	104,542,142
Business-type activities capital assets, net	$ 115,651,297	$ 114,208	$ (23,023)	$ -	$ 115,742,482

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 250,743
Public safety	591,956
Public works	412,616
Parks and recreation	13,590
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	117,094
Total depreciation expense - governmental activities	$ 1,385,999
Business-type activities:	
Water and wastewater	$ 3,090,746
Electric	868,976
Solid waste	424,119
Stormwater	276,630
Airport	123,951
Welcome center	42,453
Golf course	44,899
Total depreciation expense - business-type activities	$ 4,871,774

NOTE 6. LONG-TERM DEBT

Revenue Bonds:

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City's Water and Wastewater Utility Fund's revenue bonds outstanding at June 30, 2011, are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Combined Utility, Series 2002	$ 64,385,000	2.00% - 5.125%	2032	$ 60,340,000
Combined Utility, Series 2005	9,748,000	3.59%	2017	5,476,000
				65,816,000
			Less current portion	(1,932,000)
				$ 63,884,000

NOTE 6. LONG-TERM DEBT (CONTINUED)

Combined Public Utility Revenue Refunding and Improvement Bonds, Series 2002

The City of Griffin Combined Public Utility Revenue Refunding and Improvement Bonds, Series 2002 were issued December 1, 2002. The Series 2002 bonds were issued to provide funds to refund a portion of the City's Revenue Refunding and Improvement Bonds, Series 1993A and to finance the cost of making additions, extensions, and improvements to the City's water and wastewater systems. The Series 2002 bonds are special limited obligations of the City payable solely from and secured by a pledge of and lien on revenues derived by the City from the ownership and operation of its water, wastewater, and electric system, remaining after the payment of expenses of operating, maintaining, and repairing the system. The Series 2002 bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. No governmental entity, including the City, is obligated to levy any tax for the payment of the Series 2002 bonds. No recourse may be had against the General Fund of the City for payment of the Series 2002 bonds.

Combined Public Utility Revenue Bonds, Series 2005

The City of Griffin Combined Public Utility Revenue Bonds, Series 2005 were issued October 4, 2005. The Series 2005 bonds were issued to provide funds to finance, in whole or in part, a) the cost of currently refunding and defeasing a portion of the outstanding Combined Public Utility Revenue Bonds, Series 1996 and 1997, b) the cost of fully funding the debt service reserve requirement for the Series 2005 bonds through the purchase of a surety bond, and c) the costs of issuance of the Series 2005 bonds. The Series 2005 bonds are special limited obligations of the City payable solely from and secured by a pledge of and lien on revenues derived by the City from the ownership and operation of its water, wastewater, and electric system, remaining after the payment of expenses of operating, maintaining, and repairing the system. The Series 2005 bonds do not constitute a debt or general obligation of the City or a pledge of the faith and credit or taxing power of the City. No governmental entity, including the City, is obligated to levy any tax for the payment of the Series 2005 bonds. No recourse may be had against the General Fund of the City for payment of the Series 2005 bonds.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue bond debt service requirements to maturities, including interest, are as follows:

Fiscal Year Payable	Total	Principal	Interest
2012	$ 5,108,988	$ 1,932,000	$ 3,176,988
2013	5,109,468	2,006,000	3,103,468
2014	5,105,148	2,078,000	3,027,148
2015	5,106,249	2,169,000	2,937,249
2016	5,107,308	2,264,000	2,843,308
2017 - 2021	25,540,893	12,972,000	12,568,893
2022 - 2026	25,540,196	16,470,000	9,070,196
2027 - 2031	25,543,756	21,060,000	4,483,756
2032	5,108,250	4,865,000	243,250
	$ 107,270,256	$ 65,816,000	$ 41,454,256

Other Long-Term Debt:

The Stormwater Utility Fund has incurred debt to the Georgia Environmental Facilities Authority for utility system improvements. This note is as follows at June 30, 2011:

Original Amount	Interest Rate	Due Date	Amount
$ 2,691,113	3.75%	2022	$ 1,801,404
		Less current portion	(142,624)
			$ 1,658,780

The Stormwater Utility Fund's other long-term debt service requirements to maturity, including interest are as follows:

Fiscal Year Payable	Total	Principal	Interest
2012	$ 207,851	$ 142,624	$ 65,227
2013	207,851	148,270	59,581
2014	207,850	153,826	54,024
2015	207,851	159,695	48,156
2016	207,851	165,721	42,130
2017 - 2021	1,039,253	928,828	110,425
2022	103,564	102,440	1,124
	$ 2,182,071	$ 1,801,404	$ 380,667

NOTE 6. LONG-TERM DEBT (CONTINUED)

Intergovernmental Agreement – Due to Pike County

The Water and Wastewater Utility Fund has incurred debt to Pike County as part of a settlement agreement with regards to the construction of the City's water reservoir located in Pike County. This note is as follows at June 30, 2011:

Original Amount	Interest Rate	Due Date	Amount
$ 374,469	7.00%	2016	$ 169,361

The Water and Wastewater Fund's intergovernmental agreement debt service requirements to maturity, including interest are as follows:

Fiscal Year Payable	Total	Principal	Interest
2013	$ 50,000	$ 38,145	$ 11,855
2014	50,000	40,815	9,185
2015	50,000	43,672	6,328
2016	50,000	46,729	3,271
	$ 200,000	$ 169,361	$ 30,639

Capital Leases:

The City has entered into several lease agreements as lessee for financing the acquisition of various equipment through the Georgia Municipal Association direct installment program. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payment as of the date of their inceptions. These leases are being serviced by General Fund, Solid Waste Fund, and Golf Course Fund payments with annual interest rates varying from 3.21% to 7.81%.

The following is an analysis of equipment leased under capital leases as of June 30, 2011:

	Governmental Activities	Business-type Activities	Total
Buildings	$ 3,949,160	$ -	$ 3,949,160
Equipment	2,554,061	888,300	3,442,361
Less accumulated depreciation	(2,170,089)	(725,768)	(2,895,857)
Carrying value	$ 4,333,132	$ 162,532	$ 4,495,664

NOTE 6. LONG-TERM DEBT (CONTINUED)

Capital Leases: (Continued)

The following is a schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2011:

Fiscal year ending	Governmental Activities	Golf Course Fund	Solid Waste Fund	Total
2012	$ 618,967	$ 18,557	$ 92,674	$ 730,198
2013	548,994	18,557	84,951	652,502
2014	432,628	18,557	-	451,185
2015	360,331	9,279	-	369,610
2016	358,085	-	-	358,085
2017	2,776,617	-	-	2,776,617
Total minimum lease payments	5,095,622	64,950	177,625	5,338,197
Less amount representing interest	(884,008)	(3,840)	(7,214)	(895,062)
Present value of future minimum lease payments	$ 4,211,614	$ 61,110	$ 170,411	$ 4,443,135

Closure/Postclosure Care Costs

Effective March 1994, the City of Griffin Shoal Creek Landfill Phase 1 was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $770,405 over the remaining 12 year period. These costs are based on what it would cost to perform all postclosure care in 2001, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Effective December 2006, the City of Griffin Shoal Creek Landfill Phase 2 was closed and no additional waste has been accepted. According to state and federal laws and regulations, the City must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $694,927 over the remaining 29 year period. These costs are based on what it would cost to perform all postclosure care in 2007, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Closure/Postclosure Care Costs (Continued)

State and federal laws and regulations require the City to place a final cover on its Shoal Creek Landfill Phase 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, which is expected to occur in 2024, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The amount noted as Phase 3 below reported as landfill closure and postclosure care liability at June 30, 2011, represents the cumulative amount reported to date based on the use of approximately 24% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $1,819,559 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007, adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during the closure and postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Shoal Creek Road Landfill Phase 1 postclosure care costs	$ 770,405
Shoal Creek Road Landfill Phase 2 closure and postclosure care costs	694,927
Shoal Creek Road Landfill Phase 3 closure and postclosure care costs	570,043
Total closure and postclosure care costs recorded within the Solid Waste Fund	2,035,375
Less current portion	(87,370)
	$ 1,948,005

NOTE 6. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 4,674,828	$ -	$ (463,214)	$ 4,211,614	$ 427,584
Compensated absences	672,018	800,804	(725,367)	747,455	635,336
Governmental activity Long-term liabilities	$ 5,346,846	$ 800,804	$ (1,188,581)	$ 4,959,069	$ 1,062,920
Business-type activities:					
Revenue bonds	$ 67,677,000	$ -	$ (1,861,000)	$ 65,816,000	$ 1,932,000
Notes payable	1,938,887	-	(137,483)	1,801,404	142,624
Compensated absences	522,227	488,342	(452,648)	557,921	474,232
Capital leases	331,319	-	(99,798)	231,521	103,926
OPEB liability	(212,444)	1,123,000	(856,673)	53,883	-
Intergovernmental agreement	205,010	-	(35,649)	169,361	-
Landfill closure / postclosure	1,964,694	151,091	(80,410)	2,035,375	87,370
Business-type activity Long-term liabilities	$ 72,426,693	$ 1,762,433	$ (3,523,661)	$ 70,665,465	$ 2,740,152

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, $17,235 of internal service fund's compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are substantially liquidated by the General Fund.

NOTE 7. PENSION PLAN

A. Plan Description

The City's defined benefit pension plan, the City of Griffin Retirement Plan, provides retirement, disability, and death benefits to plan members and beneficiaries. The City of Griffin Retirement Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The benefit provisions and all other requirements are established by City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of Griffin Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

As of January 1, 2011, the date of the most recent actuarial valuation, there were 691 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	181
Vested terminated employees not yet receiving benefits	64
Active employees	446
Total	691

As of the most recent valuation date, January 1, 2011, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	$ 45,980,432	$ 55,222,320	$ 9,241,888	83.3 %	$ 16,495,560	56.0 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

NOTE 7. PENSION PLAN (CONTINUED)

B. Funding Policy

The funding policy for the City of Griffin Retirement Plan is to contribute an actuarially determined amount equal to the recommended contribution each year. The City makes all contributions to the City of Griffin Retirement Plan. The City is required to contribute at an actuarially determined rate; the current rate is 13.99% of annual covered payroll.

C. Annual Pension Cost

For the year ended June 30, 2011, the City's annual pension cost was $2,422,106 for the City of Griffin Retirement Plan. The recommended contribution of $2,240,772 was determined as part of the January 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases for inflation of 3.0% per year and for merit or seniority of .5% per year, and (c) 3.0% cost of living adjustment. The period, and related method, for amortizing the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses; 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. The amortization period for the unfunded actuarial accrued liability varies for the bases, with a net effective amortization period of 14 years. The amortization period for the unfunded actuarial accrued liability is closed as of the latest actuarial valuation. The method for determining the actuarial value of assets is part of GMEBS actuarial funding policy. It produces an adjusted actuarial value of assets.

The smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 7.75%, which is the valuation's investment return assumption.

The City's actuarially determined contribution, pension cost and increase in net pension obligation (asset) for the year ended June 30, 2011 is as follows:

Annual required contribution	$	2,240,772
Interest on net pension obligation (asset)		(45,334)
Adjustments to annual required contribution		226,668
Annual pension cost		2,422,106
Contributions made		2,240,772
Decrease in net pension asset		181,334
Net pension obligation (asset), beginning of year		(2,266,676)
Net pension obligation (asset), end of year	$	(2,085,342)

The estimated interest adjustment has been calculated by applying a 2.0% rate of return to the beginning of the year balance of the net pension obligation (asset).

NOTE 7. PENSION PLAN (CONTINUED)

C. Annual Pension Cost (Continued)

Year Ending	Annual Pension Cost	Actual City Contribution	Percentage Contributed	Net Pension Obligation (Asset)
June 30, 2005	$ 1,955,007	$ 2,129,847	109%	(3,054,107)
June 30, 2006	1,974,104	1,831,579	93%	(2,911,582)
June 30, 2007	1,895,589	1,745,851	92%	(2,761,844)
June 30, 2008	1,807,477	1,650,264	91%	(2,604,631)
June 30, 2009	1,966,334	1,801,374	92%	(2,439,671)
June 30, 2010	2,693,722	2,520,727	94%	(2,266,676)
June 30, 2011	2,422,106	2,240,772	93%	(2,085,342)

D. Trend Information

In April 2005, the City Commission approved and amended the City of Griffin Retirement Plan to allow for a change in trustee of the Plan from the City Commission to GMEBS. This amendment effectively dissolved the City's Pension Trust Fund and authorized the transfer of all assets to GMEBS. Due to this change, trend information presented as supplementary information is presented only for the new GMEBS pension plan.

NOTE 8. BUDGET COMPLIANCE AND DEFICIT FUND EQUITY

A. Excess of Expenditures Over Appropriations

The following General Fund departments and special revenue funds had actual expenditures in excess of appropriations for the year ended June 30, 2011:

Cemetery	$ 21,551
Griffin Business and Tourism Association	19,455
Downtown Development	161,078
Main Street	83,700
Confiscated Assets Fund	50,123
Police Donations Fund	7,124
2011 Tornado Grants Fund	68,116
Neighborhood Stabilization Fund	5,223

These over expenditures were funded by greater than anticipated transfers and by available fund balance.

NOTE 8. BUDGET COMPLIANCE AND DEFICIT FUND EQUITY (CONTINUED)

B. Deficit Fund Balance/Net Assets

The following funds had deficit fund balances/net assets at June 30, 2011:

2009 CDBG Fund	$ 8,765
2010 CDBG Fund	1,921
2011 Tornado Grants Fund	11,139
Solid Waste Fund	4,084

The fund deficits in the 2009 CDBG Fund, the 2010 CDBG Fund, and the 2011 Tornado Grants Fund will be reduced through intergovernmental revenues. The fund deficit in the Solid Waste Fund will be reduced through increased user charges and General Fund appropriations

NOTE 9. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2011 are as follows:

	Due From			
	General	Nonmajor Governmental	Electric	Water / Wastewater
Due To				
General Fund	$ -	$ 831,248	$ 12,491	$ 3,329
Nonmajor governmental	7,900	44,621	-	-
Water / Wastewater	-	4,198	155,580	-
Electric	-	109,220	-	-
Solid Waste	8,500	17,827	-	11,347
Internal service funds	113,027	160	11,100	26,037
Nonmajor enterprise	-	2,299	221,500	-
Total	$ 129,427	$ 1,009,573	$ 400,671	$ 40,713

	Solid Waste	Nonmajor Enterprise	Internal Service	Total
Due To				
General Fund	$ -	$ -	$ -	$ 847,068
Nonmajor governmental	-	-	-	52,521
Water/Wastewater	-	38,679	-	198,457
Electric	14,377	129,203	-	252,800
Solid Waste	-	4,740	-	42,414
Internal Service Funds	68,834	14,474	-	233,632
Nonmajor enterprise	-	76	-	223,875
Total	$ 83,211	$ 187,172	$ -	$ 1,850,767

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months.

NOTE 9. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended June 30, 2011 consisted of the following:

	Transfer To			
	General	Nonmajor Governmental	Water/ Wastewater	Electric
Transfer From				
General Fund	$ -	$ 6,430	$ -	$ -
Nonmajor Governmental	101,671	-	-	-
Water / Wastewater	3,531,264	119,251	-	-
Electric	6,305,086	-	-	-
Solid Waste	-	-	-	-
Internal Service	-	-	-	-
Nonmajor Enterprise	379,945	-	200	-
Total	$ 10,317,966	$ 125,681	$ 200	$ -

	Solid Waste	Internal Service	Nonmajor Enterprise	Total
Transfer From				
General Fund	$ -	$ 1,243,710	$ 742,392	$ 1,992,532
Nonmajor Governmental	-	-	18,143	119,814
Water / Wastewater	-	-	-	3,650,515
Electric	264,274	-	-	6,569,360
Solid Waste	-	-	-	-
Internal Service	83,120	-	-	83,120
Nonmajor Enterprise	-	-	-	380,145
Total	$ 347,394	$ 1,243,710	$ 760,535	$ 12,795,486

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10. RELATED ORGANIZATION

The City's governing body is responsible for all of the board appointments of the City of Griffin Housing Authority. However, the City has no further accountability for this organization.

NOTE 11. HOTEL/MOTEL LODGING TAX

The City has levied a 7% lodging tax. For the fiscal year ended June 30, 2011, $63,483 of hotel/motel tax was collected. Of the total collected, over 50% was used for the promotion of tourism within the City ($18,144 to the Griffin Business and Tourism Association and $18,144 to the City's Welcome Center).

NOTE 12. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county west central Georgia area, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2011, the City paid $23,887 in such dues. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC 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 RC. Separate financial statements may be obtained from: Three Rivers Regional Commission; 120 North Hill Street, Griffin, Georgia 30224.

NOTE 13. JOINTLY GOVERNED ORGANIZATION

During the year ended June 30, 2010, the City Commission approved entering into an interlocal cooperation agreement for the purpose of establishing the Griffin / Spalding County Land Bank Authority (the “Authority”). The Authority was formally created in August 2008. The Authority’s purpose is to return land which is in a non-revenue generating, non-tax producing status to an effective utilization status in order to provide affordable housing, new trade, commerce, industry, and employment opportunities for the citizens of the City and Spalding County. The Authority is governed by a four member board of directors appointed equally by the City and Spalding County. The City will have no further accountability for this organization.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Agreements with the Municipal Electric Authority of Georgia

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of June 30, 2011, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $27,848,720 in 2011.

At June 30, 2011, the outstanding debt of MEAG was approximately $5.87 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $306.99 million at June 30, 2011.

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

NOTE 15. RISK MANAGEMENT (CONTINUED)

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN

Plan Description

The City of Griffin OPEB Plan (the "OPEB Plan") is a single-employer defined benefit healthcare plan administered by the Georgia Municipal Association. The OPEB Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions and contribution requirements are established and may be amended by the Commission. The relevant information about the OPEB Plan is provided below. No other financial reports are issued by this sole employer plan. The City has implemented the effects of GASB Statement 45 on a prospective basis.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the OPEB Plan's actuary. For fiscal year 2011, the City contributed $886,673 to the plan, including $231,747 for current premiums and an additional $624,926 to prefund benefits. Plan members receiving benefits are not required to contribute to the plan.

NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Plan Provisions

Eligible participants are assumed to be employees, and former employees of the City of Griffin who had health coverage as an active employee for at least the two consecutive years immediately preceding their termination and have satisfied the following requirements: 1) completed at least 10 years of consecutive service immediately preceding their termination date; and 2) is eligible and elects to receive normal retirement or disability benefits under a qualified defined benefit plan sponsored by the City. The OPEB Plan is closed to all employees hired after July 1, 2007. The Plan benefit provisions are fixed at 1) $200 per month for retiree only coverage for employees less than age 65; 2) $400 per month for retirees and spouse (or family) coverage for employees less than age 65; 3) $100 per month for retiree only coverage for employees age 65 or older; and 4) $200 per month for retiree and spouse coverage for employees age 65 or older. Deferred retirements are not allowed to elect coverage at the time of retirement. Additionally, surviving spouses are not covered under the OPEB Plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

Annual required contribution	$ 1,119,000
Interest on net OPEB obligation (asset)	33,000
Adjustments to annual required contribution	(29,000)
Annual OPEB cost	1,123,000
Contributions made	856,673
Decrease in net OPEB obligation	266,327
Net OPEB obligation (asset), beginning of year	(212,444)
Net OPEB obligation (asset), end of year	$ 53,883

NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation for 2011, 2010, and 2009 (the initial year of the OPEB Plan) were as follows:

Year Ending	Annual OPEB Cost	Actual City Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
June 30, 2009	$ 1,021,000	$ 1,392,929	136%	$ (371,929)
June 30, 2010	1,021,000	861,515	84%	(212,444)
June 30, 2011	1,123,000	856,673	76%	53,883

Funded Status and Funding Progress

As of the most recent valuation date, July 1, 2010, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	$ 1,785,088	$ 10,746,646	$ 8,961,558	16.6 %	$ 16,495,560	54.3 %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Calculations are based on the substantive plan in effect as of July 1, 2010.

NOTE 16. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.75 percent investment rate of return and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.4 percent in 2050. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010, was 28 years.

NOTE 17. OPERATING LEASES

The City has entered into several operating leases of various land parcels and buildings. The original leases have terms ranging from one to five years. Each is accounted for as an operating lease. The minimum future rentals for non-cancelable leases for the next five years as of June 30, 2011 are as follows:

2012	$	74,940
2013		61,802
2014		49,300
2015		46,800
2016		23,400
	$	256,242

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRIFFIN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

CITY OF GRIFFIN PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/06	$ 36,580,945	$ 42,951,704	$ 6,370,759	85.17 %	$ 14,865,070	42.86 %
01/01/07	38,982,838	44,895,259	5,912,421	86.83	14,887,536	39.71
01/01/08	41,942,958	47,180,238	5,237,280	88.90	14,827,023	35.32
01/01/09	36,885,665	50,056,917	13,171,252	73.69	17,313,780	76.07
01/01/10	44,271,925	53,160,185	8,888,260	83.28	16,747,151	53.07
01/01/11	45,980,432	55,222,320	9,241,888	83.26	16,495,560	56.03

The assumptions used in the preparation of the above schedule are disclosed in Note 7 to the financial statements.

CITY OF GRIFFIN OPEB PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
07/01/08	$ -	$ 8,585,000	$ 8,585,000	- %	$ 14,827,023	57.90 %
07/01/09	1,022,465	8,851,000	7,828,535	11.55	17,313,780	45.22
07/01/10	1,785,088	10,746,646	8,961,558	16.61	16,747,151	53.51

The assumptions used in the preparation of the above schedule are disclosed in Note 16 to the financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS
AND SCHEDULES

CITY OF GRIFFIN, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel accommodation excise tax receipts and distributions to tourism promoting organizations as required by agreements with these organizations.

The **Multiple Grant Fund** accounts for grant revenues and expenditures relating to various short lived projects.

The **Confiscated Assets Fund** accounts for confiscated and condemned funds received and disbursed for law enforcement expenditures.

The **Police Technology Fund** accounts for monies received by the collection of an add-on fine as allowed by state law to be used for equipping and maintaining the City police department.

The **Court Technology Fund** accounts for monies received by the collection of an add-on fine as allowed by state law to be used for equipping and maintaining the City Court system.

The **Police Donations Fund** accounts for local donated revenues and expenditures for law enforcement expenditures.

The **2008 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2009 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2010 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2008 CHIP Fund** accounts for CHIP grant revenues and expenditures relating to public works projects.

The **2011 Tornado Grants Fund** accounts for grant revenues and expenditures relating to public safety issues needed during and after the 2011 tornado.

The **Neighborhood Stabilization Fund** accounts for grant revenues and expenditures relating to the purchase of foreclosed and abandoned properties.

The **Tax Allocation Districts Fund** accounts for special assessed property tax revenues and expenditures relating to public works projects.

CITY OF GRIFFIN, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The **Federal Stimulus Fund** accounts for capital projects of the City funded by the Federal Stimulus Grant Funds.

The **General Capital Projects Fund** accounts for general capital projects of the City. Funding is provided by transfers from the General Fund.

The **SPLOST Fund** account for the capital projects within the City from resources provided by the 2009 special Spalding County one percent sales and use tax.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

The **Cemetery Trust Fund** is used to account for principal trust amounts and the annual maintenance of the City's Cemetery.

The **Mausoleum Trust Fund** is used to account for principal trust amounts and the maintenance of the City's Mausoleum.

CITY OF GRIFFIN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds				
ASSETS	**Hotel/ Motel Tax Fund**	**Multiple Grant Fund**	**Confiscated Assets Fund**	**Police Technology Fund**	**Court Technology Fund**
Cash and cash equivalents	$ -	$ 210,372	$ 231,879	$ 30,333	$ 30,094
Investments	-	-	-	-	-
Taxes receivable	5,631	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	5,529	-	-
Assets held for resale	-	-	-	-	-
Total assets	$ 5,631	$ 210,372	$ 237,408	$ 30,333	$ 30,094
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	4,022	123,864	-	29,487	-
Due to component unit	1,609	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	5,631	123,864	-	29,487	-
FUND BALANCES (DEFICIT)					
Nonspendable:					
Assets held for resale	-	-	-	-	-
Permanent fund principal	-	-	-	-	-
Restricted for:					
Law enforcement	-	86,508	237,408	846	30,094
Cemetery maintenance	-	-	-	-	-
Other capital projects	-	-	-	-	-
Total fund balances (deficit)	-	86,508	237,408	846	30,094
Total liabilities and fund balances	$ 5,631	$ 210,372	$ 237,408	$ 30,333	$ 30,094

(Continued)

Police Donations	2008 CDBG	2009 CDBG	2010 CDBG	2008 CHIP	2011 Tornado Grants	Neighborhood Stabilization	Tax Allocation Districts
$ 32,697	$ -	$ -	$ -	$ 837	$ -	$ 5	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	259,976	34,434	-
-	-	-	-	-	-	-	2,371
-	-	-	-	-	-	-	-
$ 32,697	$ -	$ -	$ -	$ 837	$ 259,976	$ 34,439	$ 2,371
$ -	$ -	$ 8,765	$ 1,921	$ -	$ -	$ 34,434	$ -
13,144	-	-	-	-	142,990	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	128,125	-	-
13,144	-	8,765	1,921	-	271,115	34,434	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
19,553	-	-	-	-	(11,139)	-	-
-	-	-	-	-	-	-	-
-	-	(8,765)	(1,921)	837	-	5	2,371
19,553	-	(8,765)	(1,921)	837	(11,139)	5	2,371
$ 32,697	$ -	$ -	$ -	$ 837	$ 259,976	$ 34,439	$ 2,371

(Continued)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GRIFFIN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Capital Project Funds			Permanent Funds		
ASSETS	**Federal Stimulus**	**General Capital Projects Fund**	**SPLOST Fund**	**Cemetery Trust Fund**	**Mausoleum Trust Fund**	**Totals**
Cash and cash equivalents	$ -	$ -	$ 3,135,165	$ 245,118	$ 70,315	$ 3,986,815
Investments	-	-	-	1,567,607	316,426	1,884,033
Taxes receivable	-	-	-	-	-	5,631
Due from other governments	206,793	-	439,541	-	-	940,744
Due from other funds	-	-	-	44,621	-	52,521
Assets held for resale	-	-	-	232,814	-	232,814
Total assets	$ 206,793	$ -	$ 3,574,706	$ 2,090,160	$ 386,741	$ 7,102,558
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ 448,625	$ 11,490	$ -	$ 505,235
Due to other funds	206,793	-	427,611	6,268	55,394	1,009,573
Due to component unit	-	-	-	-	-	1,609
Deferred revenues	-	-	-	-	-	128,125
Total liabilities	206,793	-	876,236	17,758	55,394	1,644,542
FUND BALANCES (DEFICIT)						
Nonspendable:						
Assets held for resale	-	-	-	232,814	-	232,814
Permanent fund principal	-	-	-	1,812,358	187,935	2,000,293
Restricted for:						
Law enforcement	-	-	-	-	-	363,270
Cemetery maintenance	-	-	-	27,230	143,412	170,642
Other capital projects	-	-	2,698,470	-	-	2,690,997
Total fund balances (deficit)	-	-	2,698,470	2,072,402	331,347	5,458,016
Total liabilities and fund balances	$ 206,793	$ -	$ 3,574,706	$ 2,090,160	$ 386,741	$ 7,102,558

(Concluded)

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds				
	Hotel/ Motel Tax Fund	Multiple Grant Fund	Confiscated Assets Fund	Police Technology Fund	Court Technology Fund
Revenues:					
Other taxes	$ 63,483	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	115,629	48,531	24,884
Interest revenue	-	231	296	36	35
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	63,483	231	115,925	48,567	24,919
Expenditures:					
Current:					
Public safety	-	-	147,523	-	-
Public works	-	-	-	-	-
Housing and economic development	18,144	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	18,144	-	147,523	-	-
Excess (deficiency) of revenues over (under) expenditures	45,339	231	(31,598)	48,567	24,919
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(45,339)	-	-	(48,511)	(25,964)
Total other financing sources (uses)	(45,339)	-	-	(48,511)	(25,964)
Net change in fund balances	-	231	(31,598)	56	(1,045)
Fund balances (deficits), beginning of year	-	86,277	269,006	790	31,139
Fund balances (deficits), end of year	$ -	$ 86,508	$ 237,408	$ 846	$ 30,094

(Continued)

Police Donations	2008 CDBG	2009 CDBG	2010 CDBG	2008 CHIP	2011 Tornado Grants	Neighborhood Stabilization	Tax Allocation Districts
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,371
-	-	-	-	-	-	-	-
-	34,017	-	-	69,300	91,277	455,223	-
-	-	-	-	-	-	-	-
37	-	-	-	-	-	-	-
3,312	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,349	34,017	-	-	69,300	91,277	455,223	2,371
9,724	-	-	-	-	102,416	-	-
-	9,359	83,341	22,536	69,300	-	455,223	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,724	9,359	83,341	22,536	69,300	102,416	455,223	-
(6,375)	24,658	(83,341)	(22,536)	-	(11,139)	-	2,371
-	3,775	74,576	20,615	-	-	-	-
-	-	-	-	-	-	-	-
-	3,775	74,576	20,615	-	-	-	-
(6,375)	28,433	(8,765)	(1,921)	-	(11,139)	-	2,371
25,928	(28,433)	-	-	837	-	5	-
$ 19,553	$ -	$ (8,765)	$ (1,921)	$ 837	$ (11,139)	$ 5	$ 2,371

(Continued)

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Capital Project Funds			Permanent Funds		
	Federal Stimulus	General Capital Projects Fund	SPLOST Fund	Cemetery Trust Fund	Mausoleum Trust Fund	Totals
Revenues:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ 65,854
Charges for services	-	-	-	40,965	-	40,965
Intergovernmental	1,329,695	-	2,032,095	-	-	4,011,607
Fines and forfeitures	-	-	-	-	-	189,044
Interest revenue	-	-	67	232,325	2,713	235,740
Contributions and donations	-	-	-	-	-	3,312
Other revenues	-	-	-	37,063	-	37,063
Total revenues	1,329,695	-	2,032,162	310,353	2,713	4,583,585
Expenditures:						
Current:						
Public safety	-	-	-	-	-	259,663
Public works	1,306,193	-	-	11,208	1,173	1,958,333
Housing and economic development	-	-	-	-	-	18,144
Capital outlay	-	-	1,675,504	-	-	1,675,504
Total expenditures	1,306,193	-	1,675,504	11,208	1,173	3,911,644
Excess (deficiency) of revenues over (under) expenditures	23,502	-	356,658	299,145	1,540	671,941
Other financing sources (uses)						
Transfers in	-	26,715	-	-	-	125,681
Transfers out	-	-	-	-	-	(119,814)
Total other financing sources (uses)	-	26,715	-	-	-	5,867
Net change in fund balances	23,502	26,715	356,658	299,145	1,540	677,808
Fund balances (deficits), beginning of year	(23,502)	(26,715)	2,341,812	1,773,257	329,807	4,780,208
Fund balances (deficits), end of year	$ -	$ -	$ 2,698,470	$ 2,072,402	$ 331,347	$ 5,458,016

(Concluded)

CITY OF GRIFFIN, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 65,000	$ 63,483	$ (1,517)
EXPENDITURES			
Housing and development	18,600	18,144	456
Total expenditures	18,600	18,144	456
Excess of revenues over expenditures	46,400	45,339	(1,061)
Other financing (uses)			
Transfers out	(46,400)	(45,339)	1,061
Total other financing (uses)	(46,400)	(45,339)	1,061
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -

CITY OF GRIFFIN, GEORGIA
MULTIPLE GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Interest revenue	300	231	(69)
Total revenues	300	231	(69)
EXPENDITURES			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balance	300	231	(69)
FUND BALANCES, beginning of year	86,277	86,277	-
FUND BALANCES, end of year	$ 86,577	$ 86,508	$ (69)

CITY OF GRIFFIN, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 66,000	$ 115,629	$ 49,629
Interest revenue	1,000	296	(704)
Total revenues	67,000	115,925	48,925
EXPENDITURES			
Public safety	97,400	147,523	(50,123)
Total expenditures	97,400	147,523	(50,123)
Net change in fund balance	(30,400)	(31,598)	(1,198)
FUND BALANCES, beginning of year	269,006	269,006	-
FUND BALANCES, end of year	$ 238,606	$ 237,408	$ (1,198)

CITY OF GRIFFIN, GEORGIA
POLICE TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 51,000	$ 48,531	$ (2,469)
Interest revenue	-	36	36
Total revenues	51,000	48,567	(2,433)
Excess of revenues over expenditures	51,000	48,567	(2,433)
Other financing sources			
Transfers out	(51,000)	(48,511)	2,489
Total other financing sources	(51,000)	(48,511)	2,489
Net change in fund balance	-	56	56
FUND BALANCES, beginning of year	790	790	-
FUND BALANCES, end of year	$ 790	$ 846	$ 56

CITY OF GRIFFIN, GEORGIA
COURT TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 26,000	$ 24,884	$ (1,116)
Interest revenue	-	35	35
Total revenues	26,000	24,919	(1,081)
Excess of revenues over expenditures	26,000	24,919	(1,081)
Other financing sources			
Transfers out	(26,000)	(25,964)	36
Total other financing sources	(26,000)	(25,964)	36
Net change in fund balance	-	(1,045)	(1,045)
FUND BALANCES, beginning of year	31,139	31,139	-
FUND BALANCES, end of year	$ 31,139	$ 30,094	$ (1,045)

CITY OF GRIFFIN, GEORGIA
POLICE DONATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Interest revenue	$ -	$ 37	$ 37
Contributions and donations	2,600	3,312	712
Total revenues	2,600	3,349	749
EXPENDITURES			
Current:			
Public safety	2,600	9,724	(7,124)
Total expenditures	2,600	9,724	(7,124)
Net change in fund balance	-	(6,375)	(6,375)
FUND BALANCES, beginning of year	25,928	25,928	-
FUND BALANCES, end of year	$ 25,928	$ 19,553	$ (6,375)

CITY OF GRIFFIN, GEORGIA
2008 CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 35,000	$ 34,017	$ (983)
Total revenues	35,000	34,017	(983)
EXPENDITURES			
Public works	12,000	9,359	2,641
Total expenditures	12,000	9,359	2,641
Excess of revenues over expenditures	23,000	24,658	1,658
Other financing sources			
Transfers in	2,000	3,775	1,775
Total other financing sources	2,000	3,775	1,775
Net change in fund balance	25,000	28,433	3,433
FUND BALANCES (DEFICIT), beginning of year	(28,433)	(28,433)	-
FUND BALANCES, end of year	$ (3,433)	$ -	$ 3,433

CITY OF GRIFFIN, GEORGIA
2009 CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 500,000	$ -	$ (500,000)
Total revenues	500,000	-	(500,000)
EXPENDITURES			
Public works	655,100	83,341	571,759
Total expenditures	655,100	83,341	571,759
Deficiency of revenues over expenditures	(155,100)	(83,341)	71,759
Other financing sources			
Transfers in	155,100	74,576	(80,524)
Total other financing sources	155,100	74,576	(80,524)
Net change in fund balance	-	(8,765)	(8,765)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	$ -	$ (8,765)	$ (8,765)

CITY OF GRIFFIN, GEORGIA
2010 CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Interest revenue	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Public works	30,000	22,536	7,464
Total expenditures	30,000	22,536	7,464
Deficiency of revenues over expenditures	(30,000)	(22,536)	7,464
Other financing sources			
Transfers in	30,000	20,615	(9,385)
Total other financing sources	30,000	20,615	(9,385)
Net change in fund balance	-	(1,921)	(1,921)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	$ -	$ (1,921)	$ (1,921)

CITY OF GRIFFIN, GEORGIA
2008 CHIP FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 70,000	$ 69,300	$ (700)
Total revenues	70,000	69,300	(700)
EXPENDITURES			
Public works	70,000	69,300	700
Total expenditures	70,000	69,300	700
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	837	837	-
FUND BALANCES, end of year	$ 837	$ 837	$ -

CITY OF GRIFFIN, GEORGIA
2011 TORNADO GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 129,620	$ 91,277	$ (38,343)
Total revenues	129,620	91,277	(38,343)
EXPENDITURES			
Public safety	34,300	102,416	(68,116)
Total expenditures	34,300	102,416	(68,116)
Net change in fund balance	95,320	(11,139)	(106,459)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	$ 95,320	$ (11,139)	$ (106,459)

CITY OF GRIFFIN, GEORGIA
NEIGHBORHOOD STABILIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 450,000	$ 455,223	$ 5,223
Total revenues	450,000	455,223	5,223
EXPENDITURES			
Public works	450,000	455,223	(5,223)
Total expenditures	450,000	455,223	(5,223)
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	5	5	-
FUND BALANCES, end of year	$ 5	$ 5	$ -

CITY OF GRIFFIN, GEORGIA
TAX ALLOCATION DISTRICTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 2,500	$ 2,371	$ (129)
Total revenues	2,500	2,371	(129)
EXPENDITURES			
Public works	-	-	-
Total expenditures	-	-	-
Net change in fund balance	2,500	2,371	(129)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ 2,500	$ 2,371	$ (129)

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, streets, bridges and transportation improvements and equipment:					
Airport Signals	$ 585,291	$ 585,291	$ 35,645	$ 1,522	$ 37,167
Signals phase I	487,893	487,893	67,176	32,175	99,351
Signals phase II	182,013	182,013	17,273	30,944	48,217
Intersections	144,860	144,860	-	309,150	309,150
Airport road intersection	55,000	55,000	-	-	-
6th Street Bridge	643,340	643,340	4,151	529,564	533,715
Meriwether Street Bridge	275,000	275,000	-	-	-
Poplar Street Bridge	275,000	275,000	-	-	-
Street Resurfacing	1,800,000	1,800,000	-	772,149	772,149
Block Improvement	500,000	500,000	3,000	-	3,000
Sidewalks	490,728	490,728	-	-	-
North Hill Street LCI	3,000,000	3,000,000	-	-	-
Utilities / Engineering	2,435,465	2,435,465	-	-	-
	$ 10,874,590	$ 10,874,590	$ 127,245	$ 1,675,504	$ 1,802,749

Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance $ 1,675,504

CITY OF GRIFFIN, GEORGIA

NONMAJOR ENTERPRISE FUNDS

Operations of enterprise funds are designed to be self-supporting.

The **Stormwater Utility Fund** accounts for revenues and expenses relating to the stormwater services provided to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The **Airport Fund** accounts for revenues and expenses relating to the operation of the City's airport. Funding is provided by City appropriations, user fees and intergovernmental grants.

The **Welcome Center Fund** accounts for revenues and expenses relating to the operation of the City's welcome center. Funding is provided by City appropriations and user fees.

The **Golf Course Fund** accounts for revenues and expenses relating to the operation of the City's municipal golf course. Funding is provided by City appropriations and user fees.

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2011

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
ASSETS					
CURRENT ASSETS					
Cash	$ 44,635	$ 266,265	$ -	$ 288,992	$ 599,892
Restricted assets, cash	-	-	-	163,892	163,892
Accounts receivable, net of allowances	-	125,879	-	7,870	133,749
Due from other governments	20,837	-	-	-	20,837
Due from other funds	710	55	1,609	221,501	223,875
Inventories	-	76,205	-	1,732	77,937
Prepaid expenses	16,145	15,994	2,452	4,661	39,252
Total current assets	82,327	484,398	4,061	688,648	1,259,434
NONCURRENT ASSETS					
Capital assets:					
Nondepreciable	169,923	213,172	365,500	1,492,380	2,240,975
Depreciable, net of accumulated depreciation	5,508,776	2,901,926	1,636,268	274,636	10,321,606
Total noncurrent assets	5,678,699	3,115,098	2,001,768	1,767,016	12,562,581
Total assets	5,761,026	3,599,496	2,005,829	2,455,664	13,822,015
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	140,379	54,632	358	7,203	202,572
Accrued liabilities	15,919	2,865	-	8,222	27,006
Current portion - compensated absences	14,920	7,975	-	4,371	27,266
Current portion - notes payable	142,624	-	-	-	142,624
Current portion - capital leases payable	-	-	-	16,717	16,717
Due to other funds	45,156	131,433	163	10,420	187,172
Total current liabilities	358,998	196,905	521	46,933	603,357
NONCURRENT LIABILITIES					
Compensated absences, net of current portion	2,633	1,407	-	772	4,812
Notes payable, net of current portion	1,658,780	-	-	-	1,658,780
Capital leases payable, net of current portion	-	-	-	44,393	44,393
Total noncurrent liabilities	1,661,413	1,407	-	45,165	1,707,985
Total liabilities	2,020,411	198,312	521	92,098	2,311,342
NET ASSETS					
Invested in capital assets, net of related debt	3,877,295	3,115,098	2,001,768	1,705,906	10,700,067
Unrestricted	(136,680)	286,086	3,540	657,660	810,606
Total net assets	$ 3,740,615	$ 3,401,184	$ 2,005,308	$ 2,363,566	$ 11,510,673

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
OPERATING REVENUES					
Charges for services	$ 2,036,376	$ 427,705	$ 10,325	$ 283,857	$ 2,758,263
Other services	2,484	-	-	555	3,039
Total operating revenues	2,038,860	427,705	10,325	284,412	2,761,302
OPERATING EXPENSES					
Personal services	683,303	170,804	-	240,679	1,094,786
Purchased or contracted service	332,827	570,351	63,309	108,759	1,075,246
Supplies	143,291	20,257	1,343	49,989	214,880
Miscellaneous	13,865	39,846	-	114,500	168,211
Depreciation	276,630	123,951	42,453	44,899	487,933
Total operating expenses	1,449,916	925,209	107,105	558,826	3,041,056
Operating income (loss)	588,944	(497,504)	(96,780)	(274,414)	(279,754)
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	35,894	133,915	-	-	169,809
Interest revenue	39	358	-	465	862
Interest expense	(69,958)	-	-	(2,382)	(72,340)
Total nonoperating revenues	(34,025)	134,273	-	(1,917)	98,331
Income (loss) before transfers	554,919	(363,231)	(96,780)	(276,331)	(181,423)
TRANSFERS					
Transfers out	(379,945)	(200)	-	-	(380,145)
Transfers in	-	357,434	60,884	342,217	760,535
Total transfers	(379,945)	357,234	60,884	342,217	380,390
Change in net assets	174,974	(5,997)	(35,896)	65,886	198,967
NET ASSETS, beginning of year	3,565,641	3,407,181	2,041,204	2,297,680	11,311,706
NET ASSETS, end of year	$ 3,740,615	$ 3,401,184	$ 2,005,308	$ 2,363,566	$ 11,510,673

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 2,035,615	$ 236,760	$ 10,488	$ 283,826	$ 2,566,689
Payments to suppliers	(411,504)	(717,270)	(63,916)	(277,559)	(1,470,249)
Payments to employees	(683,061)	(169,905)	(148)	(236,266)	(1,089,380)
Net cash provided by (used in) operating activities	941,050	(650,415)	(53,576)	(229,999)	7,060
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental	35,894	133,915	-	-	169,809
Transfers out	(379,945)	(200)	-	-	(380,145)
Transfers in	-	357,434	60,884	342,217	760,535
Net cash provided by (used in) noncapital financing activities	(344,051)	491,149	60,884	342,217	550,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(391,835)	-	(7,308)	(13,369)	(412,512)
Principal paid on notes payable and capital leases	(137,483)	-	-	(16,153)	(153,636)
Interest paid	(70,368)	-	-	(2,405)	(72,773)
Net cash used in capital and related financing activities	(599,686)	-	(7,308)	(31,927)	(638,921)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	39	358	-	465	862
Net cash provided by investing activities	39	358	-	465	862
Increase (decrease) in cash and cash equivalents	(2,648)	(158,908)	-	80,756	(80,800)
Cash and cash equivalents:					
Beginning of year	47,283	425,173	-	372,128	844,584
End of year	$ 44,635	$ 266,265	$ -	$ 452,884	$ 763,784
Classified as:					
Cash	$ 44,635	$ 266,265	$ -	$ 288,992	$ 599,892
Restricted assets, cash	-	-	-	163,892	163,892
	$ 44,635	$ 266,265	$ -	$ 452,884	$ 763,784

(Continued)

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 588,944	$ (497,504)	$ (96,780)	$ (274,414)	$ (279,754)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	276,630	123,951	42,453	44,899	487,933
(Increase) decrease in accounts receivable	33	(54,841)	-	(586)	(55,394)
Increase in due from other governments	(18,651)	-	-	-	(18,651)
Increase in inventory	-	(16,796)	-	(1,732)	(18,528)
(Increase) decrease in due from other funds	(710)	-	244	-	(466)
(Increase) decrease in prepaids and other assets	2,517	(271)	346	(315)	2,277
Increase (decrease) in accounts payable	74,724	(69,578)	(2)	(3,693)	1,451
Increase in accrued liabilities	1,480	728	-	4,413	6,621
Increase (decrease) in due to other funds	16,083	(136,104)	163	1,429	(118,429)
Net cash provided by (used in) operating activities	$ 941,050	$ (650,415)	$ (53,576)	$ (229,999)	$ 7,060

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Municipal Court			
	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
ASSETS				
Cash and cash equivalents	$ 25,932	$ 1,246,777	$ (1,236,940)	$ 35,769
Total assets	$ 25,932	$ 1,246,777	$ (1,236,940)	$ 35,769
LIABILITIES				
Due to others	$ 25,932	$ 1,246,777	$ (1,236,940)	$ 35,769
Total liabilities	$ 25,932	$ 1,246,777	$ (1,236,940)	$ 35,769

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
COMPONENT UNITS

JUNE 30, 2011

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
ASSETS			
Cash and cash equivalents	$ 19,886	$ 46,750	$ 1,038
Due from primary government	-	-	1,609
Prepaid items	152	167	32
Capital assets, nondepreciable	-	250	-
Total assets	20,038	47,167	2,679
LIABILITIES			
Accrued liabilities	1,362	4,361	1,572
Due to primary government	19,788	-	-
Total liabilities	21,150	4,361	1,572
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepaid items	152	167	32
Unassigned	(1,264)	42,639	1,075
Total fund balance (deficit)	$ (1,112)	$ 42,806	$ 1,107

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2011

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Revenues			
Intergovernmental	$ 136,158	$ 161,078	$ 37,598
Interest	71	-	1
Total revenues	136,229	161,078	37,599
Expenses			
Personal services	57,069	76,868	18,680
Purchased or contracted services	20,785	11,430	192
Supplies	8,707	271	817
Miscellaneous	57,449	764	8,226
Total expenses	144,010	89,333	27,915
Net change in fund balance	(7,781)	71,745	9,684
FUND BALANCE (Deficit), beginning of year	6,669	(28,939)	(8,577)
FUND BALANCE (Deficit), end of year	$ (1,112)	$ 42,806	$ 1,107

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

This part of the City of Griffin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends ..... **92 - 100**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **101 - 107**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **108 - 111**
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information ..... **112 and 113**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... **114 - 116**
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year. The City implemented GASB 34 in 2003; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

CITY OF GRIFFIN, GEORGIA

NET ASSETS BY ACTIVITY
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	$ 12,732,908	$ 16,924,455	$ 14,785,016	$ 14,408,710	$ 12,991,539	$ 12,975,572	$ 13,665,934	$ 15,867,708
Restricted	-	-	-	-	-	-	-	3,334,266
Unrestricted	(805,825)	5,039,737	6,717,474	7,397,437	7,662,397	7,673,140	12,015,787	12,677,719
Total governmental actives net assets	$ 11,927,083	$ 21,964,192	$ 21,502,490	$ 21,806,147	$ 20,653,936	$ 20,648,712	$ 25,681,721	$ 31,879,693
Business-type activities								
Invested in capital assets, net of related debt	$ 38,011,083	$ 44,633,488	$ 43,107,249	$ 47,045,720	$ 47,793,223	$ 46,056,274	$ 45,704,091	$ 47,893,557
Restricted	2,319,938	2,212,070	1,414,792	1,025,014	1,025,014	995,921	1,000,105	1,007,038
Unrestricted	19,845,656	10,461,883	14,912,965	11,738,893	9,623,571	13,111,169	18,756,262	20,897,027
Total business-type activities net assets	$ 60,176,677	$ 57,307,441	$ 59,435,006	$ 59,809,627	$ 58,441,808	$ 60,163,364	$ 65,460,458	$ 69,797,622
Primary government								
Invested in capital assets, net of related debt	$ 50,743,991	$ 61,557,943	$ 57,892,265	$ 61,454,430	$ 60,784,762	$ 59,031,846	$ 59,370,025	$ 63,761,265
Restricted	2,319,938	2,212,070	1,414,792	1,025,014	1,025,014	995,921	1,000,105	4,341,304
Unrestricted	19,039,831	15,501,620	21,630,439	19,136,330	17,285,968	20,784,309	30,772,049	33,574,746
Total primary government net assets	$ 72,103,760	$ 79,271,633	$ 80,937,496	$ 81,615,774	$ 79,095,744	$ 80,812,076	$ 91,142,179	$ 101,677,315

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Primary government:								
Governmental activities:								
General government	$ 4,029,945	$ 4,755,055	$ 5,665,886	$ 6,263,855	$ 4,651,126	$ 4,145,149	$ 3,847,393	$ 4,111,180
Judicial	16,453	232,360	147,337	138,435	155,443	154,801	166,044	168,762
Public safety [(a)]	11,702,958	11,817,622	13,268,194	13,804,583	14,438,842	14,735,107	14,034,310	14,673,254
Public works	3,835,115	4,447,313	4,116,631	4,573,818	4,760,853	4,255,794	4,250,091	5,551,010
Parks and recreation	346,028	350,586	412,667	426,302	464,517	535,047	265,882	265,527
Housing and development	672,308	360,112	596,803	755,454	811,268	574,377	960,351	897,705
Interest and fiscal changes	19,207	45,564	21,826	175,391	254,579	232,108	218,882	206,442
Total governmental activities expenses	20,622,014	22,008,612	24,229,344	26,137,838	25,536,628	24,632,383	23,742,953	25,873,880
Business-type activities:								
Water and Wastewater [(b)]	13,451,905	12,050,829	13,668,876	15,055,974	15,366,591	15,291,525	15,439,483	15,633,302
Electric [(c)]	27,476,473	27,846,434	30,161,161	31,007,937	34,439,453	34,862,574	31,929,195	34,885,002
Solid Waste	5,261,465	5,452,149	5,980,372	6,634,031	6,786,941	6,321,731	5,972,508	6,219,035
Stormwater	1,782,002	1,821,120	1,567,435	1,538,814	1,602,906	1,754,685	1,882,797	1,555,172
Airport	1,196,739	882,948	1,025,792	1,163,804	974,200	911,534	806,985	928,157
Welcome Center	94,566	108,408	122,687	97,060	103,441	101,039	108,418	107,105
Golf Course [(d)]	793,608	436,261	41,378	37,695	319,360	595,589	551,005	561,208
Total business-type activities expenses	50,056,758	48,598,149	52,567,701	55,535,315	59,592,892	59,838,677	56,690,391	59,888,981
Total primary government expenses	70,678,772	70,606,761	76,797,045	81,673,153	85,129,520	84,471,060	80,433,344	85,762,861
Program revenues								
Primary government:								
Governmental activities:								
Charges for services [(e)]								
General government	2,711,372	5,021,595	5,225,192	5,331,396	4,976,327	5,053,915	4,485,957	4,918,449
Judicial	7,128	-	-	-	-	-	-	-
Public safety	1,081,453	672,323	1,200,815	1,599,296	1,234,416	1,483,436	2,204,342	1,347,878
Public works	138,404	122,543	216,254	194,501	220,743	181,713	174,843	200,332
Parks and recreation	39,088	55,880	55,140	231,099	213,252	183,146	211,449	210,767
Housing and economic development	343,218	340,657	344,629	389,600	231,281	127,306	115,216	101,832
Operating grants and contributions	347,941	449,113	413,975	363,998	338,472	406,984	1,693,407	1,053,102
Capital grants and contributions [(f)]	231,660	-	-	335,500	394,613	-	2,488,143	3,342,662
Total governmental activities program revenues	4,900,264	6,662,111	7,456,005	8,445,390	7,609,104	7,436,500	11,373,357	11,175,022

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services [g]								
Water and wastewater	$ 11,598,846	$ 13,637,367	$ 14,549,148	$ 15,597,379	$ 15,251,076	$ 15,916,076	$ 16,404,641	$ 18,655,002
Electric	30,882,003	32,074,655	36,704,106	37,354,903	39,249,939	42,584,904	42,538,662	46,041,080
Solid waste	4,105,470	4,708,706	4,733,764	5,205,147	5,158,117	5,294,230	5,330,980	5,602,104
Stormwater	1,511,957	1,519,387	1,656,357	1,576,150	1,657,443	1,845,721	2,036,829	2,038,860
Airport	439,151	471,849	536,607	637,397	650,450	486,881	478,507	427,705
Welcome center	22,346	9,486	3,375	-	-	-	5,300	10,325
Golf course	333,218	193,584	13,000	16,988	183,752	316,858	300,866	284,412
Operating grants and contributions	105,000	158,883	155,219	155,219	157,276	206,103	141,499	169,809
Capital grants and contributions [f]	603,498	4,319	11,800	-	127,333	735,186	571,622	331,663
Total business-type activities program revenues	49,601,489	52,778,236	58,363,376	60,543,183	62,435,386	67,385,959	67,808,906	73,560,960
Total primary government program revenues	54,501,753	59,440,347	65,819,381	68,988,573	70,044,490	74,822,459	79,182,263	84,735,982
General revenues and other changes in net assets								
Primary government:								
Governmental activities:								
Property taxes	4,950,494	4,966,178	4,875,516	4,976,391	4,843,964	4,721,865	4,823,429	4,752,266
Sales taxes	3,214,610	3,370,370	3,713,381	3,643,076	3,786,058	3,249,639	3,327,451	3,274,679
Insurance premium tax	1,007,341	1,091,683	1,174,508	1,228,829	1,281,805	1,312,511	1,300,347	1,262,410
Alcoholic beverage taxes	569,880	583,404	607,163	616,134	646,473	644,810	614,651	620,485
Business occupational taxes	457,428	457,860	451,474	462,636	442,655	384,289	415,842	404,400
Other taxes	158,789	175,018	186,959	181,064	181,316	166,668	179,848	196,315
Franchise fees	565,660	571,945	596,534	599,456	612,240	621,589	560,428	555,513
Unrestricted investment earnings	116,630	115,668	112,359	314,039	73,214	(158,665)	(81,675)	245,221
Gain on sale of assets	-	-	71,085	21,607	82,281	50,012	30,023	10,530
Transfers	1,942,295	7,791,881	4,522,658	5,952,873	4,825,307	6,197,941	6,231,802	9,575,011
Total governmental activities general revenues and other changes in net assets	12,983,127	19,124,007	16,311,637	17,996,105	16,775,313	17,190,659	17,402,146	20,896,830
Business-type activities:								
Unrestricted investment earnings	286,495	742,558	811,917	747,202	619,561	372,215	410,381	231,019
Gain on sale of assets	265,698	-	42,631	572,424	(4,567)	-	-	9,177
Transfers	(1,942,295)	(7,791,881)	(4,522,658)	(5,952,873)	(4,825,307)	(6,197,941)	(6,231,802)	(9,575,011)
Total business type activities general revenues and other changes in net assets	(1,390,102)	(7,049,323)	(3,668,110)	(4,633,247)	(4,210,313)	(5,825,726)	(5,821,421)	(9,334,815)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Total primary government general revenues and other changes in net assets	$ 11,593,025	$ 12,074,684	$ 12,643,527	$ 13,362,858	$ 12,565,000	$ 11,364,933	$ 11,580,725	$ 11,562,015
Change in net assets								
Governmental activities	(2,738,623)	3,777,506	(461,702)	303,657	(1,152,211)	(5,224)	5,032,550	6,197,972
Business-type activities	(1,845,371)	(2,869,236)	2,127,565	374,621	(1,367,819)	1,721,556	5,297,094	4,337,164
Total primary government change in net assets	$ (4,583,994)	$ 908,270	$ 1,665,863	$ 678,278	$ (2,520,030)	$ 1,716,332	$ 10,329,644	$ 10,535,136

(a) Increase in number of police officers and fire fighters, increased health care costs, and change in allocation of expenses caused increase from FY 05 to FY 06.

(b) City has been constructing a large new regional water distribution facility, which was completed in Feb 2006. Costs during 2006 increased as plant operations began.

(c) Electric expenses increased from FY 05 to FY 06 primarily due to increased energy costs and purchases during the summer months which also yielded a corresponding increase in sales.

(d) During the middle of FY 05, the City privatized its golf course operations effectively eliminating most operating costs of the golf course.

(e) Increase from FY 05 to FY 06 due mostly to an increase in traffic fines and forfeitures from increased City policing and traffic efforts.

(f) Revenues from FY 04 were from donated roads from the completion of new subdivisions.

(g) Revenue growth from year to year due mostly to increased rates for services due to rising energy costs.

CITY OF GRIFFIN, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	$ 15,578	$ 692,937	$ 303,356	$ 219,852	$ 160,471	$ 180,051	$ 238,489
Unreserved	(3,155,025)	36,786	1,214,341	1,123,751	1,190,065	742,294	2,024,459
Total General fund	$ (3,139,447)	$ 729,723	$ 1,517,697	$ 1,343,603	$ 1,350,536	$ 922,345	$ 2,262,948
All Other Governmental Funds							
Reserved	$ 2,020,401	$ 2,087,065	$ 2,205,166	$ 2,449,134	$ 2,276,217	$ 2,148,241	$ 2,103,064
Unreserved, reported in:							
Special revenue funds	-	51,224	58,201	121,906	143,212	138,022	362,047
Capital projects funds	308,604	303,956	150,991	149,806	20,061	(83,019)	2,315,097
Total all other governmental funds	$ 2,329,005	$ 2,442,245	$ 2,414,358	$ 2,720,846	$ 2,439,490	$ 2,203,244	$ 4,780,208
Total all governmental funds	$ (810,442)	$ 3,171,968	$ 3,932,055	$ 4,064,449	$ 3,790,026	$ 3,125,589	$ 7,043,156

CITY OF GRIFFIN, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
CURRENT FISCAL YEAR

	Fiscal Year 2011
General Fund	
Nonspendable	$ 211,407
Restricted	109,357
Committed	-
Assigned	-
Unassigned	4,290,717
Total General fund	4,611,481
All Other Governmental Funds	
Nonspendable, reported in:	
Special revenue funds	$ -
Capital projects funds	-
Permanent funds	2,233,107
Restricted, reported in:	
Special revenue funds	355,797
Capital projects funds	2,698,470
Permanent funds	170,642
Total all other governmental funds	$ 5,458,016
Total all governmental funds	$ 10,069,497

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF GRIFFIN, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:								
Property taxes	$ 5,028,368	$ 4,947,851	$ 4,917,436	$ 4,954,777	$ 4,798,148	$ 4,682,938	$ 4,798,935	$ 4,662,904
Other taxes	5,408,048	5,678,335	6,133,485	6,131,739	6,338,307	5,672,072	5,836,489	5,845,784
Charges for services	2,756,654	4,186,746	4,594,007	4,633,730	5,271,919	5,075,420	4,491,210	4,954,638
Licenses and permits	493,902	488,576	521,097	545,177	396,528	300,540	284,588	285,302
Intergovernmental	347,941	449,113	413,975	363,998	397,585	406,984	4,162,422	4,286,767
Franchise fees	565,660	571,945	596,534	599,456	612,240	621,589	560,428	555,513
Fines and forfeitures	977,980	662,494	1,178,213	1,581,007	1,177,709	1,309,886	2,128,550	1,296,843
Interest revenues	116,236	115,657	112,359	314,039	68,533	(159,027)	(82,058)	244,569
Rental income	41,308	53,505	69,743	238,126	215,418	191,521	195,969	196,689
Contributions and donations	100	6,970	16,276	5,953	21,046	4,314	35,626	3,766
Other revenues	50,719	814,707	662,694	741,899	128,899	147,835	55,864	42,020
Total revenues	15,786,916	17,975,899	19,215,819	20,109,901	19,426,332	18,254,072	22,468,023	22,374,795
Expenditures:								
Current:								
General government [c]	4,036,999	4,563,333	5,412,240	10,291,124	4,405,393	4,144,099	3627897	4,071,171
Judicial [a]	16,453	308,837	133,113	138,431	154,045	154,315	165,023	168,195
Public safety [b]	11,871,145	12,086,794	13,146,161	13,835,808	14,183,441	14,329,207	14,258,743	14,144,740
Public works	3,759,057	3,427,799	3,055,377	3,664,722	3,712,634	3,535,617	4,666,959	5,762,799
Parks and recreation	348,834	315,171	472,303	432,342	451,220	543,691	310,404	293,622
Housing and development	670,576	394,161	590,356	745,818	800,422	566,739	949,545	892,066
Capital outlay	339,740	11,584	37,745	10,734	258,331	300,440	88,322	1,675,504
Debt service:								
Principal	-	29,059	129,983	261,154	544,731	663,610	712,094	463,214
Interest and fiscal charges	-	40,106	21,826	38,150	353,919	235,199	220,395	208,474
Total expenditures	21,042,804	21,176,844	22,999,104	29,418,283	24,864,136	24,472,917	24,999,382	27,679,785
Deficiency of revenues over expenditures	(5,255,888)	(3,200,945)	(3,783,285)	(9,308,382)	(5,437,804)	(6,218,845)	(2,531,359)	(5,304,990)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)								
Transfers in	$ 5,498,379	$ 19,174,484	$ 17,260,996	$ 17,794,362	$ 18,151,245	$ 18,079,107	$ 15,921,590	$ 10,443,647
Transfers out	(4,569,331)	(12,568,233)	(13,501,313)	(12,783,193)	(13,744,540)	(12,524,699)	(10,139,788)	(2,112,346)
Capital leases	-	577,104	628,514	4,408,000	756,676	-	645,165	-
Proceeds from the sale of capital assets	-	-	155,175	21,607	-	-	21,500	30
Total other financing sources (uses)	929,048	7,183,355	4,543,372	9,440,776	5,163,381	5,554,408	6,448,467	8,331,331
Net change in fund balances	$ (4,326,840)	$ 3,982,410	$ 760,087	$ 132,394	$ (274,423)	$ (664,437)	$ 3,917,108	$ 3,026,341
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.34%	0.69%	1.26%	3.78%	3.84%	4.04%	2.74%

(a) Beginning in fiscal year 2004, the City began the process of creating and operating a Municipal Court. During FY 05, the City purchased for the Municipal Court assets including software and equipment.

(b) Increased costs associated with an increased number of police and fire fighters during FY 06.

(c) Revenues / costs increased from 04 to 05 due to implementation of new customer service fees and changes in calculation of indirect costs from percentage of budget to number of employees.

CITY OF GRIFFIN, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(in thousands)

Fiscal Year	Property Tax	Sales and Use Tax	Business Tax	Other (1)	Total
2002	$ 4,524	$ 3,190	$ 776	$ 2,159	$ 10,649
2003	4,486	2,896	657	2,268	10,307
2004	5,028	3,215	532	2,227	11,002
2005	4,948	3,370	458	2,422	11,198
2006	4,917	3,713	451	2,565	11,646
2007	4,955	3,643	463	2,625	11,686
2008	4,798	3,786	443	2,722	11,749
2009	4,683	3,250	384	2,660	10,977
2010	4,799	3,327	416	2,654	11,196
2011	4,663	3,275	404	2,722	11,064

Notes: (1) - Includes alcohol business taxes, hotel/motel taxes, insurance premium taxes and franchise fees.

CITY OF GRIFFIN, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30th	Digest Tax Year	Residential Property	Commercial Property	Industrial Property	Other Property[(a)]	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2002	2001	$ 181,162,531	$ 164,282,332	$ 134,639,995	$ 49,988,941	$ 62,316,600	$ 467,757,199	9.46	$ 1,169,392,998	40%
2003	2002	225,185,563	184,250,927	121,063,929	51,100,078	60,473,712	521,126,785	9.46	1,302,816,963	40%
2004	2003	231,355,236	192,989,523	112,364,838	49,553,046	37,244,849	549,017,794	8.85	1,372,544,485	40%
2005	2004	231,872,215	207,106,048	108,584,842	48,325,817	32,542,463	563,346,459	8.85	1,408,366,148	40%
2006	2005	239,844,598	208,381,823	117,296,925	45,801,333	53,678,663	557,646,016	8.65	1,394,115,040	40%
2007	2006	246,541,282	210,914,389	110,413,777	44,082,271	41,696,761	570,254,958	8.63	1,425,637,395	40%
2008	2007	254,831,321	223,094,624	104,413,194	46,821,405	45,219,895	583,940,649	8.63	1,459,851,623	40%
2009	2008	258,674,420	229,962,338	97,850,407	44,945,446	50,826,550	580,606,061	8.63	1,451,515,153	40%
2010	2009	262,354,439	227,025,817	71,024,533	46,486,097	40,876,237	566,014,649	8.63	1,415,036,623	40%
2011	2010	257,941,237	222,838,476	68,877,652	46,053,656	34,913,558	560,797,463	8.63	1,401,993,658	40%

Source: Spalding County Tax Commissioner
Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per $1,000 of assessed value. Tax year levied fund the following fiscal year, i.e., taxes levied for 2009 are used for fiscal year ending in 2010.
(a) Other property consists of agricultural, utilities, historic, mobile homes, etc.

CITY OF GRIFFIN, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per $1,000 of assessed value)

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Municipal rates:										
City of Griffin:										
Maintenance and operations	14.97	13.66	14.53	14.61	14.97	15.11	15.18	14.95	14.95	14.95
Debt service	-	-	-	-	-	-	-	-	-	-
Sales tax reduction	(6.12)	(4.81)	(5.68)	(5.96)	(6.34)	(6.51)	(6.54)	(6.35)	(6.32)	(6.32)
Total City of Griffin	8.85	8.85	8.85	8.65	8.63	8.60	8.64	8.60	8.64	8.64
City of Orchard Hill maintenance and operations	5.00	5.00	5.00	4.99	4.95	4.95	4.95	4.95	4.95	4.95
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.29
Spalding County rates:										
Unincorporated maintenance and operations	9.88	11.91	13.53	13.46	13.41	13.39	13.89	13.88	14.88	14.81
Fire protection (1)	5.16	4.58	4.70	4.76	4.81	4.81	4.83	4.82	5.04	5.98
Insurance premium rollback (1)	(2.08)	(1.49)	(1.61)	(1.69)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)
Board of Education	18.94	18.55	18.95	18.90	18.85	18.82	18.81	18.80	18.80	18.80
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Unincorporated Spalding County	32.15	33.80	35.82	35.68	35.56	35.51	35.99	35.96	37.16	38.03
Total Municipalities:										
City of Griffin	37.92	39.56	41.58	41.26	41.14	41.08	41.07	41.53	41.57	41.57
City of Orchard Hill	34.07	35.71	37.73	37.60	37.46	37.43	37.38	37.88	37.88	37.88
City of Sunny Side	33.43	35.07	37.09	36.97	36.87	36.84	36.79	37.29	37.29	37.22

Source: Spalding County Tax Commissioner

(1) Fire protection and insurance premium rollback is applied only to unincorporated rates.

CITY OF GRIFFIN, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30th	Digest Tax Year	Taxes Levied for the Fiscal Year [a]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Taxes Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2002	2001	$ 4,424,983	$ 4,270,548	96.51%	$ 153,303	$ 4,423,851	99.97%	$ 1,132
2003	2002	4,611,972	4,393,246	95.26%	205,254	4,598,500	99.71%	13,472
2004	2003	4,858,911	4,696,598	96.66%	153,529	4,850,127	99.82%	8,784
2005	2004	4,985,616	4,863,916	97.56%	116,382	4,980,298	99.89%	5,318
2006	2005	4,823,638	4,702,117	97.48%	114,081	4,816,198	99.85%	7,440
2007	2006	4,921,300	4,807,096	97.68%	96,424	4,903,520	99.64%	17,780
2008	2007	5,021,890	4,843,578	96.45%	157,684	5,001,262	99.59%	20,628
2009	2008	5,015,275	4,809,253	95.89%	168,332	4,977,585	99.25%	37,690
2010	2009	4,888,103	4,682,081	95.79%	82,187	4,764,268	97.47%	123,835
2011	2010	4,571,371	4,264,314	93.28%	-	4,264,314	93.28%	307,057

Sources: Spalding County Tax Commissioner's Office and City of Griffin Department of Finance.

[a] Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2009 are used for fiscal year ending in 2010).

CITY OF GRIFFIN, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND SEVEN YEARS AGO

Taxpayer	2011 Taxable Assessed Value (In thousands)	2011 Rank	2011 Percentage of Total City Taxable Assessed Value	2004 Taxable Assessed Value (In thousands)	2004 Rank	2004 Percentage of Total City Taxable Assessed Value
Tenet-Spalding Regional Hospital	$ 36,141	1	2.58%	$ 27,492	2	1.95%
Bandag Inc.	24,128	2	1.72%	21,211	6	1.51%
Wal-Mart Stores	21,884	3	1.56%	24,413	5	1.73%
Exo-Tech Packaging LLC	18,259	4	1.30%	17,928	7	1.27%
Halpem Enterprises, Inc.	16,193	5	1.15%	17,684	9	1.26%
NACOM	15,420	6	1.10%	109,007	1	7.74%
First National Bank of Griffin	14,793	7	1.06%	-		-
Griffin Crossroads LLC	11,475	8	0.82%	-		-
Lowes Home Centers, Inc.	10,831	9	0.77%	11,985	11	0.85%
Walden Point	9,293	10	0.66%	-		-
Cooper Standard	-		-	25,808	3	1.83%
Bellsouth Telecomm	-		-	25,782	4	1.83%
Weyerhaeuser Co.	-		-	17,953	8	1.27%
Griffin Crossing, LLC	-		-	12,124	10	0.86%
Total	$ 178,417		12.73%	$ 311,387		20.16%

Source: Spalding County Tax Assessor

Note: Information prior to 2004 was not available.

CITY OF GRIFFIN, GEORGIA

TOP TEN SEWER CUSTOMERS
CURRENT YEAR AND SEVEN YEARS AGO

	2011				2004			
Customer	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Southern Terry	31,797,100	$ 233,076	1	3.67 %	53,399,800	$ 246,825	1	5.24 %
AMI Griffin-Spalding Co. Hospital	19,701,400	144,309	2	2.27	20,331,000	96,999	3	2.06
Spalding Co. Correctional Institute	19,897,200	143,459	3	2.26	6,431,800	32,504	9	0.69
Westdale Freddie Properties, LLC	10,278,400	76,224	4	1.20	-	-		-
Northside Hills Apartments	16,161,500	64,963	5	1.02	-	-		-
Brightmoor Health	6,039,700	42,902	6	0.68	-	-		-
Summit Asset Regency	5,882,000	41,630	7	0.66				
Sumika Polymer Co.	5,304,500	38,327	8	0.60	-	-		-
Riverside Uniform Rental	5,389,500	37,851	9	0.60	-	-		-
Heritage Apartments	4,942,700	35,903	10	0.57	-	-		-
National Housing Management Service	-	-		-	26,176,500	120,326	2	2.56
Nacom	-	-		-	17,519,100	83,299	4	1.77
Copper Standard	-	-		-	17,496,800	82,775	5	1.76
Griffin Housing Authority	-	-		-	14,440,000	68,645	6	1.46
First National Bank	-	-		-	7,449,200	36,139	7	0.77
Fashion Industries	-	-		-	13,805,300	35,101	8	0.75
University of Georgia, Griffin Campus	-	-		-	6,595,200	31,656	10	0.67
	125,394,000	$ 858,644		13.53 %	183,644,700	$ 834,269		17.73 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

TOP TEN WATER CUSTOMERS
CURRENT YEAR AND SEVEN YEARS AGO

	2011				2004			
Customer	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Spalding County Water Authority	804,642,200	$ 5,235,868	1	43.70 %	-	$ -		- %
Coweta County Water and Sewer	909,510,000	2,546,628	2	21.26	75,810,300	161,512	3	2.38
City of Zebulon	83,192,900	336,931	3	2.81	53,399,800	177,424	2	2.61
Southern Terry	31,797,100	135,499	4	1.13	26,176,500	99,299	4	1.46
AMI Griffin-Spalding Co. Hospital	19,701,400	95,603	5	0.80	16,060,200	58,785	8	0.87
Westdale Freddie Properties, LLC	12,513,500	72,985	6	0.61	-	-		-
City of Williamson	17,762,600	71,938	7	0.60	17,496,800	60,300	7	0.89
Griffin Housing Authority	9,914,200	51,068	8	0.43	14,440,800	49,995	9	0.74
Summit Asset Regency	5,882,000	32,564	9	0.27	-	-		-
Walden Pointe Apartments	6,299,300	32,521	10	0.27	-	-		-
Springs Ind. Inc.	-	-		-	403,929,500	878,959	1	12.94
National Housing Management Service	-	-		-	20,331,000	70,619	5	1.04
NACOM	-	-		-	17,534,000	60,679	6	0.89
Spalding Co. Correctional Institute	-	-		-	11,634,200	44,224	10	0.65
	1,901,215,200	$ 8,611,605		71.88 %	656,813,100	$ 1,661,796		24.47 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

TOP TEN ELECTRIC CUSTOMERS
CURRENT YEAR AND SEVEN YEARS AGO

	2011				2004			
Customer	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues
Bandag, Inc.	17,907,600	$ 1,401,957	1	3.24 %	22,050,964	$ 1,123,527	1	3.77 %
City of Griffin WasteWater Treatment Plant	15,474,814	1,383,448	2	3.20	-	-		-
Griffin Spalding County Schools	13,454,134	1,318,505	3	3.05	-	-		-
Exopac	16,791,000	1,164,533	4	2.69	18,200,204	831,607	3	2.79
Caterpillar Inc.	12,757,617	929,129	5	2.15	7,529,110	529,168	4	1.78
AMI Griffin-Spalding Co. Hospital	8,341,400	731,706	6	1.69	7,615,522	485,843	5	1.63
University of Georgia, Griffin Campus	6,381,600	579,985	7	1.34	10,139,469	457,817	7	1.54
WAL-MART Store #01-932,	5,748,600	511,777	8	1.18	7,756,410	391,764	9	1.31
Weyerhaeuser Co.	6,807,600	506,929	9	1.17	6,442,200	444,260	8	1.49
Norcom	6,279,237	446,626	10	1.03	-	-		-
Cooper Standard	-	-		-	17,704,729	1,016,728	2	3.41
Filter Plant/River and Reservoir PMP	-	-		-	7,249,019	479,204	6	1.61
Southern Terry	-	-		-	6,523,172	340,641	10	1.14
	109,943,602	$ 8,974,595		20.74 %	111,210,799	$ 6,100,559		20.47 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Estimated Actual Value of Taxable Property[1]	Percentage of Personal Income	Per Capita[1]
	General Obligation Bonds	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases	Inter-governmental Agreement				
2002	$ -	$ 1,917,814	$ 20,680,000	$ 2,512,291	$ -	$ -	$ 25,110,105	5.37%	$ 1,334.86	$ 1,081.45
2003	-	801,789	77,705,000	2,572,601	45,123	-	81,124,513	15.57%	4,108.19	3,475.77
2004	-	286,431	76,470,000	2,933,462	-	-	79,689,893	14.51%	3,229.06	3,405.99
2005	-	548,045	75,165,000	2,786,172	624,868	-	79,124,085	14.05%	3,397.93	3,397.93
2006	-	1,046,576	74,499,000	2,629,328	1,027,587	325,762	79,528,253	14.26%	3,222.51	3,391.25
2007	-	5,193,422	72,887,000	2,465,581	785,542	298,565	81,630,110	14.31%	3,185.44	3,480.88
2008	-	5,405,367	71,209,000	2,294,762	596,074	269,464	79,774,667	13.62%	3,002.35	3,390.27
2009	-	4,741,757	69,472,000	2,116,108	419,957	238,327	76,988,149	13.26%	2,868.20	3,282.94
2010	-	4,674,828	67,677,000	1,938,887	331,319	205,010	74,827,044	13.22%	2,668.11	3,132.54
2011	-	4,211,614	65,816,000	1,801,404	231,521	169,361	72,229,900	12.88%	2,400.62	3,027.11

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See Schedule 7, Assessed Value and Estimated Actual Value of Taxable Property for property values and Schedule 16, Demographic and Economic Statistics for population data.

CITY OF GRIFFIN, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In thousands)

	Fiscal Year[a]									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 46,776	$ 52,113	$ 54,902	$ 56,335	$ 55,765	$ 57,026	$ 58,394	$ 58,061	$ 56,601	$ 56,080
Total net debt applicable to limit	7,245	801	286	548	1,047	5,193	5,405	4,742	4,675	4,212
Legal debt margin	$ 39,531	$ 51,312	$ 54,616	$ 55,787	$ 54,718	$ 51,833	$ 52,989	$ 53,319	$ 51,926	$ 51,868
Total net debt applicable to the limit as a percentage of debt limit	15.49%	1.54%	0.52%	0.97%	1.88%	9.11%	9.26%	8.17%	8.26%	7.51%

Legal Debt Margin Calculation for Fiscal Year 2011	
Total assessed value	$ 595,711
Less Exempt:	34,914
Total taxable assessed value:	560,797
Debt limit (10% of total taxable assessed value)	56,080
Debt applicable to limit:	
Capital leases	4,212
Legal debt margin	$ 51,868

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

[a] Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2009 are used for fiscal year ending in 2010).

CITY OF GRIFFIN, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2011
(in thousands)

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Griffin (1)	Amount Applicable to City of Griffin
General Obligation			
Spalding County:			
2008 General Obligation SPLOST Bonds	$ 12,600	39.79%	$ 5,014
Subtotal, overlapping debt	12,600		5,014
Direct:			
City of Griffin capital leases	4,212	100.00%	4,212
Total	$ 16,812		$ 9,226

Notes: (1) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF GRIFFIN, GEORGIA

REVENUE BOND COVERAGE
COMBINED PUBLIC UTILITY REVENUE BONDS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	$ 37,687	$ 33,777	$ 3,910	$ 1,085	$ 1,174	$ 2,259	$ 1.73
2003	41,686	34,190	7,496	1,140	995	2,135	3.51
2004	42,481	35,267	7,214	1,235	3,652	4,887	1.48
2005	45,712	33,892	11,820	1,305	3,705	5,010	2.36
2006	51,253	37,321	13,932	1,435	5,446	6,881	2.02
2007	52,952	38,590	14,362	1,612	3,463	5,075	2.83
2008	54,501	42,491	12,010	1,678	3,400	5,078	2.37
2009	58,501	42,597	15,904	1,737	3,342	5,079	3.13
2010	58,943	39,807	19,136	1,795	3,311	5,106	3.75
2011	64,696	43,117	21,579	1,861	3,212	5,073	4.25

Note: Amounts above are in thousands.

(1) Operating revenue includes operating revenue and interest of the Water / Wastewater fund and the Electric Fund.

(2) Direct operating expenses do not include depreciation.

CITY OF GRIFFIN, GEORGIA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (In thousands)	Per Capital Personal Income (In thousands)	Unemployment Rate [1]
2002	23,219	$ 18,811	1.23	6.80%
2003	23,340	19,747	1.18	7.80%
2004	23,397	24,679	0.95	6.50%
2005	23,286	23,286	1.00	8.20%
2006	23,451	24,679	0.95	6.80%
2007	23,451	25,626	0.92	5.60%
2008	23,451	26,481	0.89	5.40%
2009	23,451	26,842	0.87	8.50%
2010	23,887	28,045	0.85	10.00%
2011	23,861	30,088	0.79	13.09%

* Source - Georgia Department Of Labor

[1] Source - U.S. Bureau of Labor Statistics for all of Spalding County

CITY OF GRIFFIN, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Caterpillar, Inc	900	1	1.92%	780	1	1.54%
Southern Terry	375	2	0.80%	350	4	0.69%
Norcom	280	5	0.60%	250	5	0.49%
AEP Industries	250	3	0.53%	235	6	0.46%
Supreme Corporation	200	4	0.43%	440	3	0.87%
Fashion Industries, Inc	200	6	0.43%	200	7	0.39%
William Carter Co	168	8	0.36%	150	8	0.30%
EXOPack	160	7	0.34%	150	9	0.30%
Vernay Manufacturing, Inc	160	10	0.34%	—		—
International Paper	150	9	0.32%	149	10	0.29%
Springs Industries	—		—	700	2	1.38%
Total	2,843		6.07%	3,404		6.71%

* Sources- Griffin-Spalding Chamber of Commerce/
Revenue bonds series 1997/GA Dept of Labor

CITY OF GRIFFIN, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST EIGHT FISCAL YEARS

	Full-time Equivalent Employees as of June 30th							
	2004	2005	2006	2007	2008	2009	2010	2011
Function								
General government								
Administration	49	47	47	52	52	50	49	45
Judicial	1	1	1	1	1	1	1	1
Public Safety	168	181	183	172	183	166	172	170
Public Works	71	53	40	44	52	49	53	46
Development	7	5	6	6	7	6	6	6
Water/Wastewater Operations	71	74	81	69	69	53	70	68
Electric operations	40	54	29	44	55	45	45	64
Solid Waste operations	58	58	56	54	54	45	47	45
Airport operations	6	6	6	3	4	4	3	4
Welcome Center	1	1	1	1	2	2	2	2
Stormwater	13	17	14	12	12	13	13	14
Motor Pool	18	14	13	13	14	13	12	11
Griffin Business and Tourism	-	-	1	1	1	1	1	1
Total	503	511	478	472	506	448	474	477

Source: City Finance Department
Note: Information prior to 2004 was not available.

CITY OF GRIFFIN, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program								
Police								
Physical arrests	2,272	4,320	2,404	4,417	2,631	2,612	3,207	3,959
Parking violations	1,517	1,627	621	1,234	1,387	958	472	191
Traffic violations	11,009	11,488	10,813	8,465	9,856	9,231	11,126	11,862
Fire								
Emergency responses	1,079	1,111	938	1,268	1,210	1,121	1,212	1,405
Fires extinguished	73	97	122	231	192	173	175	202
Inspections	384	792	1,000	1,243	1,185	1,336	1,314	1,254
Refuse Collection								
Refuse collected (tons per day)	44	38	38	38	38	49	29	29
Other Public Works								
Street resurfacing (miles)	N/A	6	2.8	2.5	2.8	0.0	1.8	10.5
Potholes repaired	N/A	682	1,053	1,051	1,052	387	548	753
Parks and recreation								
Athletic field permits issued	N/A	356	360	358	361	350	0	0
Water								
New connections	N/A	99	136	120	122	63	31	20
Water main breaks	N/A	34	39	49	50	35	56	34
Average daily consumption (millions of gallons)	5.8	9.5	1.03	8.94	8.94	9.11	8.92	8.98
Peak daily consumption (millions of gallons)	N/A	1.08	1.23	1.20	1.21	1.24	1.08	1.44
Wastewater								
Average daily sewage treatment (millions of gallons)	N/A	514	460	500	500	323	398	326

Sources: Various City departments.
Note: Information prior to 2004 was not available.

CITY OF GRIFFIN, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program								
Police								
Stations	2	2	2	2	2	2	2	2
Zone officers	112	112	112	111	99	56	60	54
Patrol units	102	102	102	102	102	102	70	104
Fire stations	3	3	3	3	3	3	3	3
Public works								
Streets (miles)	163	165	165	165	165	165	162	160
Streetlights	879	879	879	879	879	879	879	879
Traffic signals	879	879	879	913	913	913	913	913
Parks and recreation								
Acreage	207	207	207	207	207	207	207	207
Playgrounds	3	3	3	3	3	3	4	4
Water								
Water mains (miles)	700	700	700	700	700	700	700	623
Fire hydrants	7,392	7,392	7,392	7,392	7,392	7,392	7,392	7,392
Storage capacity (thousands of gallons)	500	500	500	500	500	500	500	500
Wastewater								
Sanitary sewers (miles)	160	160	160	213	213	243	223	225
Storm sewers (miles)	75	75	75	91	91	85	100	100
Treatment capacity (thousands of gallons)	2.45	6.00	6.00	6.00	6.00	5.75	5.75	5.75

Sources: Various City departments.

Note: No capital asset indicators are available for the general government functions.

Note: Information prior to 2004 was not available.

THIS PAGE INTENTIONALLY LEFT BLANK

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members
of the City Commission
Griffin, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Griffin, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City of Griffin, Georgia's basic financial statements and have issued our report thereon dated October 27, 2011. 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.

Internal Control Over Financial Reporting

Management of the City of Griffin, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the City Commission, others within the entity, the State of Georgia, 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.

Mauldin & Jenkins, LLC

Macon, Georgia
October 27, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members
of the City Commission
Griffin, Georgia

Compliance

We have audited the City of Griffin, Georgia's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the management of the City, the City Commission, others within the entity, 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.

Mauldin & Jenkins, LLC

Macon, Georgia
October 27, 2011

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Housing and Urban Development			
(Passed through Georgia Department of Community Affairs)			
Community HOME Investment Program	14.239	08M-X-126-2-6008	$ 69,300
Community Development Block Grant	14.218	08P-X-126-2-5044	34,017
Neighborhood Stabilization Program	14.228	08-NS-5062	455,223
Total U.S. Department of Housing and Urban Development			558,540
U.S. Department of Justice			
(Passed through Criminal Justice Coordinating Council)			
Bullet Proof Vest Partnership Program	16.607	BVP-2009	2,587
Total U.S. Department of Justice			2,587
U.S. Department of Energy			
(Passed through the Georgia Environmental Finance Authority)			
Energy Efficiency and Conservation Block Grant - ARRA	81.128	DE-EE000806	175,517
Total U.S. Department of Energy			175,517
U.S. Department of Homeland Security			
Disaster Grants - Public Assistance	97.036	255-077C1-00	131,851
Assistance to Firefighters Grant	97.044	EMW-2009-FO-11754	46,649
Total U.S. Department of Homeland Security			178,500
U.S. Department of Transportation			
(Passed through Georgia Department of Transportation)			
Highway Planning and Construction Grant - ARRA	20.205	CSSTP-0008-00(235)	1,029,399
Highway Planning and Construction Grant - ARRA	20.205	CSSTP-0008-00(236)	276,794
Total U.S. Department of Transportation			1,306,193
U.S. National Endowment for the Humanities			
Promotion of the Humanities	45.129	GR10-00032	3,000
Total U.S. National Endowment for the Humanities			3,000
U.S. Environmental Protection Agency			
(Passed through Georgia Environmental Protection Agency)			
Nonpoint Source Implementation Program	66.460	751-80065	14,910
Nonpoint Source Implementation Program	66.460	751-110088	12,744
Total U.S. Environmental Protection Agency			27,654
Total Expenditures of Federal Awards			$ 2,251,991

CITY OF GRIFFIN, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of $300,000 or three percent of total federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The City did not qualify as a low-risk auditee for the fiscal year ended June 30, 2011.

Amount Provided to Subrecipients

The City had no major programs that provided amounts to subrecipients.

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ no
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes __X__ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Grant-ARRA
81.128	Energy Efficiency and Conservation Block Grant-ARRA

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF GRIFFIN, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

STATUS OF PRIOR YEAR AUDIT FINDINGS

2010 - 1. Management of Sales Tax Payable and Customer Deposits

For the year ended June 30, 2010, we noted the City did not properly record its sales taxes payable and customer deposit liability items within the Electric Revenue Fund.

Status: The above finding was corrected for the year ended June 30, 2011 in the specific context noted in the prior year finding.

2010 - 2. Management of Grant Revenues and Receivables

For the year ended June 30, 2010, the City did not properly record various year end grants receivable in the City's funds.

Status: The above finding was corrected for the year ended June 30, 2011 in the specific context noted in the prior year finding.

2010 - 3. Special Revenue Fund Budgets

For the fiscal year ending June 30, 2011, no annual budget was adopted for the CHIP 2008 Fund and the Neighborhood Stabilization Fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

Status: The above finding was corrected for the year ended June 30, 2011 in the specific context noted in the prior year finding.