

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

Prepared by:
Griffin Finance Department

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

Office of the City Manager
100 S. Hill Street-P.O. Box T | Griffin, GA 30224
P 770.228.6408 F 678.692.0403 W cityofgriffin.com

November 7, 2013

Honorable Members of the Board of Commissioners
Citizens of the City of Griffin
City of Griffin, Georgia 30223

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Griffin, Georgia for the fiscal year ended June 30, 2013, is submitted herewith. In doing so, the City complies with State of Georgia, O.C.G.A. § 36-81-7, that requires the governing authority of each unit of local government having a population in excess of 1,500 persons according to the latest estimate of population by the United States Bureau of the Census or its successor agency or expenditures of $300,000 or more shall provide for and cause to be made an annual audit of the financial affairs and transactions of all funds and activities of the local government for each fiscal year of the local government.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the City. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial activities have been included.

Mauldin & Jenkins, LLC, have issued an unmodified opinion on the City of Griffin's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

The City of Griffin receives financial assistance through various federal grant programs. As required by the Single Audit Act of 1984, P.L. 98-502 and amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, audits of programs receiving federal grants have been performed for the fiscal year ended June 30, 2013. The required reports on supplementary information, compliance, internal controls, and various supplementary schedules are included under the Compliance Section.

The City of Griffin has prepared the financial statements to meet the current applicable requirements of the Governmental Accounting Standards Board (GASB) and are in conformity with Generally Accepted Accounting Principles (GAAP).

Griffin
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Formal Transmittal

This report consists of management's representations concerning the finances and policies 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.

Profile of the Government

- *Population* – The City of Griffin is a municipal corporation created and existing under the laws of the State of Georgia and has as its formal name the "City of Griffin". The City is located in the central portion of the State of Georgia approximately 40 miles south of the City of Atlanta. Griffin is centrally located in and is the county seat of Spalding County. The City was originally chartered in 1843. The City presently has a land area of approximately 14 square miles, is situated at approximately 943 feet above sea level, and has a population of 23,451.

- *General structure* – 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's form of government is commission-manager. In accordance with the City's Code of Ordinances, Part I, Article I. and II., and Charter, all legislative powers are vested in a Board of Commissioners composed of seven members. The City is divided into six single-member election districts and one at-large election district. Six commissioners are elected by the registered voters residing within each respective single-member district, and one commissioner is elected by all registered voters of the City. Each candidate for commissioner must be a citizen of the State of Georgia and a resident of the City for at least twelve months, must have attained the age of 18 years, must be a qualified elector, must be a resident of the election district from which he or she offers as a candidate on the date of qualifying, must not have been convicted of a felony involving moral turpitude (unless such person's civil rights have been restored and at least ten years have elapsed from the date of the completion of the sentence without a subsequent conviction of another felony involving moral turpitude), and must not be the holder of public funds illegally. Members of the Board of Commissioners serve four-year terms of office. 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 on the next cycle.

The Board of Commissioners elects one of their members to serve as Chairman of the Board of Commissioners for a term of office of one year. No Commissioner is eligible to succeed him/herself as Chairman. The Chairman holds the position of Honorary Mayor. The Chairman presides at all meetings of the Board of Commissioners which he/she attends and is entitled to vote on all questions, motions, or matters brought to the Board of Commissioners for action.

Under the City's Charter, a full-time City Manager is employed by and serves at the pleasure of the Board of Commissioners. The City Manager is the Chief Operating Officer of the City government and is responsible for the efficient administration and day-to-day operations of all departments.

- *Types and levels of services* – The City of Griffin is a "full service" municipality that offers: water, waste water, electricity, sanitation, and public safety. This includes police and fire protection; the construction and maintenance of streets, and other infrastructure; 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.

- *Component units* – Component units are functions of the City that are legally separate entities. These entities are in substance part of the City's operations and therefore financial data from these is presented in the CAFR.

    - *City of Griffin Main Street Program* (Main Street): The Main Street program serves as a "community-driven" initiative focused on revitalizing older and more traditional business districts. The underlying premise of the Main Street concept is to encourage and foster economic development within the context of historic preservation in ways that are appropriate for today's marketplace.

    - *City of Griffin Downtown Development Authority* (DDA): The DDA is responsible for the revitalization strategy for Downtown Griffin. The DDA's mission is to encourage economic activity in Griffin's central business district by attracting businesses, residents, and visitors. The DDA works closely with the City's Planning and Development Department and Main Street program in assisting new businesses through the permitting process.

    - *City of Griffin Business and Tourism Association* (Association): As a 501-(c) 3, not-for-profit organization, the Association's purpose is to promote business, tourism, trade and conventions for the City. The Association has provided tourism initiatives, brochures and other marketing materials and paid for training and conference registrations to increase awareness of the City of Griffin for both tourism and economic development purposes. The Association is solely devoted to economic development through business attraction and retention; tourism; redevelopment; and other special events and projects to promote the City of Griffin.

- *Budget process* – In accordance with the State of Georgia, O.C.G.A. § 36-81-3, the City's annual budget serves as the foundation for the City of Griffin's financial planning, control and professional management of City resources. The budget provides for setting priorities, and an orderly means of controlling cash flows and disbursements. All departments of the City of Griffin are required to submit requests for appropriations to the City Manager on or about March 1. 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).

- *Governmental funds with an annual appropriated budget* – The annual budget is prepared by fund, function, and department; for example: General Fund, Public Safety, Police, etc. 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 and 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.

- *Legal level of budgetary control* – The legal level of budgetary control is at the fund and department level. 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. Budgetary control is maintained with monthly reviews of actual results compared to budget and with budget confirmation prior to the issuance of a purchase order.

City of Griffin's Economic Condition

- *Local economy* – Over the course of the past five years, the City has experienced and withstood nominal fluctuations in the housing market, the shifting of businesses in and out of the City limits, and the transition towards more food and beverage establishments. The latest real estate tax digest showed gains in overall market value thereby creating the opportunity for the Board of Commissioners to lower the City's property tax millage rate, while surrounding communities raise millage rates. The City of Griffin prides itself as host to the Kroger Co. (NYSE:KR), one of the world's largest grocery retailers, that opened a 94,000 square foot facility within City limits. The City's management foresees the City's future prospects as one with modest business growth and continued nominal recovery in the housing market.

  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), and a municipal airport.

The City of Griffin prides itself on its historic downtown. Driven by the service industry, this area provides small town charm with contemporary amenities and services. The greater region has a varied manufacturing and industrial base. As a region, the area has seen a 0.9% drop in the unemployment rate compared to one year ago (Three Rivers Region Unemployment Rate). Major industries with corporate headquarters or divisions located within or near the City include medical, manufacturing, automotive parts, materials and packaging, retail (with specialty shops), and real estate development. With the expansion of the University of Georgia (UGA) Product Innovation and Commercialization Center, the center is estimated to create over 800 new jobs across the region and state over the next 10 years.

To facilitate the relocation of businesses 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 in Griffin is bright and getting brighter.

- *Long-term financial planning* – The City, as of October 2013, updated and adopted the 2014-2034 Comprehensive Plan (PLAN). The PLAN can be found on the City's website at www.cityofgriffin.com under Planning & Development. For more information and assistance, please contact Mr. Taurus Freeman, Department Director at 770-233-4130. The PLAN provides a rational basis for municipal decision-making on matters that relate to the City's future. Matters range from protecting community values and guiding growth to providing adequate community services. This document provides for economic development, land use, housing, and transportation. The intent of the PLAN is to guide and encourage the location, amount, type and timing of future development, supporting facilities, and securing the fiscal resources sufficient to address the needs.

  To highlight the more significant projects on the horizon, the City is planning for:
  $4.9M - Flint River Pump Station Replacement (FY 2015)
  $6.1M - Still Branch Water Treatment Plant Expansion and Upgrade (FY 2015)
  $13.9M- Potato Creek Wastewater Treatment Plant Expansion and Upgrade (FY 2016)

- *Relevant financial policies* – In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits required estimates and judgments by management.

  All internal control evaluations occur with the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City operates under and maintains its Financial Management Program (FMP) policies. The FMP sets fiscal policies and guidelines, for example investments, such as income generation, target rate of return, time horizon, asset allocation, restrictions, and maximum amounts per any one instrument. The Cash Receipts policy governs how the City receipts cash throughout operations and by what means.

The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Under State law, all expenditures are subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed appropriations at either the departmental or fund levels. Unutilized encumbrances (unexpended funds) lapse at the fiscal year end. Multi-year capital funds (or projects) may show a reservation of fund balance.

- *Fiduciary responsibilities and operations* – On October 26, 2010, the City adopted its current 457(B) defined contribution plan and 401(A) defined contribution matching, open to all regular and full-time employees. In addition the City is also a participant in 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 is 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.

  The City also provides Other Post-Employment Benefits (OPEB) for health care 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. 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* –
  - *Airport* – The City and County are working in partnership on a $60 million dollar economic development project to relocate and expand the existing Griffin-Spalding County Municipal Airport.

    The current airport, constructed in 1939, is now landlocked and expansion at the existing location is cost prohibitive. In 2009 the City and County completed a Site Selection Study that selected a site north of Georgia Highway 16 near the new industrial park "The Lakes at Green Valley". Proximity to interstate 75 is ideal to attract business and industry and to further enhance local economics with "halo" effects from supply chains for parts, manufacturing, consumer goods and services to hospitality, food and beverage, and professional services.

    The Federal Aviation Administration (FAA) will fund this project at 90 percent with FAA Airport Improvement Program (AIP) Trust Fund dollars and the City and County will jointly fund the remaining 10 percent in local matching funds,

depending on the amount of Georgia Department of Transportation (GDOT) participation.

Airports, roadways, railways and water ways, are gateways to the community. Communities that invest in their gateways are the communities on the forefront of growth and development when the opportunities present themselves. Private, non-commercial aviation is a growing industry in which flexibility, speed, and ease of access are the trends in which industrial/business entities are depending upon more and more as they become efficient and global. The project is estimated to take approximately 6 to 7 years to complete.

- *Livable Centers Initiative* – Historic Downtown Griffin is experiencing an economic 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.

- *Housing Revitalization* – Redevelopment/Revitalization is one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions that act as a barrier to new investment by private enterprise. Through redevelopment, a target area will receive focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, and gain active participation and investment by citizens which would not otherwise engage in community involvement. The City envisions a plan to spur economic growth, creating new housing and improving the quality of life and general welfare of the people who live and work in and around redevelopment areas. The following areas within the City of Griffin show signs of deterioration and economic decline: 1) Meriwether Street; 2) Ellis Crossing and Expressway Village Commercial Area; 3) North Hill Street; and 4) Thomaston Mills.

- *Blight Removal* – The goal is to enhance neighborhood vitality through removing debris and over grown vegetation, securing structurally sound buildings, and demolish those that are not sound. A cleaner neighborhood will instill pride and foster reinvestment! We work with the Citizens Service Center in an effort to address complaints using sound judgment and resources provided by the U.S. Housing and Urban Development through its Community Development Block Grant and Neighborhood Initiative programs to ensure safe, quality, long-term affordable housing for all residents. Demolishing a minimum of thirty-five (35) houses per year through the City's Substandard Housing Program; the City has partnered with the Griffin Housing Authority and the Land Bank Authority to establish affordable housing opportunities for residents, and established a housing rehabilitation program that assists low-income homeowners with repairs and substandard housing conditions.

- *Community Development Block Grants* – The City has been awarded over $2.8 million in Community Development Block Grant (CDBG) grants in past ten years. The purpose of these grants is to assist the City in accomplishing multi-infrastructure

improvements. Specifically, CDBG funds have been used to target water and sewer line improvements in the Thomaston Mill Neighborhood and other areas located throughout the West Griffin area.

- The water and wastewater infrastructure in the CDBG FY 2014 target area are in significant need of repair. Both systems have been in operation for over 75 years. The water mains repeatedly break and are significantly reduced in capacity due to pipe deterioration. Also, the sewer system leaks due to age. The proposed application includes the fifth of ten (10) zones of planned water and wastewater infrastructure improvements in north Griffin.

- *Transportation* – The City of Griffin Public Works and Utilities Department started implementation of its asset management program. Much of Griffin's infrastructure is beyond its useful life (as are many other municipalities). This year marks the completion of the 6th Street Bridge replacement project linking the downtown central business district with the north side of town. The new bridge crosses over the Norfolk Southern Rail System (NFS) thereby improving school bus traffic flow and providing open access to emergency response vehicles. The City also replaced two other bridges Melrose Avenue and Maple Drive. The City also completed the design phase for intersection improvements at North 6th Street and North Hill Street and at North-side Drive and Tuskegee Avenue. Construction is planned for completion by first quarter 2014.

- *Medical Overlay District* – encompasses the Spalding Regional Hospital area, with the intent to facilitate increased usage for medical professionals. This is accomplished through the use of Opportunity and Enterprise Zones offering reduced or abated taxes, utility incentive programs, Green Business Programs, and or other credits as provided through State and local initiatives.

- *Incentives* – The City offers numerous incentive programs, in addition to Opportunity and Enterprise Zones, such as Tax Allocation Districts (or Tax Increment Financing), property tax abatements, job tax credits, and infrastructure bonding.

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, 2012. This was the 9th 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.

Griffin
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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 City of Griffin employees and independent auditors, Mauldin & Jenkins, 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.

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

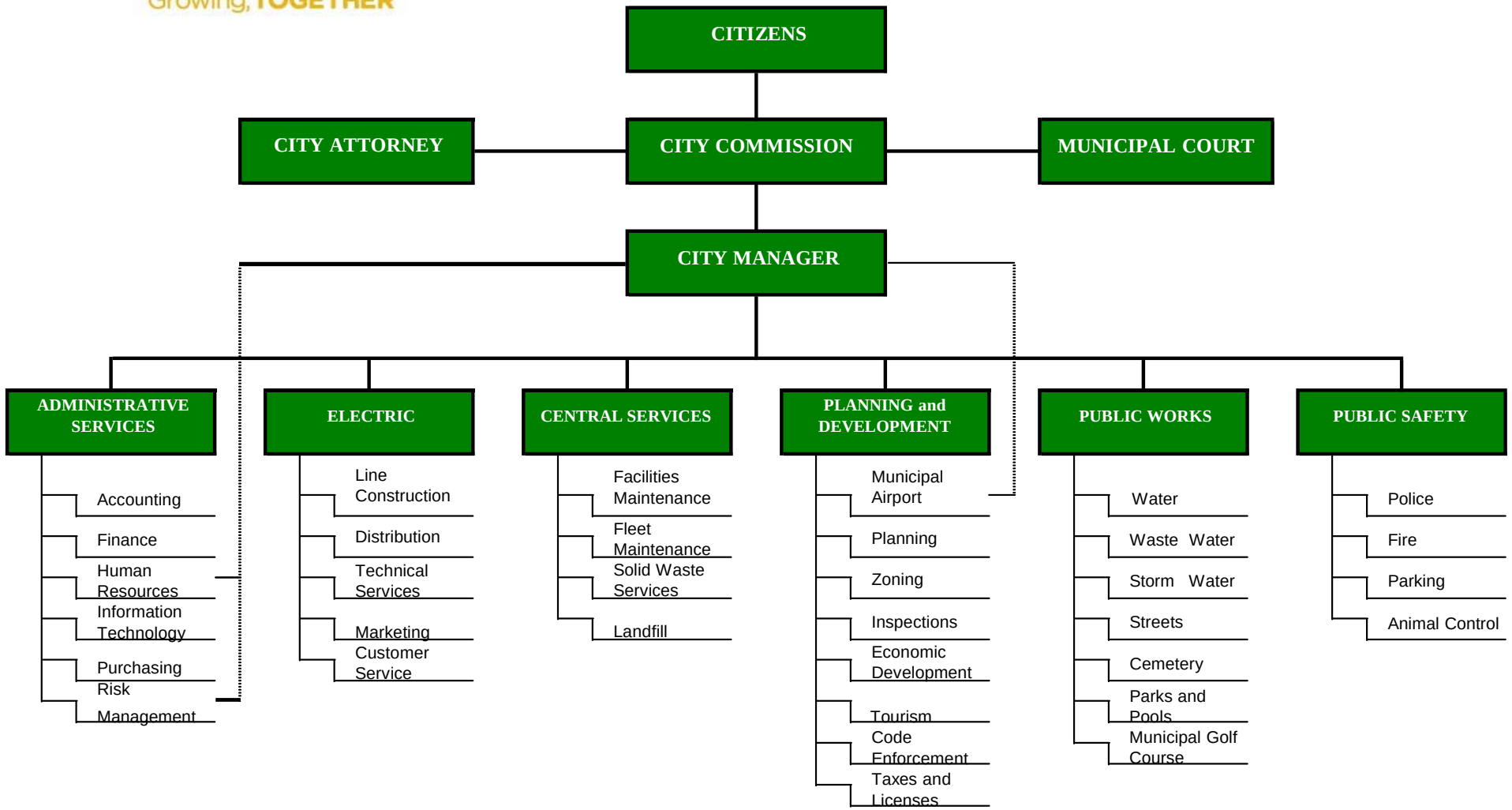
Respectfully submitted,

Kenny L. Smith,
City Manager

Joanne Todd,
Chairperson

Markus Schwab, CPA/CITP/CGMA,
Chief Financial Officer

City of Griffin
Organization Chart



20100730 ms

CITY OF GRIFFIN, GEORGIA

PRINCIPAL OFFICIALS
JUNE 30, 2013

Commission Chairman

Joanne Todd

Commissioners

District I	Cynthia Reid Ward
District II	Cora Flowers
District III	Ryan McLemore
District IV	Joanne Todd
District V	Dick Morrow
District VI	Shaheer A. Beyah
At Large	Douglas S Hollberg

Appointed Officials

City Manager	Kenny Smith
City Attorney	Andrew Whalen, Esq.
Municipal Court Judge	William G Johnston
Municipal Court Solicitor	Reid Turner

Directors

Administrative Services	Markus Schwab, CPA/CITP/CGMA
Central Services Director	Phill Francis
Developmental Services Director	Taurus Freeman
Electric	Bill Bosch
Public Safety	Chief Frank Strickland
Water/Wastewater	Brant Keller, PhD

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

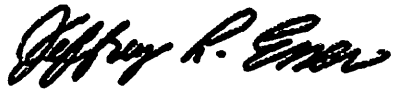
Presented to

City of Griffin

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012



Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City of Griffin, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12) and the Schedule of Funding Progress (on page 67) 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 do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013, on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 21, 2013

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, 2013. 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 including deferred outflows exceeded its liabilities at the close of the most recent fiscal year by $119,946,529 (*net position*). Of this amount, $42.14 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $11,202,172 due mostly to continued strong operations from the City's water and electric utility funds and a large financial settlement with a large water customer.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $14,389,490, an increase of $254,115 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was $7,951,789 or 30.9% of total General Fund expenditures.
- The City's total long term liabilities increased by $1,745,201 during the current fiscal year. This included an increase in revenue bonded debt of $1,187,387 which was due to refinancing the 2002 Series Water Revenue Bonds. This also included an increase in bonds payable of $866,397 which was due to the issuance of bonds for contribution to a local development project.

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 position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 13 and 14 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 20 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 19 governmental funds (14 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 15 and 16 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 an internal service fund 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 20 - 27 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 28 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 29 – 66 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 68 – 91 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $119,946,529 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (52.7%) 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 Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 22,197,750	$ 21,393,110	$ 46,477,940	$ 36,992,524	$ 68,675,690	$ 58,385,634
Capital assets	21,661,060	20,623,878	112,685,665	113,026,581	134,346,725	133,650,459
Total assets	43,858,810	42,016,988	159,163,605	150,019,105	203,022,415	192,036,093
Deferred outflows of resources	-	-	2,199,134	-	2,199,134	-
Other liabilities	2,315,390	1,108,289	8,499,077	7,958,730	10,814,467	9,067,019
Long-term liabilities outstanding	4,686,094	5,159,718	69,774,459	68,422,031	74,460,553	73,581,749
Total liabilities	7,001,484	6,268,007	78,273,536	76,380,761	85,275,020	82,648,768
Net position:						
Net investment in capital assets	17,649,753	16,197,106	45,543,491	47,439,408	63,193,244	63,636,514
Restricted	4,206,163	3,826,867	10,404,843	1,013,568	14,611,006	4,840,435
Unrestricted	15,001,410	15,725,008	27,140,869	25,185,368	42,142,279	40,910,376
Total net position	$ 36,857,326	$ 35,748,981	$ 83,089,203	$ 73,638,344	$ 119,946,529	$ 109,387,325

A portion of the City's net position (12.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($42,142,279) 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 position, 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, 2013, increased the City of Griffin's net position by $1,108,345. Business-type activities during the same period increased net position by $10,093,827 for a total increase in net position of $11,202,172. Key elements of this increase are as follows:

City of Griffin's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	$ 6,809,079	$ 6,460,235	$ 72,506,460	$ 73,088,067	$ 79,315,539	$ 79,548,302
Operating grants and contributions	790,343	401,862	182,849	46,773	973,192	448,635
Capital grants and contributions	2,244,969	1,728,069	9,141,322	117,206	11,386,291	1,845,275
General revenues:						
Property taxes	4,562,903	4,575,821	-	-	4,562,903	4,575,821
Sales taxes	3,409,570	3,482,760	-	-	3,409,570	3,482,760
Insurance premium tax	1,177,972	1,108,956	-	-	1,177,972	1,108,956
Other taxes	1,291,950	1,254,170	-	-	1,291,950	1,254,170
Franchise taxes	559,345	556,258	-	-	559,345	556,258
Unrestricted investment earnings	9,852	163,807	(373,183)	783,095	(363,331)	946,902
Gain on sale of capital assets	-	72,546	-	35,898	-	108,444
Total revenues	20,855,983	19,804,484	81,457,448	74,071,039	102,313,431	93,875,523
Expenses:						
General government	4,817,013	4,149,134	-	-	4,817,013	4,149,134
Judicial	163,995	251,537	-	-	163,995	251,537
Public safety	14,671,072	14,803,719	-	-	14,671,072	14,803,719
Public works	6,125,980	4,389,885	-	-	6,125,980	4,389,885
Parks and recreation	306,880	288,563	-	-	306,880	288,563
Housing and development	1,744,909	893,084	-	-	1,744,909	893,084
Interest on long-term debt	315,732	192,630	-	-	315,732	192,630
Water and wastewater	-	-	16,452,354	16,324,849	16,452,354	16,324,849
Electric	-	-	36,908,037	35,759,349	36,908,037	35,759,349
Solid Waste	-	-	6,259,574	5,990,274	6,259,574	5,990,274
Stormwater	-	-	1,607,053	1,634,492	1,607,053	1,634,492
Airport operations	-	-	1,014,246	780,458	1,014,246	780,458
Welcome Center	-	-	115,656	106,178	115,656	106,178
Golf Course	-	-	608,758	601,361	608,758	601,361
Total expenses	28,145,581	24,968,552	62,965,678	61,196,961	91,111,259	86,165,513
Change in net assets before transfers	(7,289,598)	(5,164,068)	18,491,770	12,874,078	11,202,172	7,710,010
Transfers	8,397,943	9,033,356	(8,397,943)	(9,033,356)	-	-
Change in net assets	1,108,345	3,869,288	10,093,827	3,840,722	11,202,172	7,710,010
Net assets, beginning, as restated	35,748,981	31,879,693	72,995,376	69,797,622	108,744,357	101,677,315
Net assets, ending	$ 36,857,326	$ 35,748,981	$ 83,089,203	$ 72,995,376	$ 119,946,529	$ 109,387,325

As can be seen above, the governmental activities show a deficit of revenues over expenses before transfers of $7,289,598 and $5,164,068 for 2013 and 2012, respectively. These deficiencies are normal and consistent throughout all fiscal years. This increase in expenditures was primarily due to the sidewalk and street paving program in 2013 that was not in 2012. 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.

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 position by $10,093,827 in 2013 and increased net position by $3,840,722 in 2012. During 2013, the City's Water operations settled with a large customer and received a large one time capital contribution of $9 million. These funds are to be used for specific capital outlays and upgrades to the City's water facilities.

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

	2013	2012
Net operating income (loss):		
Water / Wastewater Fund	$ 6,367,427	$ 6,528,907
Electric Utility Fund	7,279,604	9,002,058
Solid Waste Fund	(60,446)	145,316
Nonmajor Enterprise Funds	(73,243)	(87,577)
Total net operating income	13,513,342	15,588,704
Nonoperating expenses and capital contributions	5,460,614	(2,333,670)
Income before transfers	18,973,956	13,255,034
Net transfers out	(8,397,943)	(9,033,356)
Changes in net position	$ 10,576,013	$ 4,221,678

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 2013 and 2012, the combined ending fund balances of the City's governmental funds were a positive $14,389,490 and a positive $14,135,375, respectively. This increase was due to continued spending constraints and significant transfers in from the City's enterprise funds. A positive $7,559,553 at June 30, 2013 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, 2013, $2,623,774 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 $4,206,163 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 2013, the General Fund had a positive fund balance of $7,951,789. This is a decrease of $140,769 from the beginning fund balance. This decrease was two-fold, expenses exceeded revenues by $7,955,107 ($5,164,068 in 2012) and transfers were $635,413 less than 2012.

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 position of the City's enterprise funds increased by $10,576,013 in 2013 and by $4,221,678 in 2012, primarily as a result of $9,000,000 settlement agreement reached with a large governmental water customer. These funds are recognized as contributed capital in fiscal year 2013.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ending June 30, 2013, governmental activities and business-type activities had capital assets of $134,346,725 (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 0.52% (a 0.50% increase for governmental activities and a 0.030% decrease for business-type activities). The total increase in capital assets was due mostly to the purchase of a new fire truck, transportation equipment, and the final close out of the 2010 CDBG grant for upgrades to City infrastructure.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 1,495,785	$ 1,495,785	$ 7,650,221	$ 7,650,221	$ 9,146,006	$ 9,146,006
Land improvements	-	-	3,405,060	3,543,131	3,405,060	3,543,131
Buildings and improvements	6,097,463	6,220,317	20,279,676	20,876,238	26,377,139	27,096,555
Improvements other than buildings	-	-	70,003,986	70,520,496	70,003,986	70,520,496
Machinery and equipment	2,702,511	2,229,176	5,243,551	5,053,850	7,946,062	7,283,026
Infrastructure	9,741,796	7,899,642	-	-	9,741,796	7,899,642
Construction in progress	1,623,505	2,778,958	6,103,171	5,382,645	7,726,676	8,161,603
Total	$ 21,661,060	$ 20,623,878	$ 112,685,665	$ 113,026,581	$ 134,346,725	$ 133,650,459

Additional information on the City's capital assets can be found in Note 5 on pages 46 - 48 of this report.

Debt Administration. At the end of June 30, 2013, the City had $5,552,491 of outstanding long-term liabilities related to governmental activities and $69,774,459 of long-term liabilities related to business-type activities for a total of $75,326,950 compared to the previous year's total of $73,581,749. This is an increase of $1,745,201 due mostly to the refinancing of the 2002 Series Revenue Bonds. At the end of 2013, the City had total revenue bonded debt outstanding of $65,071,387 as compared to $63,884,000 in 2012. The debt is secured solely by specified revenue sources (i.e., revenue bonds). The majority of the bonded debt outstanding is from the refunding of the issuance of $64,385,000 of Combined Public Utility Revenue Refunding and Improvement Bonds (Series 2002) in 2012. 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. The issuance of the series 2012 refunding bonds allowed for a net savings to the City of approximately $8.2 million. The City received a rating from Moody's on this issuance of Aa3 and a rating from Standard & Poor's of AA-.

Additional information on the City's debt can be found in Note 6 on pages 48 - 54 of this report.

Currently Known Conditions Affecting Future Operations

We are expecting the tax digest to decrease this year. There is a backlog of tax appeals in the appraisers' office. The effect on the City is a reduction of approximately $200,000 of general fund tax 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 2013-14 Budget:

The Commission of the City of Griffin considered many factors when approving the City's 2014 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, all special revenue funds, all capital projects funds, and the City's enterprise funds. 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 $1.5 million increase in appropriations between the original budget and the final amended budget for the City's General Fund. This increase was due mostly to funding of CDBG grants and prior year items rolled over with their budgets to the current year.

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.

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2013

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	$ 7,953,962	$ 5,348,309	$ 13,302,271	$ 8,496	$ 115,838	$ 1,039
Investments	4,756,170	15,820,278	20,576,448	-	-	-
Taxes receivable	961,281	-	961,281	-	-	-
Accounts receivable, net of allowances	47,327	8,681,336	8,728,663	-	-	-
Due from other governments	499,206	367,909	867,115	-	-	-
Due from component units	-	39,493	39,493	-	-	-
Due from primary government	-	-	-	-	-	3,812
Internal balances	5,602,091	(5,602,091)	-	-	-	-
Inventories	194,052	2,428,672	2,622,724	-	-	-
Prepaid expenses	222,368	718,309	940,677	123	123	-
Restricted assets:						
Cash and cash equivalents	-	10,830,874	10,830,874	-	-	-
Investments	-	7,844,851	7,844,851	-	-	-
Assets held for resale	264,960	-	264,960	-	-	-
Other noncurrent asset - pension	1,696,333	-	1,696,333	-	-	-
Capital assets:						
Nondepreciable	3,119,290	13,753,392	16,872,682	-	250	-
Depreciable, net	18,541,770	98,932,273	117,474,043	8,447	-	-
Total assets	43,858,810	159,163,605	203,022,415	17,066	116,211	4,851
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refundings	-	2,199,134	2,199,134	-	-	-
Total deferred outflows or resources	-	2,199,134	2,199,134	-	-	-
LIABILITIES						
Accounts payable	1,098,540	5,118,141	6,216,681	419	-	-
Accrued liabilities	346,641	903,313	1,249,954	1,547	2,632	-
Due to primary government	-	-	-	19,267	20,172	54
Due to component unit	3,812	-	3,812	-	-	-
Customer deposits payable	-	2,477,623	2,477,623	-	-	-
Other noncurrent liability - OPEB	-	96,029	96,029	-	-	-
Capital leases due within one year	333,973	126,484	460,457	-	-	-
Capital leases due in more than one year	3,677,334	433,793	4,111,127	-	-	-
Notes payable due within one year	-	153,826	153,826	-	-	-
Notes payable due in more than one year	-	1,356,684	1,356,684	-	-	-
Bonds payable due within one year	7,535	2,293,000	2,300,535	-	-	-
Bonds payable due in more than one year	858,862	62,778,387	63,637,249	-	-	-
Compensated absences due within one year	573,569	391,929	965,498	-	-	-
Compensated absences due in more than one year	101,218	69,166	170,384	-	-	-
Due to Pike County due in more than one year	-	90,401	90,401	-	-	-
Landfill postclosure care costs due within one year	-	91,640	91,640	-	-	-
Landfill postclosure care costs due in more than one year	-	1,893,120	1,893,120	-	-	-
Total liabilities	7,001,484	78,273,536	85,275,020	21,233	22,804	54
NET POSITION (DEFICIT)						
Net investment in capital assets	17,649,753	45,543,491	63,193,244	8,447	250	-
Restricted for debt service	-	1,405,048	1,405,048	-	-	-
Restricted for law enforcement	384,333	-	384,333	-	-	-
Restricted for cemetery maintenance	256,322	-	256,322	-	-	-
Restricted for capital projects	3,565,508	8,999,795	12,565,303	-	-	-
Unrestricted	15,001,410	27,140,869	42,142,279	(12,614)	93,157	4,797
Total net position (deficit)	$ 36,857,326	$ 83,089,203	$ 119,946,529	$ (4,167)	$ 93,407	$ 4,797

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, 2013

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 Position: Governmental Activities	Business-type Activities	Total	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Primary government:										
Governmental activities:										
General government	$ 4,817,013	$ 5,241,268	$ -	$ -	$ 424,255	$ -	$ 424,255	$ -	$ -	$ -
Judicial	163,995	-	-	-	(163,995)	-	(163,995)	-	-	-
Public safety	14,671,072	1,035,788	425,403	3,975	(13,205,906)	-	(13,205,906)	-	-	-
Public works	6,125,980	197,369	364,940	2,240,994	(3,322,677)	-	(3,322,677)	-	-	-
Parks and recreation	306,880	207,317	-	-	(99,563)	-	(99,563)	-	-	-
Housing and economic development	1,744,909	127,337	-	-	(1,617,572)	-	(1,617,572)	-	-	-
Interest on long-term debt	315,732	-	-	-	(315,732)	-	(315,732)	-	-	-
Total governmental activities	28,145,581	6,809,079	790,343	2,244,969	(18,301,190)	-	(18,301,190)	-	-	-
Business-type activities:										
Water and Wastewater	16,452,354	19,281,293	-	9,000,000	-	11,828,939	11,828,939	-	-	-
Electric	36,908,037	44,114,775	-	144	-	7,206,882	7,206,882	-	-	-
Solid Waste	6,259,574	5,958,989	-	-	-	(300,585)	(300,585)	-	-	-
Stormwater	1,607,053	2,219,025	182,849	-	-	794,821	794,821	-	-	-
Airport	1,014,246	683,920	-	141,178	-	(189,148)	(189,148)	-	-	-
Welcome Center	115,656	11,524	-	-	-	(104,132)	(104,132)	-	-	-
Golf Course	608,758	236,934	-	-	-	(371,824)	(371,824)	-	-	-
Total business-type activities	62,965,678	72,506,460	182,849	9,141,322	-	18,864,953	18,864,953	-	-	-
Total primary government	$ 91,111,259	$ 79,315,539	$ 973,192	$ 11,386,291	(18,301,190)	18,864,953	563,763	-	-	-
Component units:										
Griffin Main Street	$ 81,930	$ -	$ 74,754	$ -	-	-	-	(7,176)	-	-
Griffin Downtown Development Authority	81,184	-	107,230	-	-	-	-	-	26,046	-
Griffin Business and Tourism Association	27,799	-	29,579	-	-	-	-	-	-	1,780
Total component units	$ 190,913	$ -	$ 211,563	$ -	-	-	-	(7,176)	26,046	1,780
General revenues:										
Property taxes					4,562,903	-	4,562,903	-	-	-
Sales taxes					3,409,570	-	3,409,570	-	-	-
Insurance premium tax					1,177,972	-	1,177,972	-	-	-
Alcoholic beverage taxes					621,130	-	621,130	-	-	-
Business occupational taxes					416,930	-	416,930	-	-	-
Franchise taxes					559,345	-	559,345	-	-	-
Other taxes					253,890	-	253,890	-	-	-
Unrestricted investment earnings (losses)					9,852	(373,183)	(363,331)	-	131	-
Transfers					8,397,943	(8,397,943)	-	-	-	-
Total general revenues and transfers					19,409,535	(8,771,126)	10,638,409	-	131	-
Change in net position					1,108,345	10,093,827	11,202,172	(7,176)	26,177	1,780
Net position, beginning of year, as restated					35,748,981	72,995,376	108,744,357	3,009	67,230	3,017
Net position, end of year					$ 36,857,326	$ 83,089,203	$ 119,946,529	$ (4,167)	$ 93,407	$ 4,797

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

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

ASSETS	General	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 1,977,510	$ 4,965,634	$ 6,943,144
Investments	2,734,497	2,021,673	4,756,170
Taxes receivable, net	956,184	5,097	961,281
Accounts receivable, net	46,827	-	46,827
Due from other governments	198,270	300,936	499,206
Due from other funds	3,427,574	143,441	3,571,015
Inventories	1,615	-	1,615
Prepaid expenditures	217,727	-	217,727
Assets held for resale	-	264,960	264,960
Total assets	$ 9,560,204	$ 7,701,741	$ 17,261,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 690,085	$ 334,277	$ 1,024,362
Accrued liabilities	288,910	-	288,910
Due to other funds	277,554	928,306	1,205,860
Due to component unit	2,355	1,457	3,812
Total liabilities	1,258,904	1,264,040	2,522,944
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	349,511	-	349,511
Total deferred inflows of resources	349,511	-	349,511
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	217,727	-	217,727
Assets held for resale	-	264,960	264,960
Permanent fund principal	-	2,141,087	2,141,087
Restricted for:			
Law enforcement	-	384,333	384,333
Cemetery maintenance	-	256,322	256,322
Other capital projects	109,357	3,456,151	3,565,508
Unassigned:	7,624,705	(65,152)	7,559,553
Total fund balances	7,951,789	6,437,701	14,389,490
Total liabilities, deferred inflows of resources, and fund balances	$ 9,560,204	$ 7,701,741	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,957,991
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	349,511
Net pension asset is not a financial asset in governmental fund activities and therefore is not reported in governmental funds.	1,696,333
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 position.	5,050,892
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(5,586,891)
Net position of governmental activities	$ 36,857,326

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, 2013

	General	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	$ 4,451,514	$ -	$ 4,451,514
Other taxes	5,756,403	123,089	5,879,492
Charges for services	5,207,930	43,401	5,251,331
Licenses and permits	312,916	-	312,916
Intergovernmental	425,403	2,605,848	3,031,251
Franchise taxes	559,345	-	559,345
Fines and forfeitures	849,780	134,584	984,364
Interest revenue	4,276	5,660	9,936
Rental income	193,944	-	193,944
Contributions and donations	-	629	629
Other revenues	28,556	37,339	65,895
Total revenues	17,790,067	2,950,550	20,740,617
EXPENDITURES			
Current:			
General government	4,534,475	-	4,534,475
Judicial	163,570	-	163,570
Public safety	14,697,276	104,049	14,801,325
Public works	4,395,611	903,511	5,299,122
Parks and recreation	372,654	-	372,654
Housing and economic development	976,694	772,424	1,749,118
Capital outlay	-	1,579,640	1,579,640
Debt service:			
Principal	415,465	-	415,465
Interest	189,429	-	189,429
Bond issuance costs	-	110,512	110,512
Total expenditures	25,745,174	3,470,136	29,215,310
Excess (deficiency) of revenues over (under) expenditures	(7,955,107)	(519,586)	(8,474,693)
OTHER FINANCING SOURCES (USES)			
Tax allocation bond proceeds	-	866,397	866,397
Transfers in	9,014,646	184,322	9,198,968
Transfers out	(1,245,395)	(136,249)	(1,381,644)
Proceeds from the sale of capital assets	45,087	-	45,087
Total other financing sources (uses)	7,814,338	914,470	8,728,808
Net change in fund balances	(140,769)	394,884	254,115
Fund balances, beginning of year	8,092,558	6,042,817	14,135,375
Fund balances, end of year	$ 7,951,789	$ 6,437,701	$ 14,389,490

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, 2013

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

Net change in fund balances - total governmental funds	$	254,115
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.		1,163,633
The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(45,339)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		111,389
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.		231,806
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 position.		(450,932)
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.		(156,327)
	$	1,108,345

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, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES:				
Property taxes	$ 4,206,000	$ 4,206,000	$ 4,451,514	$ 245,514
Other taxes	5,515,000	5,515,000	5,756,403	241,403
Charges for services	5,172,753	5,172,753	5,207,930	35,177
Licenses and permits	272,200	272,200	312,916	40,716
Intergovernmental	181,500	451,860	425,403	(26,457)
Franchise fees	589,000	589,000	559,345	(29,655)
Fines and forfeitures	1,000,000	1,000,000	849,780	(150,220)
Interest revenue	8,000	8,000	4,276	(3,724)
Rental income	198,541	198,541	193,944	(4,597)
Other revenues	7,000	23,500	28,556	5,056
Total revenues	17,149,994	17,440,829	17,790,067	349,238
EXPENDITURES:				
Current:				
General government:				
Legislative	460,373	433,694	336,851	96,843
Executive	344,264	346,784	307,331	39,453
Elections	250	250	216	34
Administrative services	3,619,774	3,369,274	3,062,669	306,605
Central services	532,019	689,113	729,532	(40,419)
Legal	100,000	100,000	97,876	2,124
Total general government	5,056,680	4,939,115	4,534,475	404,640
Judicial	174,401	174,401	163,570	10,831
Public safety:				
Police	8,970,440	9,058,230	8,852,279	205,951
Fire	4,958,817	5,767,159	5,608,927	158,232
Code enforcement	149,076	149,076	122,220	26,856
Other protection	118,961	119,771	113,850	5,921
Total public safety	14,197,294	15,094,236	14,697,276	396,960
Public works:				
Highways and streets	3,594,703	4,198,303	3,931,995	266,308
Cemetery	482,875	482,875	463,616	19,259
Total public works	4,077,578	4,681,178	4,395,611	285,567
Parks and recreation:				
Recreation	80,722	80,722	66,524	14,198
Parks	295,580	335,580	306,130	29,450
Total parks and recreation	376,302	416,302	372,654	43,648

(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, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Housing and economic development:				
Protective inspection	$ 882,373	$ 964,073	$ 802,001	$ 162,072
Griffin Business and Tourism Association	22,934	22,934	6,395	16,539
Downtown development	97,044	97,044	97,044	-
Main Street	78,284	78,284	71,254	7,030
Total housing and economic development	1,080,635	1,162,335	976,694	185,641
Debt service	604,770	604,770	604,894	(124)
Total expenditures	25,567,660	27,072,337	25,745,174	1,327,163
Deficiency of revenues under expenditures	(8,417,666)	(9,631,508)	(7,955,107)	1,676,401
OTHER FINANCING SOURCES (USES)				
Transfers in	9,632,686	9,897,216	9,014,646	(882,570)
Transfers out	(1,215,020)	(1,246,570)	(1,245,395)	1,175
Proceeds from the sale of capital assets	-	-	45,087	45,087
Total other financing sources (uses)	8,417,666	8,650,646	7,814,338	(836,308)
Net change in fund balances	-	(980,862)	(140,769)	840,093
Fund balances, beginning of year	8,092,558	8,092,558	8,092,558	-
Fund balances, end of year	$ 8,092,558	$ 7,111,696	$ 7,951,789	$ 840,093

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 645,687	$ 2,913,216	$ 286,583	$ 1,502,823
Investments	-	11,277,415	-	-
Restricted assets, cash	10,609,370	126,031	12,393	83,080
Restricted assets, investments	177,973	175,784	25,000	-
Accounts receivable, net of allowances	56,658	8,316,332	-	308,346
Due from other governments	-	367,909	-	-
Due from component units	-	39,493	-	-
Due from other funds	1,816,203	1,227,896	495,314	957,623
Inventories	691,097	1,661,498	-	76,077
Prepaid expenses	619,391	29,718	30,595	38,605
Total current assets	14,616,379	26,135,292	849,885	2,966,554
NONCURRENT ASSETS				
Investments	-	4,542,863	-	-
Restricted assets, investments	4,254,873	2,984,850	226,371	-
Capital assets:				
Nondepreciable	6,733,070	3,925,358	-	3,094,964
Depreciable, net of accumulated depreciation	70,834,443	16,277,781	2,074,491	9,745,558
Total noncurrent assets	81,822,386	27,730,852	2,300,862	12,840,522
Total assets	96,438,765	53,866,144	3,150,747	15,807,076
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	2,199,134	-	-	-
Total deferred outflows of resources	2,199,134	-	-	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	809,605	3,872,723	230,859	204,954
Accrued liabilities	64,231	746,403	56,111	36,568
Current portion - compensated absences	160,233	130,594	75,710	25,392
Current portion - notes payable	-	-	-	153,826
Current portion - capital leases payable	-	-	108,578	17,906
Current portion - landfill closure / postclosure care costs	-	-	91,640	-
Customer deposits payable	20,696	2,456,927	-	-
Due to other funds	57,951	5,473,571	30,696	539,530
Payable from restricted assets:				
Revenue bonds payable, current portion	2,293,000	-	-	-
Total current liabilities	3,405,716	12,680,218	593,594	978,176
NONCURRENT LIABILITIES				
Compensated absences, net of current portion	28,277	23,046	13,361	4,482
Revenue bonds payable, net of current portion	62,778,387	-	-	-
Capital leases payable, net of current portion	-	-	424,607	9,186
Notes payable, net of current portion	-	-	-	1,356,684
Net OPEB liability	-	96,029	-	-
Due to Pike County, net of current portion	90,401	-	-	-
Landfill closure / postclosure care costs	-	-	1,893,120	-
Total noncurrent liabilities	62,897,065	119,075	2,331,088	1,370,352
Total liabilities	66,302,781	12,799,293	2,924,682	2,348,528
NET POSITION				
Net investment in capital assets	12,496,126	20,203,139	1,541,306	11,302,920
Restricted for debt service	1,405,048	-	-	-
Restricted for capital outlay	8,999,795	-	-	-
Unrestricted	9,434,149	20,863,712	(1,315,241)	2,155,628
Total net position	$ 32,335,118	$ 41,066,851	$ 226,065	$ 13,458,548
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				
Net position of business-type activities				

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 5,348,309	$ 1,010,818
11,277,415	-
10,830,874	-
378,757	-
8,681,336	500
367,909	-
39,493	-
4,497,036	112,779
2,428,672	192,437
718,309	4,641
44,568,110	1,321,175
4,542,863	-
7,466,094	-
13,753,392	-
98,932,273	703,069
124,694,622	703,069
169,262,732	2,024,244
2,199,134	-
2,199,134	-
5,118,141	74,178
903,313	9,544
391,929	11,719
153,826	-
126,484	-
91,640	-
2,477,623	-
6,101,748	873,222
2,293,000	-
17,657,704	968,663
69,166	2,068
62,778,387	-
433,793	-
1,356,684	-
96,029	-
90,401	-
1,893,120	-
66,717,580	2,068
84,375,284	970,731
45,543,491	703,069
1,405,048	-
8,999,795	-
31,138,248	350,444
87,086,582	$ 1,053,513
(3,997,379)	
$ 83,089,203	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 19,133,812	$ 41,239,315	$ 5,945,004	$ 3,133,682
Tap and capacity recovery fees	61,420	-	-	-
Other services	86,061	2,875,460	13,985	17,721
Total operating revenues	19,281,293	44,114,775	5,958,989	3,151,403
OPERATING EXPENSES				
Personal services	3,694,708	3,457,813	2,138,764	1,067,960
Purchased or contracted services	3,862,003	2,295,843	2,821,304	1,236,356
Purchased power	-	29,787,167	-	-
Supplies	1,801,825	158,899	80,559	208,605
Miscellaneous	480,312	230,154	532,083	182,225
Depreciation	3,075,018	905,295	446,725	529,500
Total operating expenses	12,913,866	36,835,171	6,019,435	3,224,646
Operating income (loss)	6,367,427	7,279,604	(60,446)	(73,243)
NONOPERATING INCOME (EXPENSES)				
Intergovernmental	-	-	-	324,027
Interest income (investment losses)	(37,825)	(327,987)	(7,374)	3
Interest expense	(2,550,490)	-	(2,816)	(60,384)
Bond issuance costs	(867,616)	-	-	-
Loss on sale of capital assets	-	(5,437)	-	(3,631)
Total nonoperating income (expenses)	(3,455,931)	(333,424)	(10,190)	260,015
Income (loss) before contributions and transfers	2,911,496	6,946,180	(70,636)	186,772
CAPITAL CONTRIBUTIONS	9,000,000	144	-	-
TRANSFERS				
Transfers out	(1,950,455)	(8,833,442)	-	(16,539)
Transfers in	-	-	197,199	2,205,294
Total transfers	(1,950,455)	(8,833,442)	197,199	2,188,755
Change in net position	9,961,041	(1,887,118)	126,563	2,375,527
NET POSITION, beginning of year as restated	22,374,077	42,953,969	99,502	11,083,021
NET POSITION, end of year	$ 32,335,118	$ 41,066,851	$ 226,065	$ 13,458,548

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

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 69,451,813	$ 859,508
61,420	-
2,993,227	11,307
72,506,460	870,815
10,359,245	595,058
10,215,506	221,635
29,787,167	-
2,249,888	720,308
1,424,774	52,710
4,956,538	112,105
58,993,118	1,701,816
13,513,342	(831,001)
324,027	-
(373,183)	2
(2,613,690)	-
(867,616)	-
(9,068)	-
(3,539,530)	2
9,973,812	(830,999)
9,000,144	-
(10,800,436)	-
2,402,493	580,619
(8,397,943)	580,619
10,576,013	(250,380)
	1,303,893
	$ 1,053,513
(482,186)	
$ 10,093,827	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 17,652,955	$ 49,345,382	$ 5,464,431	$ 2,329,335
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(5,636,596)	(32,241,359)	(3,206,382)	(1,654,197)
Payments to employees	(3,729,413)	(3,460,674)	(2,133,705)	(1,056,852)
Net cash provided by (used in) operating activities	8,286,946	13,643,349	124,344	(381,714)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grant	-	-	-	324,027
Transfers out	(1,950,455)	(8,833,442)	-	(16,539)
Transfers in	-	-	197,199	2,205,294
Net cash provided by (used in) noncapital financing activities	(1,950,455)	(8,833,442)	197,199	2,512,782
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,221,069)	(1,529,137)	(739,513)	(1,134,971)
Intergovernmental grant	-	144	-	-
Proceeds from capital leases payable	-	-	560,032	-
Proceeds from the issuance of revenue bonds	57,500,000	-	-	-
Proceeds from the issuance of revenue bonds - bond premium	4,019,132	-	-	-
Principal paid on bonds	(60,281,000)	-	-	-
Principal paid on notes payable and capital leases	-	-	(26,847)	(165,571)
Bond closing costs	(1,422,068)	-	-	-
Deferred charges - refunding	(2,011,920)	-	-	-
Capital contributions	9,000,000	-	-	-
Principal paid on agreement due to Pike County	(40,815)	-	-	-
Interest paid	(2,519,418)	-	(2,425)	(60,838)
Net cash provided by (used in) capital and related financing activities	3,022,842	(1,528,993)	(208,753)	(1,361,380)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(579,613)	(16,226,216)	-	-
Proceeds from the sale of investments	1,625,520	11,772,272	14,941	-
Interest and dividends received	83,150	313,026	(7,374)	3
Net cash provided by investing activities	1,129,057	(4,140,918)	7,567	3
Increase (decrease) in cash and cash equivalents	10,488,390	(860,004)	120,357	769,691
Cash and cash equivalents:				
Beginning of year	766,667	3,899,251	178,619	816,212
End of year	$ 11,255,057	$ 3,039,247	$ 298,976	$ 1,585,903
Classified as:				
Cash and cash equivalents	$ 645,687	$ 2,913,216	$ 286,583	$ 1,502,823
Restricted assets, cash	10,609,370	126,031	12,393	83,080
	$ 11,255,057	$ 3,039,247	$ 298,976	$ 1,585,903

(Continued)

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 74,792,103	$ -
-	1,148,309
(42,738,534)	(987,641)
(10,380,644)	(585,198)
21,672,925	(424,530)
324,027	-
(10,800,436)	-
2,402,493	580,619
(8,073,916)	580,619
(4,624,690)	(30,993)
144	-
560,032	-
57,500,000	-
4,019,132	-
(60,281,000)	-
(192,418)	-
(1,422,068)	-
(2,011,920)	-
9,000,000	-
(40,815)	-
(2,582,681)	-
(76,284)	(30,993)
(16,805,829)	-
13,412,733	-
388,805	2
(3,004,291)	2
10,518,434	125,098
5,660,749	885,720
$ 16,179,183	$ 1,010,818
$ 5,348,309	$ 1,010,818
10,830,874	-
$ 16,179,183	$ 1,010,818

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	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)	$ 6,367,427	$ 7,279,604	$ (60,446)	$ (73,243)
Adjustments to reconcile operating income (loss) to net cash provided (used in) by operating activities:				
Depreciation	3,075,018	905,295	446,725	529,500
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	172,077	(17,619)	-	(151,322)
Decrease in due from other governments	-	804,087	-	31,599
(Increase) decrease in inventories	(192,395)	161,136	-	14,792
(Increase) decrease in due from other funds	(1,728,900)	(720,337)	(444,743)	(854,879)
Decrease in due from component units	-	32,124	-	-
(Increase) decrease in prepaids and other assets	379,066	(215,221)	6,075	(16,778)
Increase (decrease) in accounts payable	254,792	347,839	100,532	33,434
Increase (decrease) in accrued liabilities	31,376	(65,911)	49,809	33,976
Decrease in due to other governments	(53,856)	-	-	-
Decrease in customer deposits	-	(221,077)	-	-
Increase in landfill closure / postclosure care costs	-	-	76,207	-
Increase (decrease) in due to other funds	(17,659)	5,353,429	(49,815)	71,207
Net cash provided by (used in) operating activities	$ 8,286,946	$ 13,643,349	$ 124,344	$ (381,714)
Noncash investing, capital, and financing activities:				
Unrealized loss on investments	$ (120,975)	$ (641,013)	$ -	$ -
Net noncash investing, capital, and financing activities	$ (120,975)	$ (641,013)	$ -	$ -

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 13,513,342	$ (831,001)
4,956,538	112,105
3,136	-
835,686	-
(16,467)	8,482
(3,748,859)	112,597
32,124	-
153,142	997
736,597	(2,467)
49,250	9,860
(53,856)	-
(221,077)	-
76,207	-
5,357,162	164,897
$ 21,672,925	$ (424,530)
$ (761,988)	$ -
$ (761,988)	$ -

CITY OF GRIFFIN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2013

	Municipal Court
ASSETS	
Cash and cash equivalents	$ 42,880
Total assets	42,880
LIABILITIES	
Due to others	42,880
Total liabilities	$ 42,880

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. 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 (the "GASB") No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the component units' financial statements have been included as either blended or discretely presented. All of the City's component units have a June 30 year-end. As of June 30, 2013, the City does not have any blended component units.

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 position 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. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all the following funds: (General, all special revenue funds, 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 State Treasurer.

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, 2013, 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 position. Bond premiums and discounts, as well as 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.

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 were 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, 2013, the City contributed $187,346 and employees contributed $426,984.

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

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

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 Position – Net position represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets 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 position are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position are reported as unrestricted.

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

Q. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows / Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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 position

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 difference are as follows:

Capital leases payable	$	4,011,307
Bonds payable		866,397
Compensated absences		661,000
Accrued interest		48,187
Net adjustment to reduce *fund balance - total governmental funds* to arrive at net position - governmental activities	$	5,586,891

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 position 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 difference are as follows:

Capital outlay	$	2,637,525
Depreciation expense		(1,473,892)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	1,163,633

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 position." The details of this difference are as follows:

Tax allocation bond proceeds	$	(866,397)
Principal retirement on long-term debt		415,465
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	(450,932)

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 difference are as follows:

Compensated absences	$	58,475
Net pension asset		(199,011)
Accrued interest		(15,791)
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	(156,327)

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2013, are summarized as follows:

Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents	$	13,302,271
Investments		20,576,448
Restricted cash and cash equivalents		10,830,874
Restricted investments		7,844,851
Amounts as presented on the fiduciary statement of net position:		
Cash and cash equivalents - Agency Fund		42,880
Component Units - cash and cash equivalents		125,373
Total	$	52,722,697
Cash deposited with financial institutions	$	26,884,172
Cash deposited with Georgia Fund 1		2,653,725
Investments in the Municipal Competitive Trust		11,277,414
Investments in governmental bonds		10,422,941
Investments in corporate bonds		53,908
Investments in equities and various other securities		1,430,537
Total	$	52,722,697

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, 2013, the City's investment in Georgia Fund 1 was rated AAAf 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 $120,975 reflected as interest income in the Water & Sewer Fund, an unrealized loss of $641,013 reflected as interest income in the Electric Utility Fund and an unrealized loss of $55,843 reflected as interest income in the Cemetery Trust Fund.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2013, 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		$ 2,653,725	$ 2,653,725	$ -	$ -	$ -	$ -	$ -
Certificates of Deposit		2,582,774	152,478	1,931,530	498,766	-	-	-
Municipal Competitive Trust		11,277,414	11,277,414	-	-	-	-	-
Equities and various other non-maturing securities		1,430,537	NA	-	-	-	-	-
Governmental bonds	BBB-	38,583	-	-	38,583	-	-	-
Governmental bonds	A-	794,017	-	25,822	-	130,932	233,017	404,246
Governmental bonds	A	492,106	25,496	-	130,517	71,752	37,201	227,140
Governmental bonds	A+	638,287	-	-	-	58,457	176,453	403,377
Governmental bonds	AA-	2,202,792	-	282,012	443,440	496,320	458,780	522,240
Governmental bonds	AA	2,799,120	-	-	305,039	503,273	781,225	1,209,583
Governmental bonds	AA+	1,842,086	-	-	244,776	737,453	688,347	171,510
Governmental bonds	AAA	1,615,950	-	135,034	448,297	475,747	319,777	237,095
Corporate bonds	AAA	7,427	-	-	-	-	-	7,427
Corporate bonds	A	46,481	-	-	-	-	-	46,481
Total		$ 28,421,299	$ 14,109,113	$ 2,374,398	$ 2,109,418	$ 2,473,934	$ 2,694,800	$ 3,229,099

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, 2013, 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 June 30, 2013, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	Water/ Wastewater
Receivables:			
Taxes	$ 1,191,571	$ 5,097	$ -
Accounts	46,827	-	180,634
Intergovernmental	198,270	300,936	-
Gross receivables	1,436,668	306,033	180,634
Less: allowance for uncollectibles	(235,387)	-	(123,976)
Net total receivables	$ 1,201,281	$ 306,033	$ 56,658

	Electric	Nonmajor Enterprise	Total
Receivables:			
Taxes	$ -	$ -	$ 1,196,668
Accounts	16,425,980	308,346	16,961,787
Intergovernmental	367,909	-	867,115
Gross receivables	16,793,889	308,346	19,025,570
Less: allowance for uncollectibles	(8,109,648)	-	(8,469,011)
Net total receivables	$ 8,684,241	$ 308,346	$ 10,556,559

Included in the Electric Revenue Fund's intergovernmental receivable above is a $299,150 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 26, 2012, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on December 14, 2012, and payable on or before February 8, 2013, for the calendar year 2012 tax. Taxes not paid within 30 days of February 13, 2013 were subject to property tax liens on July 24, 2013. 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, 2013, the allowance for uncollectible property taxes was $235,387.

The tax rate levied during calendar year 2012 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, 2013 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	2,778,958	1,116,738	(45,339)	(2,226,852)	1,623,505
Total capital assets, not being depreciated	4,274,743	1,116,738	(45,339)	(2,226,852)	3,119,290
Capital assets, being depreciated:					
Buildings and improvements	8,939,470	174,020	-	1,679	9,115,169
Machinery and equipment	21,222,448	1,377,760	(453,315)	(351)	22,146,542
Infrastructure	30,820,709	-	(98,003)	2,225,524	32,948,230
Total capital assets, being depreciated	60,982,627	1,551,780	(551,318)	2,226,852	64,209,941
Less accumulated depreciation for:					
Buildings and improvements	(2,719,153)	(298,553)	-	-	(3,017,706)
Machinery and equipment	(18,993,272)	(904,074)	453,315	-	(19,444,031)
Infrastructure	(22,921,067)	(383,370)	98,003	-	(23,206,434)
Total accumulated depreciation	(44,633,492)	(1,585,997)	551,318	-	(45,668,171)
Total capital assets, being depreciated, net	16,349,135	(34,217)	-	2,226,852	18,541,770
Governmental activities capital assets, net	$ 20,623,878	$ 1,082,521	$ (45,339)	$ -	$ 21,661,060

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, $703,069 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	5,382,645	2,854,647	(9,068)	(2,125,053)	6,103,171
Total capital assets, not being depreciated	13,032,866	2,854,647	(9,068)	(2,125,053)	13,753,392
Capital assets, being depreciated:					
Land improvements	5,338,417	9,975	-	81,310	5,429,702
Buildings	36,315,960	254,529	-	-	36,570,489
Improvements other than buildings	101,550,666	30,534	-	1,995,151	103,576,351
Machinery and equipment	25,041,401	1,475,005	-	48,592	26,564,998
Total capital assets, being depreciated	168,246,444	1,770,043	-	2,125,053	172,141,540
Less accumulated depreciation for:					
Land improvements	(1,795,286)	(229,356)	-	-	(2,024,642)
Buildings	(15,439,722)	(851,091)	-	-	(16,290,813)
Improvements other than buildings	(31,030,170)	(2,542,195)	-	-	(33,572,365)
Machinery and equipment	(19,987,551)	(1,333,896)		-	(21,321,447)
Total accumulated depreciation	(68,252,729)	(4,956,538)	-	-	(73,209,267)
Total capital assets, being depreciated, net	99,993,715	(3,186,495)	-	2,125,053	98,932,273
Business-type activities capital assets, net	$ 113,026,581	$ (331,848)	$ (9,068)	$ -	$ 112,685,665

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 320,416
Public safety	581,505
Public works	533,794
Parks and recreation	25,326
Housing and economic development	12,851
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	112,105
Total depreciation expense - governmental activities	$ 1,585,997
Business-type activities:	
Water and wastewater	$ 3,075,018
Electric	905,295
Solid waste	446,725
Stormwater	290,306
Airport	134,348
Welcome center	43,549
Golf course	61,297
Total depreciation expense - business-type activities	$ 4,956,538

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, 2013, are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Combined Utility, Series 2012	$ 57,500,000	2.00% - 5.00%	2032	$ 57,500,000
Combined Utility, Series 2005	9,748,000	3.59%	2017	3,603,000
				61,103,000
			Less current portion	(2,293,000)
				$ 58,810,000

NOTE 6. LONG-TERM DEBT (CONTINUED)

Combined Public Utility Revenue Refunding Bonds, Series 2012

The City of Griffin Combined Public Utility Revenue Refunding Bonds, Series 2012 were issued in October 2012. The Series 2012 bonds were issued to provide funds to refund (advance refunding) all of the City's Revenue Refunding and Improvement Bonds, Series 2002. The net proceeds of were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2002 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The City determined that advance refunding the Series 2002 bonds with the series 2012 bonds would reduce the City's total debt service payments by approximately $11.055 million on an aggregate basis.

The Series 2012 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 2012 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 2012 bonds. No recourse may be had against the General Fund of the City for payment of the Series 2012 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
2014	$ 4,548,535	$ 2,293,000	$ 2,255,535
2015	4,547,887	2,354,000	2,193,887
2016	4,549,445	2,419,000	2,130,445
2017	4,538,568	2,487,000	2,051,568
2018	4,543,938	2,570,000	1,973,938
2019 - 2023	22,712,887	14,470,000	8,242,887
2024 - 2028	22,713,637	17,740,000	4,973,637
2029 - 2032	18,186,944	16,770,000	1,416,944
	$ 86,341,841	$ 61,103,000	$ 25,238,841

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, 2013:

Description	Original Amount	Interest Rate	Due Date	Amount
Stormwater GEFA Loan	$ 2,691,113	3.75%	2022	$ 1,510,510
			Less current portion	(153,826)
				$ 1,356,684

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

Fiscal Year Payable	Total	Principal	Interest
2014	$ 207,851	$ 153,826	$ 54,025
2015	207,851	159,695	48,156
2016	207,851	165,721	42,130
2017	207,851	172,171	35,680
2018	207,851	178,679	29,172
2019 - 2022	831,403	680,418	150,985
	$ 1,870,658	$ 1,510,510	$ 360,148

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, 2013:

Description	Original Amount	Interest Rate	Due Date	Amount
Due to Pike County	$ 374,469	7.00%	2016	$ 90,401

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

Fiscal Year Payable	Total	Principal	Interest
2014	$ 50,000	$ 43,672	$ 6,328
2015	50,000	46,729	3,271
	$ 100,000	$ 90,401	$ 9,599

Tax Allocation Bonds:

The City of Griffin Tax Allocation Bonds, Series 2012 were issued in October 2012 in the amount of $866,397. The Series 2012 bonds were issued to provide funds for construction related costs for the new Kroger Co. development within the City and to provide costs of issuance of the bonds. The Series 2012 bonds are limited obligations of the City payable solely from the revenues derived from the City's Tax Allocation District. The Series 2012 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. These bonds carry interest at 4% and are due on January 15, 2038. The 2012 bonds debt service requirements to maturity, including interest are as follows:

Fiscal Year Payable	Total	Principal	Interest
2014	$ 42,191	$ 7,535	$ 34,656
2015	42,191	7,836	34,355
2016	42,191	8,150	34,041
2017	46,105	12,390	33,715
2018	46,105	12,886	33,219
2019 - 2023	251,524	94,606	156,918
2024 - 2028	287,256	153,938	133,318
2029 - 2033	331,771	235,445	96,326
2034 - 2038	375,587	333,611	41,976
	$ 1,464,921	$ 866,397	$ 598,524

NOTE 6. LONG-TERM DEBT (CONTINUED)

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, Golf Course Fund, and Solid Waste Fund payments with annual interest rates varying from 1.76% to 7.81%.

The following is an analysis of equipment leased under capital leases as of June 30, 2013:

	Governmental Activities	Business-type Activities	Total
Buildings	$ 3,949,160	$ -	$ 3,949,160
Equipment	2,154,000	645,060	2,799,060
Less accumulated depreciation	(2,561,787)	(100,272)	(2,662,059)
Carrying value	$ 3,541,373	$ 544,788	$ 4,086,161

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, 2013:

Fiscal year ending	Governmental Activities	Business-type Activities	Total
2014	$ 506,960	$ 135,646	$ 642,606
2015	434,663	126,368	561,031
2016	432,418	117,089	549,507
2017	2,851,027	117,089	2,968,116
2018	74,333	87,817	162,150
2019 - 2022	284,755	-	284,755
Total minimum lease payments	4,584,156	584,009	5,168,165
Less amount representing interest	(572,849)	(23,732)	(596,581)
Present value of future minimum lease payments	$ 4,011,307	$ 560,277	$ 4,571,584
Less current maturities	(333,973)	(126,484)	(460,457)
	$ 3,677,334	$ 433,793	$ 4,111,127

NOTE 6. LONG-TERM DEBT (CONTINUED)

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 $667,285 over the remaining 10 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 $672,479 over the remaining 27-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.

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, 2013, represents the cumulative amount reported to date based on the use of approximately 26% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $1,838,704 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 rmay substantially increase.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Closure/Postclosure Care Costs (Continued)

Shoal Creek Road Landfill Phase 1 postclosure care costs	$ 667,285
Shoal Creek Road Landfill Phase 2 closure and postclosure care costs	672,479
Shoal Creek Road Landfill Phase 3 closure and postclosure care costs	644,996
Total closure and postclosure care costs recorded within the Solid Waste Fund	1,984,760
Less current portion	(91,640)
	$ 1,893,120

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 4,426,772	$ -	$ (415,465)	$ 4,011,307	$ 333,973
Bonds payable	-	866,397	-	866,397	7,535
Compensated absences	732,946	662,737	(720,896)	674,787	573,569
Governmental activity Long-term liabilities	$ 5,159,718	$ 1,529,134	$ (1,136,361)	$ 5,552,491	$ 915,077
Business-type activities:					
Revenue bonds	$ 63,884,000	$ 57,500,000	$ (60,281,000)	$ 61,103,000	$ 2,293,000
Bond premium	-	4,019,132	(50,745)	3,968,387	-
Net revenue bonds	63,884,000	61,519,132	(60,331,745)	65,071,387	2,293,000
Notes payable	1,658,780	-	(148,270)	1,510,510	153,826
Compensated absences	490,591	416,778	(446,274)	461,095	391,929
Capital leases	44,393	560,032	(44,148)	560,277	126,484
OPEB liability	304,498	730,000	(938,469)	96,029	-
Intergovernmental agreement	131,216	-	(40,815)	90,401	-
Landfill closure / postclosure	1,908,553	142,532	(66,325)	1,984,760	91,640
Business-type activity Long-term liabilities	$ 68,422,031	$ 63,368,474	$ (62,016,046)	$ 69,774,459	$ 3,056,879

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, $13,787 of internal service fund's compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences, net pension obligations, and net other postemployment benefit obligations 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, 2013, the date of the most recent actuarial valuation, there were 697 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	184
Vested terminated employees not yet receiving benefits	68
Active employees	445
Total	697

As of the most recent valuation date, January 1, 2013, 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)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/13	$ 48,906,689	$ 59,537,280	$ 10,630,591	82.1 %	$ 16,837,911	63.13 %

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 position 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, 2013.

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 15.66% of annual covered payroll.

C. Annual Pension Cost

For the year ended June 30, 2013, the City's annual pension cost was $2,742,354 for the City of Griffin Retirement Plan. The recommended contribution of $2,543,343 was determined as part of the January 1, 2012 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 13 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, 2013 is as follows:

Annual required contribution	$ 2,543,343
Interest on net pension obligation (asset)	(37,907)
Adjustments to annual required contribution	236,918
Annual pension cost	2,742,354
Contributions made	2,543,343
Decrease in net pension asset	199,011
Net pension obligation (asset), beginning of year	(1,895,344)
Net pension obligation (asset), end of year	$ (1,696,333)

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)
June 30, 2012	2,537,359	2,347,361	93%	(1,895,344)
June 30, 2013	2,742,354	2,543,343	93%	(1,696,333)

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, 2013:

Central services	$ 40,419
Hotel / Motel Tax Fund	249
Confiscated Assets Fund	90,337
2012 CDBG Fund	31
Tax Allocation Districts Fund	755,885

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 Position

The following funds had deficit fund balances/net position at June 30, 2013:

2012 CDBG Fund	$ 37,265
General Capital Projects Fund	27,887

The fund deficits in the 2012 CDBG Fund and the General Capital Projects Fund will be reduced through intergovernmental revenues and General Fund transfers.

NOTE 9. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2013 are as follows:

	Due From			
Due To	General	Nonmajor Governmental	Electric	Water / Wastewater
General Fund	$ -	$ 829,448	$ 2,533,983	$ -
Nonmajor governmental	47,363	96,078	-	-
Water / Wastewater		-	1,803,213	-
Electric	-	1,086	-	
Solid Waste	197,199	-	174,307	41,635
Internal service funds	32,992	-	6,238	16,293
Nonmajor enterprise	-	1,694	955,830	23
Total	$ 277,554	$ 928,306	$ 5,473,571	$ 57,951

Due To	Solid Waste	Nonmajor Enterprise	Internal Service	Total
General Fund	$ -	$ 14,220	$ 49,923	$ 3,427,574
Nonmajor governmental	-	-	-	143,441
Water/Wastewater	-	12,990	-	1,816,203
Electric	-	449,988	776,822	1,227,896
Solid Waste	-	35,696	46,477	495,314
Internal Service Funds	30,696	26,560	-	112,779
Nonmajor enterprise	-	76	-	957,623
Total	$ 30,696	$ 539,530	$ 873,222	$ 8,180,830

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, 2013 consisted of the following:

	Transfer To			
	General	Nonmajor Governmental	Water/ Wastewater	Electric
Transfer From				
General Fund	$ -	$ -	$ -	$ -
Nonmajor Governmental	85,843	33,867	-	-
Water / Wastewater	1,800,000	150,455	-	-
Electric	7,112,264	-	-	-
Internal Service	-	-	-	-
Nonmajor Enterprise	16,539	-	-	-
Total	$ 9,014,646	$ 184,322	$ -	$ -

	Solid Waste	Internal Service	Nonmajor Enterprise	Total
Transfer From				
General Fund	$ 197,199	$ 580,619	$ 467,577	$ 1,245,395
Nonmajor Governmental	-	-	16,539	136,249
Water / Wastewater	-	-	-	1,950,455
Electric	-	-	1,721,178	8,833,442
Internal Service	-	-	-	-
Nonmajor Enterprise	-	-	-	16,539
Total	$ 197,199	$ 580,619	$ 2,205,294	$ 12,182,080

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting 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, 2013, $57,870 of hotel/motel tax was collected. Of the total collected, over 50% was used for the promotion of tourism within the City ($16,539 to the Griffin Business and Tourism Association and $16,539 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, 2013, the City paid $23,628 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 has 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, 2013, 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 $29,846,997 in 2013.

At June 30, 2013, the outstanding debt of MEAG was approximately $5.89 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $306.11 million at June 30, 2013.

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 2013, the City contributed $938,469 to the plan, including $208,469 for current premiums and an additional $730,000 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	$	738,000
Interest on net OPEB obligation (asset)		(29,000)
Adjustments to annual required contribution		21,000
Annual OPEB cost		730,000
Contributions made		938,469
Decrease in net OPEB obligation		(208,469)
Net OPEB obligation, beginning of year		304,498
Net OPEB obligation, end of year	$	96,029

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 beginning in 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
June 30, 2012	1,123,000	872,385	78%	304,498
June 30, 2013	730,000	938,469	129%	96,029

Funded Status and Funding Progress

As of the most recent valuation date, July 1, 2012, 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)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/12	$ 3,463,306	$ 8,440,000	$ 4,976,694	41.0 %	$ 16,387,668	30.4 %

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, 2012.

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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.00 percent investment rate of return and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 4.2 percent in 2099. 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, 2012, was 20 years.

NOTE 17. OPERATING LEASES

The City has entered into several operating leases of various land parcels and buildings where the City is the lessor. 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, 2013 are as follows:

2014	$	88,385
2015		74,590
2016		38,718
	$	201,693

The City has also entered into several operating leases of various office equipment where the City is the lessee. The original leases have terms ranging from four 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, 2013 are as follows:

2014	$	37,871
2015		37,871
2016		37,871
2017		32,983
2018		4,272
	$	150,868

NOTE 18. SUBSEQUENT EVENT

The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. This entity consists of nine members who are to be appointed by the governing authorities of Spalding County and the City of Griffin. There was no activity by the Authority during the year ended June 30, 2013.

On May 14, 2013, the City and County entered into an intergovernmental agreement to effectively transfer all ownership and operation of the local airport to the newly created Airport Authority effective July 1, 2013. The City and the County have mutually agreed to fund one-half of the annual shortfall in revenues required to fund the Airport Authority's budget in future years. As such, the City's Airport Fund and all of its assets and activities were effectively transferred to the Airport Authority as of July 1, 2013 and will no longer be reported within the City's financial statements.

NOTE 19. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatements were required to the beginning net position of the Business-Type Activities and the Water / Wastewater Utility Fund to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Net position, Business - Type Activities, previously reported	$	73,638,344
Recognition of issuance costs incurred in prior periods		(642,968)
Beginning net position, Business - Type Activities, restated	$	72,995,376

Net position, Water / Wastewater Utility Fund, previously reported	$	23,017,045
Recognition of issuance costs incurred in prior periods		(642,968)
Beginning net position, Water and Sewer Fund, restated	$	22,374,077

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 (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/06	$ 36,580,945	$ 42,951,704	$ 6,370,759	85.2 %	$ 14,865,070	42.86 %
01/01/07	38,982,838	44,895,259	5,912,421	86.8	14,887,536	39.71
01/01/08	41,942,958	47,180,238	5,237,280	88.9	14,827,023	35.32
01/01/09	36,885,665	50,056,917	13,171,252	73.7	17,313,780	76.07
01/01/10	44,271,925	53,160,185	8,888,260	83.3	16,747,151	53.07
01/01/11	45,980,432	55,222,320	9,241,888	83.3	16,495,560	56.03
01/01/12	47,179,729	57,459,449	10,279,720	82.1	16,387,668	62.73
01/01/13	48,906,689	59,537,280	10,630,591	82.1	16,837,911	63.13

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 (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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	11.6	17,313,780	45.22
07/01/10	1,785,088	10,746,646	8,961,558	16.6	16,747,151	53.51
07/01/11	2,155,000	10,980,000	8,825,000	19.6	16,495,560	53.50
07/01/12	3,463,306	8,440,000	4,976,694	41.0	16,387,668	30.37

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

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 **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 **2012 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 **Neighborhood Stabilization Fund** accounts for grant revenues and expenditures relating to the purchase of foreclosed and abandoned properties.

The **Neighborhood Stabilization 3 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 **LCI Project Fund** accounts for various revenue sources and expenditures relating to public works projects.

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 capital projects of the City funded by the general revenues of the City.

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, 2013

	Special Revenue Funds						
ASSETS	**Hotel/ Motel Tax Fund**	**Multiple Grant Fund**	**Confiscated Assets Fund**	**Police Technology Fund**	**Court Technology Fund**	**Police Donations**	**2009 CDBG**
Cash and cash equivalents	$ -	$ 264,444	$ 210,796	$ 13,929	$ 22,631	$ 10,863	$ -
Investments	-	-	-	-	-	-	-
Taxes receivable	5,097	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	6,086	-	12,982	188	-
Assets held for resale	-	-	-	-	-	-	-
Total assets	$ 5,097	$ 264,444	$ 216,882	$ 13,929	$ 35,613	$ 11,051	$ -
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	3,640	177,669	-	3,982	-	185	-
Due to component unit	1,457	-	-	-	-	-	-
Total liabilities	5,097	177,669	-	3,982	-	185	-
FUND BALANCES (DEFICIT)							
Nonspendable:							
Assets held for resale	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-
Restricted for:							
Law enforcement	-	86,775	216,882	9,947	35,613	10,866	-
Cemetery maintenance (expendable)	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	-	86,775	216,882	9,947	35,613	10,866	-
Total liabilities and fund balances	$ 5,097	$ 264,444	$ 216,882	$ 13,929	$ 35,613	$ 11,051	$ -

(Continued)

							Capital Project Funds	
2010 CDBG	2012 CDBG	2008 CHIP	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts	LCI Project Fund	Federal Stimulus
$ -	$ -	$ 6,837	$ 102,366	$ -	$ 58,348	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	247,294	-	21,383	-	-	24,250	-
-	-	-	-	-	27,371	-	737
-	-	-	-	-	-	-	-
$ -	$ 247,294	$ 6,837	$ 123,749	$ -	$ 85,719	$ 24,250	$ 737
$ -	$ 284,530	$ -	$ -	$ -	$ -	$ -	$ -
-	29	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	284,559	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	24,250	-
-	-	-	-	-	-	-	-
-	-	6,837	123,749	-	85,719	-	737
-	(37,265)	-	-	-	-	-	-
-	(37,265)	6,837	123,749	-	85,719	24,250	737
$ -	$ 247,294	$ 6,837	$ 123,749	$ -	$ 85,719	$ 24,250	$ 737

(Continued)

CITY OF GRIFFIN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Project Funds		Permanent Funds		
ASSETS	**General Capital Projects Fund**	**SPLOST Fund**	**Cemetery Trust Fund**	**Mausoleum Trust Fund**	**Totals**
Cash and cash equivalents	$ 550	$ 3,700,499	$ 258,078	$ 316,293	$ 4,965,634
Investments	-	-	1,713,807	307,866	2,021,673
Taxes receivable	-	-	-	-	5,097
Due from other governments	8,009	-	-	-	300,936
Due from other funds	-	-	96,077	-	143,441
Assets held for resale	-	-	264,960	-	264,960
Total assets	$ 8,559	$ 3,700,499	$ 2,332,922	$ 624,159	$ 7,701,741
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 20,846	$ 28,901	$ -	$ -	$ 334,277
Due to other funds	15,600	432,489	26,923	267,789	928,306
Due to component unit	-	-	-	-	1,457
Total liabilities	36,446	461,390	26,923	267,789	1,264,040
FUND BALANCES (DEFICIT)					
Nonspendable:					
Assets held for resale	-	-	264,960	-	264,960
Permanent fund principal	-	-	1,953,151	187,936	2,141,087
Restricted for:					
Law enforcement	-	-	-	-	384,333
Cemetery maintenance (expendable)	-	-	87,888	168,434	256,322
Other capital projects	-	3,239,109	-	-	3,456,151
Unassigned	(27,887)	-	-	-	(65,152)
Total fund balances (deficit)	(27,887)	3,239,109	2,305,999	356,370	6,437,701
Total liabilities and fund balances	$ 8,559	$ 3,700,499	$ 2,332,922	$ 624,159	$ 7,701,741

(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, 2013

	Special Revenue Funds						
	Hotel/ Motel Tax Fund	Multiple Grant Fund	Confiscated Assets Fund	Police Technology Fund	Court Technology Fund	Police Donations	2009 CDBG
Revenues:							
Other taxes	$ 57,870	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Fines and forfeitures	-	-	86,404	32,046	16,134	-	-
Interest revenue	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	629	-
Other revenues	-	-	-	-	-	-	-
Total revenues	57,870	-	86,404	32,046	16,134	629	-
Expenditures:							
Current:							
Public safety	-	-	103,837	-	-	212	-
Public works	-	-	-	-	-	-	5,338
Housing and economic development	16,539	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	16,539	-	103,837	-	-	212	5,338
Excess (deficiency) of revenues over (under) expenditures	41,331	-	(17,433)	32,046	16,134	417	(5,338)
Other financing sources (uses)							
Tax allocation bond proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	37,380
Transfers out	(41,331)	-	-	(41,319)	(19,732)	-	-
Total other financing sources (uses)	(41,331)	-	-	(41,319)	(19,732)	-	37,380
Net change in fund balances	-	-	(17,433)	(9,273)	(3,598)	417	32,042
Fund balances (deficits), beginning of year	-	86,775	234,315	19,220	39,211	10,449	(32,042)
Fund balances (deficits), end of year	$ -	$ 86,775	$ 216,882	$ 9,947	$ 35,613	$ 10,866	$ -

(Continued)

						Capital Project Funds	
2010 CDBG	2012 CDBG	2008 CHIP	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts	LCI Project Fund	Federal Stimulus
$ -	$ -	$ -	$ -	$ -	$ 65,219	$ -	$ -
-	-	-	-	-	-	-	-
180,141	247,295	14,000	124,184	240,756	-	58,117	737
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
180,141	247,295	14,000	124,184	240,756	65,219	58,117	737
-	-	-	-	-	-	-	-
191,288	360,369	37,850	27,851	240,756	-	-	-
-	-	-	-	-	755,885	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	110,512	-	-
191,288	360,369	37,850	27,851	240,756	866,397	-	-
(11,147)	(113,074)	(23,850)	96,333	-	(801,178)	58,117	737
-	-	-	-	-	866,397	-	-
37,266	75,809	-	-	-	-	-	-
-	-	-	-	-	-	(33,867)	-
37,266	75,809	-	-	-	866,397	(33,867)	-
26,119	(37,265)	(23,850)	96,333	-	65,219	24,250	737
(26,119)	-	30,687	27,416	-	20,500	-	-
$ -	$ (37,265)	$ 6,837	$ 123,749	$ -	$ 85,719	$ 24,250	$ 737

(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, 2013

	Capital Project Funds		Permanent Funds		
	General Capital Projects Fund	SPLOST Fund	Cemetery Trust Fund	Mausoleum Trust Fund	Totals
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ 123,089
Charges for services	-	-	43,401	-	43,401
Intergovernmental	-	1,740,618	-	-	2,605,848
Fines and forfeitures	-	-	-	-	134,584
Interest revenue	-	86	7,640	(2,066)	5,660
Contributions and donations	-	-	-	-	629
Other revenues	-	-	37,339	-	37,339
Total revenues	-	1,740,704	88,380	(2,066)	2,950,550
Expenditures:					
Current:					
Public safety	-	-	-	-	104,049
Public works	-	-	34,874	5,185	903,511
Housing and economic development	-	-	-	-	772,424
Capital outlay	61,754	1,517,886	-	-	1,579,640
Debt service	-	-	-	-	110,512
Total expenditures	61,754	1,517,886	34,874	5,185	3,470,136
Excess (deficiency) of revenues over (under) expenditures	(61,754)	222,818	53,506	(7,251)	(519,586)
Other financing sources (uses)					
Tax allocation bond proceeds	-	-	-	-	866,397
Transfers in	33,867	-	-	-	184,322
Transfers out	-	-	-	-	(136,249)
Total other financing sources (uses)	33,867	-	-	-	914,470
Net change in fund balances	(27,887)	222,818	53,506	(7,251)	394,884
Fund balances (deficits), beginning of year	-	3,016,291	2,252,493	363,621	6,042,817
Fund balances (deficits), end of year	$ (27,887)	$ 3,239,109	$ 2,305,999	$ 356,370	$ 6,437,701

(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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 57,000	$ 57,870	$ 870
EXPENDITURES			
Housing and development	16,290	16,539	(249)
Total expenditures	16,290	16,539	(249)
Excess of revenues over expenditures	40,710	41,331	621
Other financing uses			
Transfers out	(40,710)	(41,331)	(621)
Total other financing uses	(40,710)	(41,331)	(621)
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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Interest revenue	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	86,775	86,775	-
FUND BALANCES, end of year	$ 86,775	$ 86,775	$ -

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 77,000	$ 86,404	$ 9,404
Interest revenue	-	-	-
Total revenues	77,000	86,404	9,404
EXPENDITURES			
Public safety	13,500	103,837	(90,337)
Total expenditures	13,500	103,837	(90,337)
Net change in fund balance	63,500	(17,433)	(80,933)
FUND BALANCES, beginning of year	234,315	234,315	-
FUND BALANCES, end of year	$ 297,815	$ 216,882	$ (80,933)

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 50,000	$ 32,046	$ (17,954)
Interest revenue	-	-	-
Total revenues	50,000	32,046	(17,954)
Excess of revenues over expenditures	50,000	32,046	(17,954)
Other financing uses			
Transfers out	(50,000)	(41,319)	8,681
Total other financing uses	(50,000)	(41,319)	8,681
Net change in fund balance	-	(9,273)	(9,273)
FUND BALANCES, beginning of year	19,220	19,220	-
FUND BALANCES, end of year	$ 19,220	$ 9,947	$ (9,273)

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 25,000	$ 16,134	$ (8,866)
Interest revenue	-	-	-
Total revenues	25,000	16,134	(8,866)
Excess of revenues over expenditures	25,000	16,134	(8,866)
Other financing uses			
Transfers out	(25,000)	(19,732)	5,268
Total other financing uses	(25,000)	(19,732)	5,268
Net change in fund balance	-	(3,598)	(3,598)
FUND BALANCES, beginning of year	39,211	39,211	-
FUND BALANCES, end of year	$ 39,211	$ 35,613	$ (3,598)

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Interest revenue	$ -	$ -	$ -
Contributions and donations	630	629	(1)
Total revenues	630	629	(1)
EXPENDITURES			
Current:			
Public safety	1,880	212	1,668
Total expenditures	1,880	212	1,668
Net change in fund balance	(1,250)	417	1,667
FUND BALANCES, beginning of year	10,449	10,449	-
FUND BALANCES, end of year	$ 9,199	$ 10,866	$ 1,667

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Total revenues	-	-	-
EXPENDITURES			
Public works	5,338	5,338	-
Total expenditures	5,338	5,338	-
Deficiency of revenues over expenditures	(5,338)	(5,338)	-
Other financing sources			
Transfers in	37,380	37,380	-
Total other financing sources	37,380	37,380	-
Net change in fund balance	32,042	32,042	-
FUND BALANCES (DEFICIT), beginning of year	(32,042)	(32,042)	-
FUND BALANCES (DEFICIT), end of year	$ -	$ -	$ -

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 180,141	$ 180,141	$ -
Total revenues	180,141	180,141	-
EXPENDITURES			
Public works	191,288	191,288	-
Total expenditures	191,288	191,288	-
Deficiency of revenues over expenditures	(11,147)	(11,147)	-
Other financing sources			
Transfers in	37,266	37,266	-
Total other financing sources	37,266	37,266	-
Net change in fund balance	26,119	26,119	-
FUND BALANCES (DEFICIT), beginning of year	(26,119)	(26,119)	-
FUND BALANCES, end of year	$ -	$ -	$ -

CITY OF GRIFFIN, GEORGIA
2012 CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 274,770	$ 247,295	$ (27,475)
Total revenues	274,770	247,295	(27,475)
EXPENDITURES			
Public works	360,338	360,369	(31)
Total expenditures	360,338	360,369	(31)
Deficiency of revenues over expenditures	(85,568)	(113,074)	(27,506)
Other financing sources			
Transfers in	85,568	75,809	(9,759)
Total other financing sources	85,568	75,809	(9,759)
Net change in fund balance	-	(37,265)	(37,265)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	$ -	$ (37,265)	$ (37,265)

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 142,600	$ 14,000	$ (128,600)
Total revenues	142,600	14,000	(128,600)
EXPENDITURES			
Public works	142,600	37,850	104,750
Total expenditures	142,600	37,850	104,750
Net change in fund balance	-	(23,850)	(23,850)
FUND BALANCES, beginning of year	30,687	30,687	-
FUND BALANCES, end of year	$ 30,687	$ 6,837	$ (23,850)

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 100,000	$ 124,184	$ 24,184
Total revenues	100,000	124,184	24,184
EXPENDITURES			
Public works	100,000	27,851	72,149
Total expenditures	100,000	27,851	72,149
Net change in fund balance	-	96,333	96,333
FUND BALANCES, beginning of year	27,416	27,416	-
FUND BALANCES, end of year	$ 27,416	$ 123,749	$ 96,333

CITY OF GRIFFIN, GEORGIA
NEIGHBORHOOD STABILIZATION 3 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 350,000	$ 240,756	$ (109,244)
Total revenues	350,000	240,756	(109,244)
EXPENDITURES			
Public works	350,000	240,756	109,244
Total expenditures	350,000	240,756	109,244
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -

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, 2013

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 22,750	$ 65,219	$ 42,469
Total revenues	22,750	65,219	42,469
EXPENDITURES			
Current:			
Housing and economic development	-	755,885	(755,885)
Debt service - bond issuance costs	-	110,512	(110,512)
Total expenditures	-	755,885	(755,885)
Deficiency of revenues over expenditures	22,750	(690,666)	(713,416)
Other financing sources			
Tax allocation bond proceeds	-	866,397	866,397
Total other financing sources	-	866,397	866,397
Net change in fund balance	22,750	175,731	152,981
FUND BALANCES, beginning of year	20,500	20,500	-
FUND BALANCES, end of year	$ 43,250	$ 196,231	$ 152,981

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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	$ 37,167	$ -	$ 37,167
Signals phase I	487,893	487,893	99,351	-	99,351
Signals phase II	182,013	182,013	48,217	-	48,217
Intersections	144,860	144,860	566,820	138,975	705,795
Airport road intersection	55,000	55,000	-	-	-
6th Street Bridge	643,340	643,340	853,993	25,628	879,621
Meriwether Street Bridge	275,000	275,000	-	-	-
Poplar Street Bridge	275,000	275,000	-	-	-
Street Resurfacing	1,800,000	1,800,000	772,149	1,099,341	1,871,490
Block Improvement	500,000	500,000	3,000	-	3,000
Sidewalks	490,728	490,728	-	208,127	208,127
North Hill Street LCI	3,000,000	3,000,000	-	45,815	45,815
Utilities / Engineering	2,435,465	2,435,465	-	-	-
	$ 10,874,590	$ 10,874,590	$ 2,380,697	$ 1,517,886	$ 3,898,583
Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance				$ 1,517,886	

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 POSITION
NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2013

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
ASSETS					
CURRENT ASSETS					
Cash	$ 869,394	$ 311,512	$ -	$ 321,917	$ 1,502,823
Restricted assets, cash	-	-	-	83,080	83,080
Accounts receivable, net of allowances	-	301,224	-	7,122	308,346
Due from other funds	956,087	79	1,457	-	957,623
Inventories	-	53,629	-	22,448	76,077
Prepaid expenses	10,938	23,973	1,491	2,203	38,605
Total current assets	1,836,419	690,417	2,948	436,770	2,966,554
NONCURRENT ASSETS					
Capital assets:					
Nondepreciable	955,622	281,462	365,500	1,492,380	3,094,964
Depreciable, net of accumulated depreciation	5,258,569	2,632,899	1,549,169	304,921	9,745,558
Total noncurrent assets	6,214,191	2,914,361	1,914,669	1,797,301	12,840,522
Total assets	8,050,610	3,604,778	1,917,617	2,234,071	15,807,076
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	175,493	23,890	361	5,210	204,954
Accrued liabilities	17,352	10,760	-	8,456	36,568
Current portion - compensated absences	11,131	8,973	-	5,288	25,392
Current portion - notes payable	153,826	-	-	-	153,826
Current portion - capital leases payable	-	-	-	17,906	17,906
Due to other funds	22,931	406,605	18,630	91,364	539,530
Total current liabilities	380,733	450,228	18,991	128,224	978,176
NONCURRENT LIABILITIES					
Compensated absences, net of current portion	1,965	1,584	-	933	4,482
Notes payable, net of current portion	1,356,684	-	-	-	1,356,684
Capital leases payable, net of current portion	-	-	-	9,186	9,186
Total noncurrent liabilities	1,358,649	1,584	-	10,119	1,370,352
Total liabilities	1,739,382	451,812	18,991	138,343	2,348,528
NET POSITION					
Net investment in capital assets	4,703,681	2,914,361	1,914,669	1,770,209	11,302,920
Unrestricted	1,607,547	238,605	(16,043)	325,519	2,155,628
Total net position	$ 6,311,228	$ 3,152,966	$ 1,898,626	$ 2,095,728	$ 13,458,548

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
OPERATING REVENUES					
Charges for services	$ 2,203,783	$ 681,441	$ 11,524	$ 236,934	$ 3,133,682
Other services	15,242	2,479	-	-	17,721
Total operating revenues	2,219,025	683,920	11,524	236,934	3,151,403
OPERATING EXPENSES					
Personal services	645,746	187,977	-	234,237	1,067,960
Purchased or contracted service	396,452	631,165	70,514	138,225	1,236,356
Supplies	147,976	15,406	1,485	43,738	208,605
Miscellaneous	8,417	43,670	108	130,030	182,225
Depreciation	290,306	134,348	43,549	61,297	529,500
Total operating expenses	1,488,897	1,012,566	115,656	607,527	3,224,646
Operating income (loss)	730,128	(328,646)	(104,132)	(370,593)	(73,243)
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	182,849	141,178	-	-	324,027
Interest revenue	-	1	-	2	3
Interest expense	(59,153)	-	-	(1,231)	(60,384)
Loss on sale of capital assets	(3,631)	-	-	-	(3,631)
Total nonoperating revenues (expenses)	120,065	141,179	-	(1,229)	260,015
Income (loss) before transfers	850,193	(187,467)	(104,132)	(371,822)	186,772
TRANSFERS					
Transfers out	-	-	(16,539)	-	(16,539)
Transfers in	1,721,178	52,681	61,433	370,002	2,205,294
Total transfers	1,721,178	52,681	44,894	370,002	2,188,755
Change in net position	2,571,371	(134,786)	(59,238)	(1,820)	2,375,527
NET POSITION, beginning of year	3,739,857	3,287,752	1,957,864	2,097,548	11,083,021
NET POSITION, end of year	$ 6,311,228	$ 3,152,966	$ 1,898,626	$ 2,095,728	$ 13,458,548

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,251,981	$ 710,818	$ 26,573	$ 339,963	$ 2,329,335
Payments to suppliers	(436,437)	(666,518)	(71,319)	(479,923)	(1,654,197)
Payments to employees	(646,793)	(187,066)	(148)	(222,845)	(1,056,852)
Net cash provided by (used in) operating activities	168,751	(142,766)	(44,894)	(362,805)	(381,714)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental	182,849	141,178	-	-	324,027
Transfers out	-	-	(16,539)	-	(16,539)
Transfers in	1,721,178	52,681	61,433	370,002	2,205,294
Net cash provided by noncapital financing activities	1,904,027	193,859	44,894	370,002	2,512,782
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,031,499)	(36,438)	-	(67,034)	(1,134,971)
Principal paid on notes payable and capital leases	(148,270)	-	-	(17,301)	(165,571)
Interest paid	(59,582)	-	-	(1,256)	(60,838)
Net cash used in capital and related financing activities	(1,239,351)	(36,438)	-	(85,591)	(1,361,380)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	-	1	-	2	3
Net cash provided by investing activities	-	1	-	2	3
Increase (decrease) in cash and cash equivalents	833,427	14,656	-	(78,392)	769,691
Cash and cash equivalents:					
Beginning of year	35,967	296,856	-	483,389	816,212
End of year	$ 869,394	$ 311,512	$ -	$ 404,997	$ 1,585,903
Classified as:					
Cash	$ 869,394	$ 311,512	$ -	$ 321,917	$ 1,502,823
Restricted assets, cash	-	-	-	83,080	83,080
	$ 869,394	$ 311,512	$ -	$ 404,997	$ 1,585,903

(Continued)

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	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)	$ 730,128	$ (328,646)	$ (104,132)	$ (370,593)	$ (73,243)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	290,306	134,348	43,549	61,297	529,500
(Increase) decrease in accounts receivable	-	(153,975)	-	2,653	(151,322)
Decrease in due from other governments	31,599	-	-	-	31,599
(Increase) decrease in inventory	-	17,829	-	(3,037)	14,792
(Increase) decrease in due from other funds	(955,830)	-	575	100,376	(854,879)
(Increase) decrease in prepaids and other assets	(3,573)	(12,982)	63	(286)	(16,778)
Increase (decrease) in accounts payable	107,129	9,008	2	(82,705)	33,434
Increase in accrued liabilities	11,805	10,779	-	11,392	33,976
Increase (decrease) in due to other funds	(42,813)	180,873	15,049	(81,902)	71,207
Net cash provided by (used in) operating activities	$ 168,751	$ (142,766)	$ (44,894)	$ (362,805)	$ (381,714)

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Municipal Court			
	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
ASSETS				
Cash and cash equivalents	$ 48,636	$ 951,193	$ (956,949)	$ 42,880
Total assets	$ 48,636	$ 951,193	$ (956,949)	$ 42,880
LIABILITIES				
Due to others	$ 48,636	$ 951,193	$ (956,949)	$ 42,880
Total liabilities	$ 48,636	$ 951,193	$ (956,949)	$ 42,880

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
COMPONENT UNITS

JUNE 30, 2013

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
ASSETS			
Cash and cash equivalents	$ 8,496	$ 115,838	$ 1,039
Due from primary government	-	-	3,812
Prepaid items	123	123	-
Total assets	8,619	115,961	4,851
LIABILITIES			
Accounts payable	419	-	-
Accrued liabilities	1,547	2,632	-
Due to primary government	19,267	20,172	54
Total liabilities	21,233	22,804	54
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepaid items	123	123	-
Unassigned	(12,737)	93,034	4,797
Total fund balance (deficit)	$ (12,614)	$ 93,157	$ 4,797

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2013

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Revenues			
Intergovernmental	$ 74,754	$ 97,044	$ 29,579
Contributions	-	10,000	-
Interest	-	131	-
Total revenues	74,754	107,175	29,579
Expenditures			
Personal services	54,182	62,011	11,653
Purchased or contracted services	21,344	18,500	1,000
Supplies	727	237	369
Miscellaneous	3,077	250	14,777
Total expenditures	79,330	80,998	27,799
Net change in fund balance	(4,576)	26,177	1,780
FUND BALANCE (Deficit), beginning of year	(8,038)	66,980	3,017
FUND BALANCE (Deficit), end of year	$ (12,614)	$ 93,157	$ 4,797

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 ..... **95 - 103**
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 ..... **104 - 110**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **111 - 114**
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 ..... **115 and 116**
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 ..... **117 - 119**
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 2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

CITY OF GRIFFIN, GEORGIA

NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	$ 12,732,908	$ 16,924,455	$ 14,785,016	$ 14,408,710	$ 12,991,539	$ 12,975,572	$ 13,665,934	$ 15,867,708	$ 16,197,106	$ 17,649,753
Restricted	-	-	-	-	-	-	-	3,334,266	3,826,867	4,206,163
Unrestricted	(805,825)	5,039,737	6,717,474	7,397,437	7,662,397	7,673,140	12,015,787	12,677,719	15,725,008	15,001,410
Total governmental activities net position	$ 11,927,083	$ 21,964,192	$ 21,502,490	$ 21,806,147	$ 20,653,936	$ 20,648,712	$ 25,681,721	$ 31,879,693	$ 35,748,981	$ 36,857,326
Business-type activities										
Net investment in capital assets	$ 38,011,083	$ 44,633,488	$ 43,107,249	$ 47,045,720	$ 47,793,223	$ 46,056,274	$ 45,704,091	$ 47,893,557	$ 47,439,408	$ 45,543,491
Restricted	2,319,938	2,212,070	1,414,792	1,025,014	1,025,014	995,921	1,000,105	1,007,038	1,013,568	10,404,843
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	25,185,368	27,140,869
Total business-type activities net position	$ 60,176,677	$ 57,307,441	$ 59,435,006	$ 59,809,627	$ 58,441,808	$ 60,163,364	$ 65,460,458	$ 69,797,622	$ 73,638,344	$ 83,089,203
Primary government										
Net investment in capital assets	$ 50,743,991	$ 61,557,943	$ 57,892,265	$ 61,454,430	$ 60,784,762	$ 59,031,846	$ 59,370,025	$ 63,761,265	$ 63,636,514	$ 63,193,244
Restricted	2,319,938	2,212,070	1,414,792	1,025,014	1,025,014	995,921	1,000,105	4,341,304	4,840,435	14,611,006
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	40,910,376	42,142,279
Total primary government net position	$ 72,103,760	$ 79,271,633	$ 80,937,496	$ 81,615,774	$ 79,095,744	$ 80,812,076	$ 91,142,179	$ 101,677,315	$ 109,387,325	$ 119,946,529

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 4,149,134	$ 4,817,013
Judicial	16,453	232,360	147,337	138,435	155,443	154,801	166,044	168,762	251,537	163,995
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	14,803,719	14,671,072
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	4,389,885	6,125,980
Parks and recreation	346,028	350,586	412,667	426,302	464,517	535,047	265,882	265,527	288,563	306,880
Housing and development	672,308	360,112	596,803	755,454	811,268	574,377	960,351	897,705	893,084	1,744,909
Interest and fiscal changes	19,207	45,564	21,826	175,391	254,579	232,108	218,882	206,442	192,630	315,732
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	24,968,552	28,145,581
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	16,324,849	16,452,354
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	35,759,349	36,908,037
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	5,990,274	6,259,574
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	1,634,492	1,607,053
Airport	1,196,739	882,948	1,025,792	1,163,804	974,200	911,534	806,985	928,157	780,458	1,014,246
Welcome Center	94,566	108,408	122,687	97,060	103,441	101,039	108,418	107,105	106,178	115,656
Golf Course [d]	793,608	436,261	41,378	37,695	319,360	595,589	551,005	561,208	601,361	608,758
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	61,196,961	62,965,678
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	86,165,513	91,111,259
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	4,745,905	5,241,268
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	1,151,869	1,035,788
Public works	138,404	122,543	216,254	194,501	220,743	181,713	174,843	200,332	205,135	197,369
Parks and recreation	39,088	55,880	55,140	231,099	213,252	183,146	211,449	210,767	207,638	207,317
Housing and economic development	343,218	340,657	344,629	389,600	231,281	127,306	115,216	101,832	149,688	127,337
Operating grants and contributions	347,941	449,113	413,975	363,998	338,472	406,984	1,693,407	1,053,102	401,862	790,343
Capital grants and contributions [f]	231,660	-	-	335,500	394,613	-	2,488,143	3,342,662	1,728,069	2,244,969
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	8,590,166	9,844,391

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 19,535,423	$ 19,281,293
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	44,721,076	44,114,775
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	5,899,648	5,958,989
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	2,164,061	2,219,025
Airport	439,151	471,849	536,607	637,397	650,450	486,881	478,507	427,705	522,811	683,920
Welcome center	22,346	9,486	3,375	-	-	-	5,300	10,325	10,825	11,524
Golf course	333,218	193,584	13,000	16,988	183,752	316,858	300,866	284,412	234,223	236,934
Operating grants and contributions	105,000	158,883	155,219	155,219	157,276	206,103	141,499	169,809	46,773	182,849
Capital grants and contributions [f]	603,498	4,319	11,800	-	127,333	735,186	571,622	331,663	117,206	9,141,322
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	73,252,046	81,830,631
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	81,842,212	91,675,022
General revenues and other changes in net position										
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	4,575,821	4,562,903
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	3,482,760	3,409,570
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	1,108,956	1,177,972
Alcoholic beverage taxes	569,880	583,404	607,163	616,134	646,473	644,810	614,651	620,485	635,971	621,130
Business occupational taxes	457,428	457,860	451,474	462,636	442,655	384,289	415,842	404,400	421,639	416,930
Other taxes	158,789	175,018	186,959	181,064	181,316	166,668	179,848	196,315	196,560	253,890
Franchise fees	565,660	571,945	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345
Unrestricted investment earnings	116,630	115,668	112,359	314,039	73,214	(158,665)	(81,675)	245,221	163,807	9,852
Gain on sale of assets	-	-	71,085	21,607	82,281	50,012	30,023	10,530	72,546	-
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	9,033,356	8,397,943
Total governmental activities general revenues and changes in net position	12,983,127	19,124,007	16,311,637	17,996,105	16,775,313	17,190,659	17,402,146	20,896,830	20,247,674	19,409,535
Business-type activities:										
Unrestricted investment earnings	286,495	742,558	811,917	747,202	619,561	372,215	410,381	231,019	783,095	(373,183)
Gain on sale of assets	265,698	-	42,631	572,424	(4,567)	-	-	9,177	35,898	-
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)	(9,033,356)	(8,397,943)
Total business type activities general revenues and changes in net position	(1,390,102)	(7,049,323)	(3,668,110)	(4,633,247)	(4,210,313)	(5,825,726)	(5,821,421)	(9,334,815)	(8,214,363)	(8,771,126)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total primary government general revenues and other changes in net position	$ 11,593,025	$ 12,074,684	$ 12,643,527	$ 13,362,858	$ 12,565,000	$ 11,364,933	$ 11,580,725	$ 11,562,015	$ 12,033,311	$ 10,638,409
Change in net position										
Governmental activities	(2,738,623)	3,777,506	(461,702)	303,657	(1,152,211)	(5,224)	5,032,550	6,197,972	3,869,288	1,108,345
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	3,840,722	10,093,827
Total primary government change in net position	$ (4,583,994)	$ 908,270	$ 1,665,863	$ 678,278	$ (2,520,030)	$ 1,716,332	$ 10,329,644	$ 10,535,136	$ 7,710,010	$ 11,202,172

(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

Note: Information prior to 2004 was not available.

CITY OF GRIFFIN, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS

	Fiscal Year		
	2011	2012	2013
General Fund			
Nonspendable	$ 211,407	$ 188,035	$ 217,727
Restricted	109,357	109,357	109,357
Committed	-	-	-
Assigned	-	-	-
Unassigned	4,290,717	7,795,166	7,624,705
Total General fund	4,611,481	8,092,558	7,951,789
All Other Governmental Funds			
Nonspendable, reported in:			
Special revenue funds	$ -	$ -	$ -
Capital projects funds	-	-	-
Permanent funds	2,233,107	2,325,307	2,406,047
Restricted, reported in:			
Special revenue funds	355,797	410,412	576,388
Capital projects funds	2,698,470	3,016,291	3,264,096
Permanent funds	170,642	290,807	256,322
Unassigned	-	-	(65,152)
Total all other governmental funds	$ 5,458,016	$ 6,042,817	$ 6,437,701
Total all governmental funds	$ 10,069,497	$ 14,135,375	$ 14,389,490

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF GRIFFIN, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 4,699,665	$ 4,451,514
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	5,845,886	5,879,492
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	4,795,078	5,251,331
Licenses and permits	493,902	488,576	521,097	545,177	396,528	300,540	284,588	285,302	319,097	312,916
Intergovernmental	347,941	449,113	413,975	363,998	397,585	406,984	4,162,422	4,286,767	2,243,559	3,031,251
Franchise fees	565,660	571,945	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345
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	1,084,115	984,364
Interest revenues	116,236	115,657	112,359	314,039	68,533	(159,027)	(82,058)	244,569	162,991	9,936
Rental income	41,308	53,505	69,743	238,126	215,418	191,521	195,969	196,689	193,874	193,944
Contributions and donations	100	6,970	16,276	5,953	21,046	4,314	35,626	3,766	3,165	629
Other revenues	50,719	814,707	662,694	741,899	128,899	147,835	55,864	42,020	64,906	65,895
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	19,968,594	20,740,617
Expenditures:										
Current:										
General government [c]	4,036,999	4,563,333	5,412,240	10,291,124	4,405,393	4,144,099	3,627,897	4,071,171	3,974,565	4,534,475
Judicial [a]	16,453	308,837	133,113	138,431	154,045	154,315	165,023	168,195	251,021	163,570
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	14,070,597	14,801,325
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	4,962,104	5,299,122
Parks and recreation	348,834	315,171	472,303	432,342	451,220	543,691	310,404	293,622	317,098	372,654
Housing and development	670,576	394,161	590,356	745,818	800,422	566,739	949,545	892,066	879,060	1,749,118
Capital outlay	339,740	11,584	37,745	10,734	258,331	300,440	88,322	1,675,504	577,948	1,579,640
Debt service:										
Principal	-	29,059	129,983	261,154	544,731	663,610	712,094	463,214	427,584	415,465
Interest and fiscal charges	-	40,106	21,826	38,150	353,919	235,199	220,395	208,474	191,383	299,941
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	25,651,360	29,215,310
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)	(5,682,766)	(8,474,693)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 9,496,699	$ 9,198,968
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)	(463,343)	(1,381,644)
Tax allocation bond proceeds	-	-	-	-	-	-	-	-	-	866,397
Capital leases	-	577,104	628,514	4,408,000	756,676	-	645,165	-	642,742	-
Proceeds from the sale of capital assets	-	-	155,175	21,607	-	-	21,500	30	72,546	45,087
Total other financing sources	929,048	7,183,355	4,543,372	9,440,776	5,163,381	5,554,408	6,448,467	8,331,331	9,748,644	8,728,808
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	$ 4,065,878	$ 254,115
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.34%	0.69%	1.26%	3.78%	3.84%	4.04%	2.74%	2.63%	2.69%

Note: Information prior to 2004 was not available.

(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
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
2012	4,700	3,483	422	2,498	11,103
2013	4,452	3,410	417	2,612	10,890

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
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%
2012	2011	250,589,805	217,247,424	70,044,477	38,851,735	36,982,207	539,751,234	8.63	1,349,378,085	40%
2013	2012	215,342,724	235,452,254	69,272,022	42,605,915	40,442,206	522,230,709	8.63	1,305,576,773	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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Municipal rates:										
City of Griffin:										
Maintenance and operations	14.53	14.61	14.97	15.11	15.18	14.95	14.95	14.95	14.95	14.95
Debt service	-	-	-	-	-	-	-	-	-	-
Sales tax reduction	(5.68)	(5.96)	(6.34)	(6.51)	(6.54)	(6.35)	(6.32)	(6.32)	(6.32)	(6.32)
Total City of Griffin	8.85	8.65	8.63	8.60	8.64	8.60	8.64	8.64	8.64	8.64
City of Orchard Hill maintenance and operations	5.00	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.00
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.29	4.29	4.08
Spalding County rates:										
Unincorporated maintenance and operations	13.53	13.46	13.41	13.39	13.89	13.88	14.88	14.81	15.01	15.01
Fire protection (1)	4.70	4.76	4.81	4.81	4.83	4.82	5.04	5.98	5.98	5.98
Insurance premium rollback (1)	(1.61)	(1.69)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.81)	(1.81)
Board of Education	18.95	18.90	18.85	18.82	18.81	18.80	18.80	18.80	19.06	19.47
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20
Total Unincorporated Spalding County	35.82	35.68	35.56	35.51	35.99	35.96	37.16	38.03	38.49	38.85
Total Municipalities:										
City of Griffin	41.58	41.26	41.14	41.08	41.07	41.53	41.57	41.57	41.83	42.19
City of Orchard Hill	37.73	37.60	37.46	37.43	37.38	37.88	37.88	37.88	38.14	38.55
City of Sunny Side	37.09	36.97	36.87	36.84	36.79	37.29	37.29	37.22	37.48	37.63

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	
2004	2003	$ 4,858,911	$ 4,696,598	96.66%	$ 162,313	$ 4,858,911	100.00%	$ -
2005	2004	4,985,616	4,863,916	97.56%	121,700	4,985,616	100.00%	-
2006	2005	4,823,638	4,702,117	97.48%	119,030	4,821,147	99.95%	2,491
2007	2006	4,921,300	4,807,096	97.68%	100,733	4,907,829	99.73%	13,471
2008	2007	5,021,890	4,843,578	96.45%	168,833	5,012,411	99.81%	9,479
2009	2008	5,015,275	4,809,253	95.89%	188,136	4,997,389	99.64%	17,886
2010	2009	4,888,103	4,682,081	95.79%	161,956	4,844,037	99.10%	44,066
2011	2010	4,571,371	4,264,314	93.28%	233,882	4,498,196	98.40%	73,175
2012	2011	4,661,292	4,455,818	95.59%	83,258	4,539,076	97.38%	122,216
2013	2012	4,621,315	4,355,689	94.25%	-	4,355,689	94.25%	265,626

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 NINE YEARS AGO

Taxpayer	2013 Taxable Assessed Value (In thousands)	2013 Rank	2013 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	$ 39,694	1	3.04%	$ 27,492	3	2.00%
Bandag Inc.	23,938	2	1.83%	21,211	6	1.55%
Exo-Tech Packaging LLC	23,908	3	1.83%	17,928	8	1.31%
Wal-Mart Stores	22,907	4	1.75%	24,413	5	1.78%
International Paper	16,795	5	1.29%			
Lowes Home Centers, Inc.	13,222	6	1.01%	11,985	10	0.87%
First National Bank of Griffin	11,953	7	0.92%	-		-
Home Depot	10,657	8	0.82%	-		-
Walden Point	10,381	9	0.80%	-		-
NACOM	9,612	10	0.74%	109,007	1	7.94%
Cooper Standard	-		-	28,470	2	2.07%
Bellsouth Telecomm	-		-	25,711	4	1.87%
Weyerhaeuser Co.	-		-	17,953	7	1.31%
Griffin Crossing, LLC	-		-	12,090	9	0.88%
Total	$ 183,067		14.02%	$ 296,260		19.58%

Source: Spalding County Tax Assessor

CITY OF GRIFFIN, GEORGIA

TOP TEN SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2013				2004			
Customer	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Southern Terry	73,050,600	$ 546,850	1	7.97 %	53,399,800	$ 246,825	1	5.24 %
Spalding Co. Law Enforcement	35,326,400	545,422	2	7.95				
AMI Griffin-Spalding Co. Hospital	30,648,600	243,596	3	3.55	20,331,000	96,999	3	2.06
Westdale Freddie Properties, LLC	22,377,400	89,765	4	1.31	-	-		-
Griffin Housing Authority	21,507,800	170,148	5	2.48	14,440,000	68,645	6	1.46
Northside Hills Apartments	20,968,600	156,988	6	2.29	-	-		-
Spalding Co. Correctional Institute	15,364,800	119,144	7	1.74	6,431,800	32,504	9	0.69
Walden Pointe Apartments	15,361,400	134,555	8	1.96	-	-		-
Caterpillar Inc.	13,688,400	110,904	9	1.62				
Brightmoor Health	12,134,400	78,165	10	1.14	-	-		-
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
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
	260,428,400	$ 2,195,537		32.01 %	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 NINE YEARS AGO

Customer	2013 Usage (in gallons)	2013 Charges	2013 Rank	2013 Percentage of Total Revenues	2004 Usage (in gallons)	2004 Charges	2004 Rank	2004 Percentage of Total Revenues
Spalding County Water Authority	775,325,841	$ 7,792,612	1	63.47 %	-	$ -		- %
Coweta County Water and Sewer	1,109,632,000	2,851,639	2	23.23	-	-		-
City of Zebulon	63,649,100	501,336	3	4.08	75,810,300	161,512	3	2.38
Southern Terry	73,050,600	337,241	4	2.75	53,399,800	177,424	2	2.61
AMI Griffin-Spalding Co. Hospital	30,648,600	153,336	5	1.25	20,331,000	70,619	5	1.04
Griffin Housing Authority	21,507,800	124,605	6	1.01	14,440,800	49,995	9	0.74
City of Williamson	12,389,600	97,562	7	0.79	-	-		-
Griffin Health Care Center 1762	8,151,400	45,395	8	0.37	-	-		-
American Tanning & Leather	6,158,800	42,220	9	0.34	-	-		-
International Paper	6,913,800	37,867	10	0.31	-	-		-
Springs Ind. Inc.	-	-		-	409,329,500	878,959	1	12.94
National Housing Management Service	-	-		-	26,176,500	99,299	4	1.46
NACOM	-	-		-	17,534,000	60,679	6	0.89
Cooper Standard	-	-		-	17,496,800	60,300	7	0.89
University of Georgia, Griffin Campus	-	-		-	16,060,200	58,785	8	0.87
Spalding Co. Correctional Institute	-	-		-	11,634,200	44,224	10	0.65
	2,107,427,541	$ 11,983,813		97.61 %	662,213,100	$ 1,661,796		24.47 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

TOP TEN ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2013 Usage (in kHz)	2013 Charges	2013 Rank	2013 Percentage of Total Revenues	2004 Usage (in kHz)	2004 Charges	2004 Rank	2004 Percentage of Total Revenues
City of Griffin WasteWater Treatment Plant	15,855,318	$ 1,434,281	1	3.48 %	-	$ -		- %
Bandag, Inc.	19,320,000	1,397,064	2	3.39	22,050,964	1,123,527	1	3.77
Exopac	16,696,600	1,308,095	3	3.17	18,200,204	831,607	3	2.79
Griffin Spalding County Schools	10,059,475	995,301	4	2.41	-	-		-
Caterpillar Inc.	11,915,140	916,119	5	2.22	7,529,110	529,168	4	1.78
AMI Griffin-Spalding Co. Hospital	8,599,190	723,156	6	1.75	7,615,522	485,843	5	1.63
University of Georgia, Griffin Campus	5,911,200	577,071	7	1.40	10,139,469	457,817	7	1.54
International Paper	7,620,600	528,887	8	1.28				
WAL-MART Store #01-932,	5,760,000	490,486	9	1.19	7,756,410	391,764	9	1.31
Southern Terry	5,942,800	477,831	10	1.16	6,523,172	340,641	10	1.14
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
Weyerhaeuser Co.	-	-		-	6,442,200	444,260	8	1.49
	107,680,323	$ 8,848,291		21.45 %	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]
	Tax Allocation Bonds	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases	Inter-governmental Agreement				
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
2012	-	4,426,772	63,884,000	1,658,780	44,393	131,216	70,145,161	13.00%	2,165.38	2,966.85
2013	866,397	4,011,307	61,103,000	1,510,510	560,277	90,401	68,141,892	13.05%	2,244.09	2,913.42

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]									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 54,902	$ 56,335	$ 55,765	$ 57,026	$ 58,394	$ 58,061	$ 56,601	$ 56,080	$ 53,975	$ 52,223
Total net debt applicable to limit	286	548	1,047	5,193	5,405	4,742	4,675	4,212	4,427	4,011
Legal debt margin	$ 54,616	$ 55,787	$ 54,718	$ 51,833	$ 52,989	$ 53,319	$ 51,926	$ 51,868	$ 49,548	$ 48,212
Total net debt applicable to the limit as a percentage of debt limit	0.52%	0.97%	1.88%	9.11%	9.26%	8.17%	8.26%	7.51%	8.20%	7.68%

Legal Debt Margin Calculation for Fiscal Year 2013	
Total assessed value	$ 562,673
Less Exempt:	40,442
Total taxable assessed value:	522,231
Debt limit (10% of total taxable assessed value)	52,223
Debt applicable to limit:	
Capital leases	4,011
Legal debt margin	$ 48,212

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, 2013
(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	$ 6,500	39.79%	$ 2,586
Subtotal, overlapping debt	6,500		2,586
Direct:			
City of Griffin tax allocation bonds	866	100.00%	866
City of Griffin capital leases	4,011	100.00%	4,011
Total	$ 11,377		$ 7,463

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	
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
2012	64,256	44,739	19,517	1,932	3,140	5,072	3.85
2013	63,396	45,769	17,627	2,006	2,508	4,514	3.90

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]
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%
2012	23,643	32,394	0.73	11.30%
2013	23,389	30,365	0.77	11.30%

* 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

	2013			2003		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Caterpillar, Inc	900	1	4.16%	780	1	1.54%
Southern Terry	375	2	1.74%	350	4	0.69%
Norcom	280	3	1.30%	250	5	0.49%
AEP Industries	250	4	1.16%	235	6	0.46%
Supreme Corporation	200	5	0.93%	440	3	0.87%
Fashion Industries, Inc	200	6	0.93%	200	7	0.39%
William Carter Co	168	7	0.78%	150	8	0.30%
EXOPack	160	8	0.74%	150	9	0.30%
Vernay Manufacturing, Inc	160	9	0.74%	—		—
International Paper	150	10	0.69%	149	10	0.29%
Springs Industries	—		—	700	2	1.38%
Total	2,843		13.17%	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 TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30th									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General government										
Administration	49	47	47	52	52	50	49	45	31	28.5
Judicial	1	1	1	1	1	1	1	1	1	2
Public Safety	168	181	183	172	183	166	172	170	164	168
Public Works	71	53	40	44	52	49	53	46	49	44
Development	7	5	6	6	7	6	6	6	7	8.5
Water/Wastewater Operations	71	74	81	69	69	53	70	68	64	73.5
Electric operations	40	54	29	44	55	45	45	64	64	60
Solid Waste operations	58	58	56	54	54	45	47	45	42	39.5
Golf Course operations	-	-	-	-	-	-	-	-	-	8.5
Airport operations	6	6	6	3	4	4	3	4	4	3.5
Welcome Center	1	1	1	1	2	2	2	2	2	-
Stormwater	13	17	14	12	12	13	13	14	13	14
Motor Pool	18	14	13	13	14	13	12	11	11	11
Total	503	511	477	471	505	447	473	476	452	461

Source: City Finance Department

CITY OF GRIFFIN, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Police										
Physical arrests	2,272	4,320	2,404	4,417	2,631	2,612	3,207	3,959	3,802	3,756
Parking violations	1,517	1,627	621	1,234	1,387	958	472	191	5	0
Traffic violations	11,009	11,488	10,813	8,465	9,856	9,231	11,126	11,862	11,062	8,928
Fire										
Emergency responses	1,079	1,111	938	1,268	1,210	1,121	1,212	1,405	1,515	1,645
Fires extinguished	73	97	122	231	192	173	175	202	167	81
Inspections	384	792	1,000	1,243	1,185	1,336	1,314	1,254	1,332	1,164
Refuse Collection										
Refuse collected (tons per day)	44	38	38	38	38	49	29	29	30	30
Other Public Works										
Street resurfacing (miles)	N/A	6	2.8	2.5	2.8	0.0	1.8	10.5	0.0	13.2
Potholes repaired	N/A	682	1,053	1,051	1,052	387	548	753	215	462
Parks and recreation										
Athletic field permits issued	N/A	356	360	358	361	350	0	0	0	145
Water										
New connections	N/A	99	136	120	122	63	31	20	16	14
Water main breaks	N/A	34	39	49	50	35	56	34	37	41
Average daily consumption (millions of gallons	5.8	9.5	1.03	8.94	8.94	9.11	8.92	8.98	8.95	8.97
Peak daily consumption (millions of gallons)	N/A	1.08	1.23	1.20	1.21	1.24	1.08	1.44	15.67	12.93
Wastewater										
Average daily sewage treatment (millions of gallons)	N/A	5.14	4.6	5	5	3.23	3.98	3.26	2.95	3.61

Sources: Various City departments.

CITY OF GRIFFIN, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Zone officers	112	112	112	111	99	56	60	54	56	56
Patrol units	102	102	102	102	102	102	70	104	105	55
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	163	165	165	165	165	165	162	160	140	140
Streetlights	879	879	879	879	879	879	879	879	879	879
Traffic signals	879	879	879	913	913	913	913	913	58	58
Parks and recreation										
Acreage	207	207	207	207	207	207	207	207	212	210
Playgrounds	3	3	3	3	3	3	4	4	5	5
Water										
Water mains (miles)	700	700	700	700	700	700	700	623	200	212
Fire hydrants	7,392	7,392	7,392	7,392	7,392	7,392	7,392	7,392	1,240	1,240
Storage capacity (thousands of gallons)	500	500	500	500	500	500	500	500	700	700
Wastewater										
Sanitary sewers (miles)	160	160	160	213	213	243	223	225	232	232
Storm sewers (miles)	75	75	75	91	91	85	100	100	64	64
Treatment capacity (thousands of	2.45	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75

Sources: Various City departments.
Note: No capital asset indicators are available for the general government functions.

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, 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, 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 (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Griffin, Georgia's basic financial statements and have issued our report thereon dated November 21, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Griffin, Georgia's financial statements are free from 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*.

City of Griffin's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
November 21, 2013

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited City of Griffin'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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
November 21, 2013

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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	$ 37,850
State Administered CDBG Cluster			
Community Development Block Grant (2010)	14.228	10P-X-126-2-5241	305,315
Community Development Block Grant (2012)	14.228	12P-X-126-2-5472	247,294
Neighborhood Stabilization Program	14.228	11-NS-6011	240,756
Total State Administered CDBG Cluster			793,365
Total U.S. Department of Housing and Urban Development			831,215
U.S. Department of Justice			
(Passed through Criminal Justice Coordinating Council)			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3428	17,340
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0496	14,204
Total JAG Program Cluster			31,544
Total U.S. Department of Justice			31,544
U.S. Department of Transportation			
(Passed through the Georgia Department of Transportation)			
Federal Aviation Administration - Airport Improvement Program	20.106	AP013-9019-29(255)	54,046
Federal Highway Administration - Highway Planning and Construction	20.205	PI No 0010333	58,117
Total U.S. Department of Transportation			112,163
U.S. Environmental Protection Agency			
(Passed through Georgia Environmental Protection Agency)			
Nonpoint Source Implementation Program	66.460	751-80065	1,143
Nonpoint Source Implementation Program	66.460	751-110088	181,706
Total U.S. Environmental Protection Agency			182,849
Total Expenditures of Federal Awards			$ 1,157,771

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, 2013.

Amount Provided to Subrecipients

During the fiscal year ended June 30, 2013, the City made disbursements to sub-recipients of the following grant programs:

Program	CFDA	Amount
Neighborhood Stabilization Program	14.228	$ 240,756

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes _____ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
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	Unmodified
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
14.228	Community Development Block Grant / Neighborhood Stabilization Program

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, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013 - 1. Management of Accrued Liabilities (Customer Deposits)

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the services have been performed and revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period. As such, customer deposit detailed listings should be reconciled periodically to the general ledger to ensure items are properly recorded and balanced.

Condition: For the fiscal year ending June 30, 2013, we noted the detailed listing of deposits did not reconcile to the balance recorded within the City's general ledger. The City's accounting system is not properly recording customer deposits that are applied to outstanding balances on customer utility accounts. This caused revenues to be understated for the current year.

Context: We addressed this matter with the City and they were able to determine the appropriate adjustment required to the City's general ledger to properly balance the utility customer deposits payable.

Effect: Audit adjustments to decrease the deposits payable within the Electric Revenue Fund by $822,328, increase accounts receivable within the Electric Revenue Fund by $152,434, and increase various revenues within the Electric Revenue Fund, the Water and Sewer Fund, the Stormwater Fund, and the Solid Waste Fund was required to be reported as of June 30, 2013.

Recommendation: We recommend the City work with its accounting software company to eliminate the above deficiencies by automatically posting proper entries upon the use of customer deposits for payment of accounts receivable balances. Additionally, management should balance its customer deposits liability detail with the general ledger on a periodic basis not less than monthly.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and recommendation. We will make adjustments to our system where applicable and perform at a minimum monthly reconciliations of the detailed customer deposits liability listing and the general ledger.

2013 - 2. Management of Debt Transactions

Criteria: Generally accepted accounting principles require the reporting of the issuance of long-term debt as other financing source for governmental funds due to the governmental funds focus on inflows and outflows of current financial resources. The receipt of long-term debt proceeds represents an increase in a governmental fund's current financial resources and is thus required to be reported as other financing sources.

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2013 - 2. Management of Debt Transactions (Continued)

Condition: For the fiscal year ending June 30, 2013, the City issued debt in the amount of $866,397 to contribute to a local development project. This issuance was not properly recorded within the City's general ledger.

Context: We addressed this matter with the City and they were able to determine the appropriate adjustment required to the City's general ledger to properly record the debt issuance.

Effect: Audit adjustments to increase other financing sources and expenses within the City's Tax Allocation District Fund by $866,397 was required to be reported as of June 30, 2013.

Recommendation: We recommend the City record all debt transactions at the time of issuance in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and recommendation. We will make adjustments to our monitoring system to ensure that all debt transactions are properly recorded within the City's general ledger.

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, 2013

STATUS OF PRIOR YEAR AUDIT FINDINGS

2012 - 1. Accounts Receivable

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period. Additionally, account receivable detailed listings should be reconciled periodically to the general ledger to ensure items are properly recorded and balanced. There should also be adequate segregation of duties.

With regard to segregation of duties, critical duties can be categorized into four types of functions: 1) authorization; 2) custody; 3) record keeping; and 4) reconciliation. In a perfect system, no one person should handle more than one type of function.

Condition: For the fiscal year ending June 30, 2012, we noted the City was not properly periodically balancing its detailed accounts receivable listing against the City's general ledger and also did not have proper segregation of duties with regards to customer utility accounts. Specifically, we noted customer service clerks in the Electric Department receive customer utility payments, investigate discrepancies related to customer account balances, and post adjustments to customer accounts receivable balances.

Auditee Response / Status: The above finding was corrected during the year and is not included as a finding for the current year.

2012 - 2. Management of Inventory Accounts

Criteria: Generally accepted accounting principles require that significant amounts of inventory on hand at year end be reported as an asset. Additionally, internal controls and effective procedures should be in place to ensure that inventory records are being updated in a timely manner and accurate detail listings are being maintained and reconciled periodically to the general ledger.

Condition: The City did not properly record inventory transactions based on the above criteria as of June 30, 2012. Additionally, the City did not have sufficient controls and procedures in place to ensure the accuracy of the detail inventory listing in the Water Fund as of June 30, 2012.

Auditee Response / Status: The above finding was corrected during the year and is not included as a finding for the current year.