

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Prepared by:
Griffin Finance Department

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	i - ix
Organizational Chart	x
List of Principal Officials	xi
Certificate of Achievement for Excellence in Financial Reporting	xii

FINANCIAL SECTION

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	18 and 19
Statement of Net Position – Proprietary Funds	20 and 21
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	22 and 23
Statement of Cash Flows – Proprietary Funds	24 - 27
Statement of Fiduciary Assets and Liabilities	28
Notes to Financial Statements	29 - 67
Required Supplementary Information:	
Schedules of Funding Progress	68
Combining Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	69 - 71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	72 - 74
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds):	
Hotel/Motel Tax Fund	75
Multiple Grant Fund	76

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

Page

Combining Statements and Schedules (Continued):
- **Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds) (Continued):**
  - **Confiscated Assets Fund ... 77**
  - **Police Technology Fund ... 78**
  - **Court Technology Fund ... 79**
  - **Police Donations Fund ... 80**
  - **2012 CDBG Fund ... 81**
  - **2013 CDBG Fund ... 82**
  - **2008 CHIP Fund ... 83**
  - **FEMA Grants Fund ... 84**
  - **Neighborhood Stabilization Fund ... 85**
  - **Neighborhood Stabilization 3 Fund ... 86**
  - **Tax Allocation Districts ... 87**
- **Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds ... 88**
- **Combining Statement of Net Position – Nonmajor Enterprise Funds ... 89**
- **Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds ... 90**
- **Combining Statement of Cash Flows – Nonmajor Enterprise Funds ... 91 and 92**
- **Statement of Changes in Assets and Liabilities – Agency Fund ... 93**
- **Balance Sheet – Component Units ... 94**
- **Statement of Revenues, Expenditures, and Changes in Fund Balance – Component Units ... 95**
- **Statement of Revenues, Expenses, and Changes in Net Position – Airport Authority ... 96**
- **Statement of Cash Flows – Airport Authority ... 97**

STATISTICAL SECTION

Statistical information:
- **Net Position by Activity ... 98**
- **Changes in Net Position ... 99 - 101**
- **Fund Balances, Governmental Funds ... 102 and 103**
- **Changes in Fund Balances, Governmental Funds ... 104 and 105**
- **General Governmental Tax Revenues by Source ... 106**
- **Assessed Value and Estimated Actual Value of Taxable Property ... 107**
- **Direct and Overlapping Property Tax Rates ... 108**
- **Property Tax Levies and Collections ... 109**

CITY OF GRIFFIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS (CONTINUED)

STATISTICAL SECTION (Continued)

Page

Principal Property Taxpayers 110
Top Ten Sewer Customers 111
Top Ten Water Customers 112
Top Ten Electric Customers 113
Ratios of Outstanding Debt by Type 114
Legal Debt Margin Information 115
Direct and Overlapping Governmental Activities Debt 116
Revenue Bond Coverage – Combined Public Utility Revenue Bonds 117
Demographic Statistics 118
Principal Employers 119
Full-Time Equivalent City Government Employees by Function 120
Operating Indicators by Function 121
Capital Asset Statistics by Function 122

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 123 and 124
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 ..... 125 and 126
Schedule of Expenditures of Federal Awards 127
Notes to Schedule of Expenditures of Federal Awards 128
Schedule of Findings and Questioned Costs ..... 129 and 130
Summary Schedule of Prior Year Findings 131

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

October 28, 2014

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, 2014, 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, 2014. 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, 2014. 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

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 23,643.

- *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.

- *City of Griffin – Spalding County Airport Authority*): 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 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.

- *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 funds 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* – During the past six years, the City experienced and withstood nominal fluctuations in the housing market, the shifting of businesses in and out of City limits, and the transition towards more food and beverage establishments. The latest real estate tax digest continues to show reductions in overall market value. Through conservative planning and foresight, the City's Board of Commissioners seized the opportunity to lower the City's property tax millage rate to 8.4 (down 0.211 mills), while surrounding communities raised millage rates.

  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 has an historic downtown filled with architecture and hometown feel. 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 0.5 basis point drop in 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. Private investment approximated $5.73 million for the fiscal year.

  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 2014, 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. Toussaint Kirk, 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.

- *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* –

  - *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 continue to 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 the 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.

  - *Water and Wastewater Infrastructure* – The City is investing $5.1 million in upgrades to and replacement of the Flint River Pump Station that was originally installed in 1929. The Still Branch Reservoir Water Treatment Plant is receiving an upgrade to increase capacity to 12 million gallons per day (MGD) from 8 MGD. In addition the treatment plant will install a Dissolved Air Floatation device (DAF), the first ever in the State of

Georgia for water treatment. DAF is used for the flocculation (removal) of sediment from raw water. The Potato Creek Wastewater Treatment Plant is also receiving upgrades to remove nitrogen, phosphorus and copper. Expansion will increase capacity to 3 MGD from 2 MGD. Project cost is estimated at $15.4 million with funding for the expansion coming from contributions from the Industrial Development Authority and from low interest financing available from the Georgia Environmental Finance Authority (GEFA) through Clean Water State Revolving Fund (CWSRF) for wastewater infrastructure and Drinking Water State Revolving Fund (DWSRF) for drinking water infrastructure.

- *Multimodal Transportation Planning* – The City of Griffin in partnership with Spalding County is in the process of completing a Griffin-Spalding Transit Feasibility Study to determine the current and future transit needs of the community. The study will identify opportunities to improve local mobility, reduce air pollution, and contribute to the area's economic development. The study explores the existing 5311 Demand Response Transit system as well as the ability of the community to support a 5307 Fixed Route Urban Transit system or a combination of the two systems known as Route Deviation or Flex Route Transit.

  The City and County are also working collaboratively to complete a Joint City of Griffin-Spalding County Comprehensive Transportation Plan Update. The City of Griffin and Spalding County, in cooperation with the Atlanta Regional Commission (ARC), Three Rivers Regional Commission (TRRC), Georgia Department of Transportation (GDOT), and other stakeholders, will conduct a planning study that will result in a joint long-range Comprehensive Transportation Plan (CTP). The City of Griffin and Spalding County seek to increase the use of alternatives to driving alone by developing a comprehensive transportation planning program that identifies specific transportation projects and other programs to improve mobility, system connectivity, expand mixed-uses, support further development and increase alternative modes of travel.

- *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, 2013. This was the 10th consecutive year that the City of Griffin has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The timely preparation and publication of this Comprehensive Annual Financial Report represents a significant effort of the Accounting and Finance Divisions of the Department of Administrative Services as well as the excellent cooperation and assistance of 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.

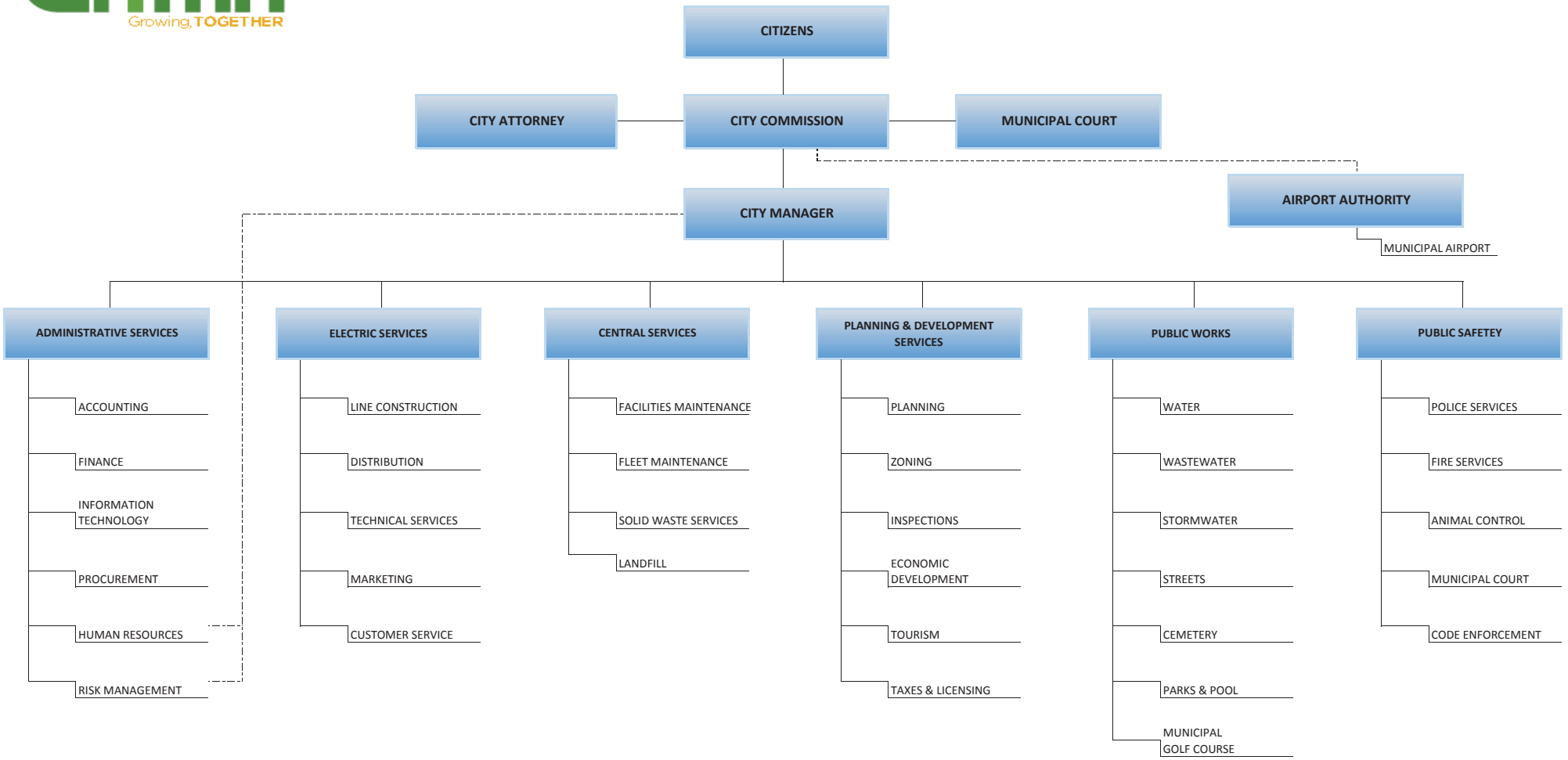
Respectfully submitted,

Kenny L. Smith,
City Manager

Ryan McLemore,
Chairperson

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

CITY OF GRIFFIN ORGANIZATION CHART



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, 2013

Executive Director/CEO

CITY OF GRIFFIN, GEORGIA

PRINCIPAL OFFICIALS
JUNE 30, 2014

Commission Chairman

Ryan McLemore

Commissioners

District I	Cynthia Reid Ward
District II	Cora Flowers
District III	Ryan McLemore
District IV	Joanne Todd
District V	Dick Morrow
District VI	Rodney McCord
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	Phill Francis
Planning and Development Services	Toussaint Kirk
Electric	Bill Bosch
Public Safety	Frank Strickland
Water/Wastewater	Brant Keller, PhD

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, 2014, and the related notes to the financial statements, which collectively comprise the City'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, 2014, 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 and Note 18, the City entered into an intergovernmental agreement to effectively transfer all ownership and operation of the City's local airport to the Griffin-Spalding County Airport Authority (a discretely presented component unit of the City) effective July 1, 2013. As a result, the airport's activities are reported as aggregate discretely presented component unit information and are no longer reported as a nonmajor business-type activity of the City. 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 68) 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'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. 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 48-8-121, 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.

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 are the responsibility of management and were derived from and relate 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 are 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 October 28, 2014, 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
October 28, 2014

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2014. 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 $126,525,781 (*net position*). Of this amount, $47,039,532 (*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 $6,579,252 due mostly to continued strong operations from the City's water and electric utility funds.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $16,867,807, an increase of $2,478,317 in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the General Fund was $8,265,259 or 33.4% of total General Fund expenditures.
- The City's total long term liabilities decreased by $3,218,004 during the current fiscal year. This included a decrease in revenue bonded debt of $2,631,305 which was due to scheduled debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net 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, 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 (13 special revenue funds, four 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 across 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 – 67 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 69 – 92 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 $126,525,781 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (53.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 24,905,220	$ 22,197,750	$ 47,839,141	$ 46,477,940	$ 72,744,361	$ 68,675,690
Capital assets	21,765,471	21,661,060	113,297,982	112,685,665	135,063,453	134,346,725
Total assets	46,670,691	43,858,810	161,137,123	159,163,605	207,807,814	203,022,415
Deferred outflows of resources	-	-	1,971,186	2,199,134	1,971,186	2,199,134
Other liabilities	1,395,445	1,448,993	9,759,385	8,499,077	11,154,830	9,948,070
Long-term liabilities outstanding	5,211,351	5,552,491	66,887,038	69,774,459	72,098,389	75,326,950
Total liabilities	6,606,796	7,001,484	76,646,423	78,273,536	83,253,219	85,275,020
Net position:						
Net investment in capital assets	18,088,118	17,649,753	49,188,045	45,543,491	67,276,163	63,193,244
Restricted	6,227,266	4,206,163	5,982,820	10,404,843	12,210,086	14,611,006
Unrestricted	15,748,511	15,001,410	31,291,021	27,140,869	47,039,532	42,142,279
Total net position	$ 40,063,895	$ 36,857,326	$ 86,461,886	$ 83,089,203	$ 126,525,781	$ 119,946,529

A portion of the City's net position (9.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($47,039,532) 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, 2014, increased the City of Griffin's net position by $3,206,569. Business-type activities during the same period increased net position by $3,372,683 for a total increase in net position of $6,579,252. Key elements of this increase are as follows:

City of Griffin's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues						
Charges for services	$ 6,888,767	$ 6,809,079	$ 74,467,212	$ 72,506,460	$ 81,355,979	$ 79,315,539
Operating grants and contributions	615,471	790,343	104,962	182,849	720,433	973,192
Capital grants and contributions	2,629,373	2,244,969	21,758	9,141,322	2,651,131	11,386,291
General revenues:						
Property taxes	4,986,729	4,562,903	-	-	4,986,729	4,562,903
Sales taxes	3,345,800	3,409,570	-	-	3,345,800	3,409,570
Insurance premium tax	1,219,600	1,177,972	-	-	1,219,600	1,177,972
Other taxes	1,325,796	1,291,950	-	-	1,325,796	1,291,950
Franchise taxes	535,272	559,345	-	-	535,272	559,345
Unrestricted investment earnings	445,337	9,852	1,256,518	(373,183)	1,701,855	(363,331)
Gain on sale of capital assets	5,341	-	207,091	-	212,432	-
Total revenues	21,997,486	20,855,983	76,057,541	81,457,448	98,055,027	102,313,431
Expenses:						
General government	5,019,496	4,817,013	-	-	5,019,496	4,817,013
Judicial	187,201	163,995	-	-	187,201	163,995
Public safety	14,770,642	14,671,072	-	-	14,770,642	14,671,072
Public works	4,838,560	6,125,980	-	-	4,838,560	6,125,980
Parks and recreation	331,053	306,880	-	-	331,053	306,880
Housing and development	1,285,090	1,744,909	-	-	1,285,090	1,744,909
Interest on long-term debt	206,286	315,732	-	-	206,286	315,732
Water and wastewater	-	-	15,142,670	16,452,354	15,142,670	16,452,354
Electric	-	-	37,555,182	36,908,037	37,555,182	36,908,037
Solid Waste	-	-	6,460,663	6,259,574	6,460,663	6,259,574
Stormwater	-	-	1,765,224	1,607,053	1,765,224	1,607,053
Airport operations	-	-	-	1,014,246	-	1,014,246
Welcome Center	-	-	122,901	115,656	122,901	115,656
Golf Course	-	-	637,841	608,758	637,841	608,758
Total expenses	26,638,328	28,145,581	61,684,481	62,965,678	88,322,809	91,111,259
Change in net assets before transfers and special item	(4,640,842)	(7,289,598)	14,373,060	18,491,770	9,732,218	11,202,172
Special item	-	-	(3,152,966)	-	(3,152,966)	-
Transfers	7,847,411	8,397,943	(7,847,411)	(8,397,943)	-	-
Change in net position	3,206,569	1,108,345	3,372,683	10,093,827	6,579,252	11,202,172
Net position, beginning,	36,857,326	35,748,981	83,089,203	72,995,376	119,946,529	108,744,357
Net position, ending	$ 40,063,895	$ 36,857,326	$ 86,461,886	$ 83,089,203	$ 126,525,781	$ 119,946,529

As can be seen above, the governmental activities show a deficit of revenues over expenses before transfers of $4,640,842 and $7,289,598 for 2014 and 2013, respectively. These deficiencies are normal and consistent throughout all fiscal years. This decrease in expenses was primarily due to the sidewalk and street paving program in 2013 that was not in 2014. 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 $3,372,683 in 2014 and increased net position by $10,093,827 in 2013. During 2013, the City's Water operations settled with a large customer and received a large one time capital contribution of $9 million. During 2014, the City transferred the net position of the Airport from the enterprise funds to the Griffin-Spalding County Airport Authority. This special item amounted to $3,152,966 reduction in net position.

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

	2014	2013
Net operating income (loss):		
Water / Wastewater Fund	$ 5,814,057	$ 6,367,427
Electric Utility Fund	9,581,271	7,279,604
Solid Waste Fund	12,139	(60,446)
Nonmajor Enterprise Funds	19,864	(73,243)
Total net operating income	15,427,331	13,513,342
Nonoperating expenses and capital contributions	(592,544)	5,460,614
Income before transfers and special item	14,834,787	18,973,956
Special item	(3,152,966)	-
Net transfers out	(7,847,411)	(8,397,943)
Changes in net position	$ 3,834,410	$ 10,576,013

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 2014 and 2013, the combined ending fund balances of the City's governmental funds were a positive $16,867,807 and a positive $14,389,490, respectively. This increase was due to continued spending constraints and significant transfers in from the City's enterprise funds. A positive $8,002,237 at June 30, 2014 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, 2014, $2,638,304 is termed non-spendable to indicate that it is not available for new spending because it is not in spendable form (i.e., prepaid items, assets held for resale and permanent fund principle). The remainder of $6,227,266 is restricted for law enforcement needs, cemetery maintenance, and other capital projects.

The City of Griffin has only one major governmental fund which is the General Fund. The General Fund is the primary operating fund of the City. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, and administration. At the end of 2014, the General Fund had a positive fund balance of $8,265,259. This is an increase of $313,470 from the beginning fund balance. This increase was two-fold, expenditures exceeded revenues by $6,365,893 ($7,955,107 in 2013) and net transfers in were $1,095,229 less than 2013.

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 $3,834,410 in 2014 and by $10,576,013 in 2013, primarily as a result of the City transferring the net position of the Airport from the enterprise funds to the Griffin-Spalding County Airport Authority. This special item amounted to a $3,152,966 reduction in net position.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ending June 30, 2014, governmental activities and business-type activities had capital assets of $135,063,453 (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 0.053% (a 0.048% increase for governmental activities and a 0.054% increase for business-type activities). The total increase in capital assets was due mostly to various construction projects in the SPLOST and Water funds.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 1,568,712	$ 1,495,785	$ 7,575,221	$ 7,650,221	$ 9,143,933	$ 9,146,006
Land improvements	-	-	853,531	3,405,060	853,531	3,405,060
Buildings and improvements	5,836,143	6,097,463	19,277,263	20,279,676	25,113,406	26,377,139
Improvements other than buildings	-	-	73,241,254	70,003,986	73,241,254	70,003,986
Machinery and equipment	2,073,722	2,702,511	5,006,904	5,243,551	7,080,626	7,946,062
Infrastructure	9,823,257	9,741,796	-	-	9,823,257	9,741,796
Construction in progress	2,463,637	1,623,505	7,343,809	6,103,171	9,807,446	7,726,676
Total	$ 21,765,471	$ 21,661,060	$ 113,297,982	$ 112,685,665	$ 135,063,453	$ 134,346,725

Additional information on the City's capital assets can be found in Note 5 on pages 46 - 49 of this report.

Debt Administration. At the end of June 30, 2014, the City had $5,211,351 of outstanding long-term liabilities related to governmental activities and $66,887,038 of long-term liabilities related to business-type activities for a total of $72,098,389 compared to the previous year's total of $75,326,950. This is a decrease of $3,218,004 due mostly to scheduled debt service payments. At the end of 2014, the City had total revenue bonded debt outstanding of $62,440,082 as compared to $65,071,387 in 2013. 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 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 49 - 55 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 2014-15 Budget

The Commission of the City of Griffin considered many factors when approving the City's 2015 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 were no significant increases in appropriations between the original budget and the final amended budget for the City's General Fund.

Requests for Information

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Units			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Griffin Main Street**	**Griffin Downtown Development**	**Business and Tourism Association**	**Griffin-Spalding County Airport Authority**
Cash and cash equivalents	$ 8,923,970	$ 4,849,630	$ 13,773,600	$ 24,840	$ 110,926	$ 1,039	$ 387,193
Investments	5,652,921	22,125,397	27,778,318	-	-	-	-
Taxes receivable	1,004,223	-	1,004,223	-	-	-	-
Accounts receivable, net of allowances	47,105	8,850,802	8,897,907	-	-	-	303,151
Due from other governments	581,678	13,666	595,344	-	-	-	-
Due from component units	3,591	620,461	624,052	-	-	-	-
Due from primary government	-	-	-	-	-	20,268	106,654
Internal balances	6,581,355	(6,581,355)	-	-	-	-	-
Inventories	230,045	2,512,228	2,742,273	-	-	-	74,334
Prepaid expenses	145,293	616,990	762,283	70	70	-	10,129
Restricted assets:							
Cash and cash equivalents	-	6,355,330	6,355,330	-	-	-	-
Investments	-	8,475,992	8,475,992	-	-	-	-
Assets held for resale	247,112	-	247,112	-	-	-	-
Other noncurrent asset - pension	1,487,927	-	1,487,927	-	-	-	-
Capital assets:							
Nondepreciable	4,032,349	14,919,030	18,951,379	-	250	-	444,868
Depreciable, net	17,733,122	98,378,952	116,112,074	5,848	-	-	2,500,208
Total assets	46,670,691	161,137,123	207,807,814	30,758	111,246	21,307	3,826,537
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charges on refundings	-	1,971,186	1,971,186	-	-	-	-
Total deferred outflows or resources	-	1,971,186	1,971,186	-	-	-	-
LIABILITIES							
Accounts payable	890,331	5,925,532	6,815,863	7,916	-	-	76,748
Accrued liabilities	378,247	983,664	1,361,911	3,221	5,510	-	9,682
Due to primary government	-	-	-	17,564	10,333	54	596,101
Due to component unit	126,867	55	126,922	-	-	-	-
Customer deposits payable	-	2,850,134	2,850,134	-	-	-	-
Other noncurrent liability - OPEB	-	170,960	170,960	-	-	-	-
Capital leases due within one year	274,445	88,299	362,744	-	-	-	-
Capital leases due in more than one year	3,402,908	224,873	3,627,781	-	-	-	-
Notes payable due within one year	-	159,695	159,695	-	-	-	-
Notes payable due in more than one year	-	1,196,988	1,196,988	-	-	-	-
Bonds payable due within one year	7,836	2,354,000	2,361,836	-	-	-	-
Bonds payable due in more than one year	851,026	60,086,082	60,937,108	-	-	-	-
Compensated absences due within one year	573,866	400,891	974,757	-	-	-	8,025
Compensated absences due in more than one year	101,270	70,745	172,015	-	-	-	1,416
Due to Pike County due in more than one year	-	46,729	46,729	-	-	-	-
Landfill postclosure care costs due within one year	-	93,010	93,010	-	-	-	-
Landfill postclosure care costs due in more than one year	-	1,994,766	1,994,766	-	-	-	-
Total liabilities	6,606,796	76,646,423	83,253,219	28,701	15,843	54	691,972
NET POSITION							
Net investment in capital assets	18,088,118	49,188,045	67,276,163	5,848	250	-	2,945,076
Restricted for debt service	-	1,447,584	1,447,584	-	-	-	-
Restricted for law enforcement	395,106	-	395,106	-	-	-	-
Restricted for cemetery maintenance	664,645	-	664,645	-	-	-	-
Restricted for capital projects	5,167,515	4,535,236	9,702,751	-	-	-	-
Unrestricted	15,748,511	31,291,021	47,039,532	(3,791)	95,153	21,253	189,489
Total net position	$ 40,063,895	$ 86,461,886	$ 126,525,781	$ 2,057	$ 95,403	$ 21,253	$ 3,134,565

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, 2014

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: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Griffin Main Street	Component Units: Griffin Downtown Development	Component Units: Business and Tourism Association	Component Units: Griffin-Spalding County Airport Authority
Primary government:											
Governmental activities:											
General government	$ 5,019,496	$ 5,716,553	$ -	$ -	$ 697,057	$ -	$ 697,057	$ -	$ -	$ -	$ -
Judicial	187,201	-	-	-	(187,201)	-	(187,201)	-	-	-	-
Public safety	14,770,642	660,646	138,997	-	(13,970,999)	-	(13,970,999)	-	-	-	-
Public works	4,838,560	174,619	476,474	2,629,373	(1,558,094)	-	(1,558,094)	-	-	-	-
Parks and recreation	331,053	186,169	-	-	(144,884)	-	(144,884)	-	-	-	-
Housing and economic development	1,285,090	150,780	-	-	(1,134,310)	-	(1,134,310)	-	-	-	-
Interest on long-term debt	206,286	-	-	-	(206,286)	-	(206,286)	-	-	-	-
Total governmental activities	26,638,328	6,888,767	615,471	2,629,373	(16,504,717)	-	(16,504,717)	-	-	-	-
Business-type activities:											
Water and Wastewater	15,142,670	18,756,927	-	-	-	3,614,257	3,614,257	-	-	-	-
Electric	37,555,182	47,080,348	-	21,758	-	9,546,924	9,546,924	-	-	-	-
Solid Waste	6,460,663	6,176,975	-	-	-	(283,688)	(283,688)	-	-	-	-
Stormwater	1,765,224	2,207,951	104,962	-	-	547,689	547,689	-	-	-	-
Welcome Center	122,901	8,075	-	-	-	(114,826)	(114,826)	-	-	-	-
Golf Course	637,841	236,936	-	-	-	(400,905)	(400,905)	-	-	-	-
Total business-type activities	61,684,481	74,467,212	104,962	21,758	-	12,909,451	12,909,451	-	-	-	-
Total primary government	$ 88,322,809	$ 81,355,979	$ 720,433	$ 2,651,131	(16,504,717)	12,909,451	(3,595,266)	-	-	-	-
Component units:											
Griffin Main Street	$ 89,670	$ -	$ 95,894	$ -	-	-	-	6,224	-	-	-
Griffin Downtown Development Authority	120,854	-	122,737	-	-	-	-	-	1,883	-	-
Griffin Business and Tourism Association	28,634	-	45,090	-	-	-	-	-	-	16,456	-
Griffin-Spalding County Airport Authority	889,253	549,608	165,646	154,863	-	-	-	-	-	-	(19,136)
Total component units	$ 1,128,411	$ 549,608	$ 429,367	$ 154,863	-	-	-	6,224	1,883	16,456	(19,136)
General revenues:											
Property taxes					4,986,729	-	4,986,729	-	-	-	-
Sales taxes					3,345,800	-	3,345,800	-	-	-	-
Insurance premium tax					1,219,600	-	1,219,600	-	-	-	-
Alcoholic beverage taxes					626,427	-	626,427	-	-	-	-
Business occupational taxes					441,938	-	441,938	-	-	-	-
Franchise taxes					535,272	-	535,272	-	-	-	-
Other taxes					257,431	-	257,431	-	-	-	-
Unrestricted investment earnings					445,337	1,256,518	1,701,855	-	113	-	735
Gain on sale of capital assets					5,341	207,091	212,432	-	-	-	-
Special item - transfer of airport operations to Airport Authority					-	(3,152,966)	(3,152,966)	-	-	-	3,152,966
Transfers					7,847,411	(7,847,411)	-	-	-	-	-
Total general revenues, special item, and transfers					19,711,286	(9,536,768)	10,174,518	-	113	-	3,153,701
Change in net position					3,206,569	3,372,683	6,579,252	6,224	1,996	16,456	3,134,565
Net position (deficit), beginning of year					36,857,326	83,089,203	119,946,529	(4,167)	93,407	4,797	-
Net position, end of year					$ 40,063,895	$ 86,461,886	$ 126,525,781	$ 2,057	$ 95,403	$ 21,253	$ 3,134,565

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

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 1,509,028	$ 6,272,086	$ 7,781,114
Investments	3,059,453	2,593,468	5,652,921
Taxes receivable, net	998,210	6,013	1,004,223
Accounts receivable, net	46,605	-	46,605
Due from other governments	152,343	429,335	581,678
Due from other funds	4,117,175	263,763	4,380,938
Inventories	1,615	-	1,615
Prepaid expenditures	141,963	-	141,963
Assets held for resale	-	247,112	247,112
Total assets	$ 10,026,392	$ 9,811,777	$ 19,838,169
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 698,463	$ 44,214	$ 742,677
Accrued liabilities	321,150	-	321,150
Due to other funds	168,863	1,165,015	1,333,878
Due to component units	126,867	-	126,867
Total liabilities	1,315,343	1,209,229	2,524,572
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	445,790	-	445,790
Total deferred inflows of resources	445,790	-	445,790
FUND BALANCES			
Nonspendable:			
Inventory	1,615	-	1,615
Prepaid expenditures	141,963	-	141,963
Assets held for resale	-	247,112	247,112
Permanent fund principal	-	2,247,614	2,247,614
Restricted for:			
Law enforcement	-	395,106	395,106
Cemetery maintenance	-	664,645	664,645
Other capital projects	109,357	5,058,158	5,167,515
Unassigned	8,012,324	(10,087)	8,002,237
Total fund balances	8,265,259	8,602,548	16,867,807
Total liabilities, deferred inflows of resources, and fund balances	$ 10,026,392	$ 9,811,777	

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.	21,133,453
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	445,790
Net pension asset is not a financial asset in governmental fund activities and therefore is not reported in governmental funds.	1,487,927
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.	5,374,861
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(5,245,943)
Net position of governmental activities	$ 40,063,895

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, 2014

	General	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	$ 4,890,450	$ -	$ 4,890,450
Other taxes	5,754,379	136,817	5,891,196
Charges for services	5,613,873	42,801	5,656,674
Licenses and permits	319,997	-	319,997
Intergovernmental	436,599	2,808,136	3,244,735
Franchise taxes	535,272	-	535,272
Fines and forfeitures	569,550	51,956	621,506
Interest revenue	8,269	437,177	445,446
Rental income	175,598	-	175,598
Contributions and donations	8,129	1,031	9,160
Other revenues	67,729	38,103	105,832
Total revenues	18,379,845	3,516,021	21,895,866
EXPENDITURES			
Current:			
General government	4,702,864	-	4,702,864
Judicial	185,970	-	185,970
Public safety	13,743,323	253,192	13,996,515
Public works	4,069,116	680,651	4,749,767
Parks and recreation	296,379	-	296,379
Housing and economic development	1,241,167	16,340	1,257,507
Capital outlay	-	933,531	933,531
Debt service:			
Principal	333,954	7,535	341,489
Interest	172,965	34,527	207,492
Total expenditures	24,745,738	1,925,776	26,671,514
Excess (deficiency) of revenues over (under) expenditures	(6,365,893)	1,590,245	(4,775,648)
OTHER FINANCING SOURCES (USES)			
Transfers in	8,024,493	675,636	8,700,129
Transfers out	(1,350,471)	(101,034)	(1,451,505)
Proceeds from the sale of capital assets	5,341	-	5,341
Total other financing sources (uses)	6,679,363	574,602	7,253,965
Net change in fund balances	313,470	2,164,847	2,478,317
Fund balances, beginning of year	7,951,789	6,437,701	14,389,490
Fund balances, end of year	$ 8,265,259	$ 8,602,548	$ 16,867,807

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, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	2,478,317
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.		175,462
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		96,279
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.		323,969
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.		341,489
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.		(208,947)
	$	3,206,569

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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES:				
Property taxes	$ 4,197,800	$ 4,197,800	$ 4,890,450	$ 692,650
Other taxes	5,623,000	5,623,000	5,754,379	131,379
Charges for services	5,643,128	5,643,128	5,613,873	(29,255)
Licenses and permits	298,400	298,400	319,997	21,597
Intergovernmental	129,162	340,321	436,599	96,278
Franchise fees	522,000	522,000	535,272	13,272
Fines and forfeitures	1,011,000	1,011,000	569,550	(441,450)
Interest revenue	4,000	4,000	8,269	4,269
Rental income	176,876	176,876	175,598	(1,278)
Other revenues	11,000	37,381	67,729	30,348
Total revenues	17,616,366	17,857,526	18,379,845	522,319
EXPENDITURES:				
Current:				
General government:				
Legislative	561,855	463,645	327,644	136,001
Executive	330,553	330,553	295,036	35,517
Elections	26,740	26,740	13,947	12,793
Administrative services	3,764,734	3,366,614	3,255,473	111,141
Central services	718,338	754,428	707,218	47,210
Legal	112,000	112,000	103,546	8,454
Total general government	5,514,220	5,053,980	4,702,864	351,116
Judicial	217,448	217,778	185,970	31,808
Public safety:				
Police	8,980,523	9,045,808	8,441,834	603,974
Fire	5,103,261	5,167,081	5,028,547	138,534
Code enforcement	133,936	133,936	144,869	(10,933)
Other protection	123,281	123,281	128,073	(4,792)
Total public safety	14,341,001	14,470,106	13,743,323	726,783
Public works:				
Highways and streets	3,734,421	3,826,653	3,574,630	252,023
Cemetery	504,166	504,756	494,486	10,270
Total public works	4,238,587	4,331,409	4,069,116	262,293
Parks and recreation:				
Recreation	74,176	86,636	75,583	11,053
Parks	243,073	247,663	220,796	26,867
Total parks and recreation	317,249	334,299	296,379	37,920

(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, 2014

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Housing and economic development:				
Protective inspection	$ 908,222	$ 940,823	$ 851,927	$ 88,896
Griffin-Spalding County Airport Authority	165,646	345,140	165,646	179,494
Griffin Business and Tourism Association	28,750	28,750	28,750	-
Downtown development	119,737	119,737	119,737	-
Main Street	75,107	75,107	75,107	-
Total housing and economic development	1,297,462	1,509,557	1,241,167	268,390
Debt service	506,960	506,960	506,919	41
Total expenditures	26,432,927	26,424,089	24,745,738	1,678,351
Deficiency of revenues under expenditures	(8,816,561)	(8,566,563)	(6,365,893)	2,200,670
OTHER FINANCING SOURCES (USES)				
Transfers in	9,861,188	10,062,174	8,024,493	(2,037,681)
Transfers out	(1,044,627)	(1,255,267)	(1,350,471)	(95,204)
Proceeds from the sale of capital assets	-	-	5,341	5,341
Total other financing sources (uses)	8,816,561	8,806,907	6,679,363	(2,127,544)
Net change in fund balances	-	240,344	313,470	73,126
Fund balances, beginning of year	7,951,789	7,951,789	7,951,789	-
Fund balances, end of year	$ 7,951,789	$ 8,192,133	$ 8,265,259	$ 73,126

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

CITY OF GRIFFIN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 604,943	$ 2,175,198	$ 464,872	$ 1,604,617
Investments	-	17,582,534	-	-
Restricted assets, cash	6,242,281	6,700	23,269	83,080
Accounts receivable, net of allowances	55,282	8,658,024	-	137,496
Due from other governments	-	1,246	-	12,420
Due from component units	242	620,219	-	-
Due from other funds	5,470,745	1,240,267	1,232,514	2,513,515
Inventories	732,435	1,749,050	-	30,743
Prepaid expenses	565,228	17,825	21,990	11,947
Total current assets	13,671,156	32,051,063	1,742,645	4,393,818
NONCURRENT ASSETS				
Investments	-	4,542,863	-	-
Restricted assets, investments	4,705,893	3,515,312	254,787	-
Capital assets:				
Nondepreciable	11,967,150	641,387	-	2,310,493
Depreciable, net of accumulated depreciation	68,039,444	20,688,801	1,952,155	7,698,552
Total noncurrent assets	84,712,487	29,388,363	2,206,942	10,009,045
Total assets	98,383,643	61,439,426	3,949,587	14,402,863
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	1,971,186	-	-	-
Total deferred outflows of resources	1,971,186	-	-	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,345,685	3,912,380	300,737	366,730
Accrued liabilities	72,350	822,435	61,878	27,001
Current portion - compensated absences	162,929	154,061	66,422	17,479
Current portion - notes payable	-	-	-	159,695
Current portion - capital leases payable	-	-	79,113	9,186
Current portion - landfill closure / postclosure care costs	-	-	93,010	-
Customer deposits payable	22,954	2,827,180	-	-
Due to component units	-	-	-	55
Due to other funds	1,962,750	9,341,508	757,212	517,820
Payable from restricted assets:				
Revenue bonds payable, current portion	2,354,000	-	-	-
Total current liabilities	5,920,668	17,057,564	1,358,372	1,097,966
NONCURRENT LIABILITIES				
Compensated absences, net of current portion	28,752	27,187	11,722	3,084
Revenue bonds payable, net of current portion	60,086,082	-	-	-
Capital leases payable, net of current portion	-	-	224,873	-
Notes payable, net of current portion	-	-	-	1,196,988
Net OPEB liability	-	170,960	-	-
Due to Pike County, net of current portion	46,729	-	-	-
Landfill closure / postclosure care costs	-	-	1,994,766	-
Total noncurrent liabilities	60,161,563	198,147	2,231,361	1,200,072
Total liabilities	66,082,231	17,255,711	3,589,733	2,298,038
NET POSITION				
Net investment in capital assets	17,566,512	21,330,188	1,648,169	8,643,176
Restricted for debt service	1,447,584	-	-	-
Restricted for capital outlay	4,535,236	-	-	-
Unrestricted	10,723,266	22,853,527	(1,288,315)	3,461,649
Total net position	$ 34,272,598	$ 44,183,715	$ 359,854	$ 12,104,825

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
$ 4,849,630	$ 1,142,856
17,582,534	-
6,355,330	-
8,850,802	500
13,666	-
620,461	3,591
10,457,041	110,821
2,512,228	228,430
616,990	3,330
51,858,682	1,489,528
4,542,863	-
8,475,992	-
14,919,030	-
98,378,952	632,018
126,316,837	632,018
178,175,519	2,121,546
1,971,186	-
1,971,186	-
5,925,532	147,654
983,664	10,124
400,891	11,719
159,695	-
88,299	-
93,010	-
2,850,134	-
55	-
12,579,290	1,035,632
2,354,000	-
25,434,570	1,205,129
70,745	662
60,086,082	-
224,873	-
1,196,988	-
170,960	-
46,729	-
1,994,766	-
63,791,143	662
89,225,713	1,205,791
49,188,045	632,018
1,447,584	-
4,535,236	-
35,750,127	283,737
90,920,992	$ 915,755
(4,459,106)	
$ 86,461,886	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 18,656,988	$ 43,945,187	$ 6,146,546	$ 2,440,474
Tap and capacity recovery fees	23,925	-	-	-
Other services	76,014	3,135,161	30,429	12,488
Total operating revenues	18,756,927	47,080,348	6,176,975	2,452,962
OPERATING EXPENSES				
Personal services	3,760,115	3,809,575	1,990,341	907,349
Purchased or contracted services	3,988,208	2,203,121	3,235,378	705,763
Purchased power	-	30,215,822	-	-
Supplies	1,650,599	137,363	44,798	226,143
Miscellaneous	478,787	228,272	546,086	169,920
Depreciation	3,065,161	904,924	348,233	423,923
Total operating expenses	12,942,870	37,499,077	6,164,836	2,433,098
Operating income (loss)	5,814,057	9,581,271	12,139	19,864
NONOPERATING INCOME (EXPENSES)				
Intergovernmental	-	-	-	104,962
Interest income	330,420	911,806	14,292	-
Interest expense	(2,121,683)	-	(6,998)	(54,192)
Gain on disposal of capital assets	-	18,435	114,356	74,300
Total nonoperating income (expenses)	(1,791,263)	930,241	121,650	125,070
Income (loss) before contributions and transfers	4,022,794	10,511,512	133,789	144,934
CAPITAL CONTRIBUTIONS	-	21,758	-	-
TRANSFERS				
Transfers out	(2,085,314)	(7,416,406)	-	(2,349)
Transfers in	-	-	-	1,656,658
Total transfers	(2,085,314)	(7,416,406)	-	1,654,309
SPECIAL ITEM				
Transfer of airport operations to Airport Authority	-	-	-	(3,152,966)
Change in net position	1,937,480	3,116,864	133,789	(1,353,723)
NET POSITION, beginning of year	32,335,118	41,066,851	226,065	13,458,548
NET POSITION, end of year	$ 34,272,598	$ 44,183,715	$ 359,854	$ 12,104,825

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
$ 71,189,195	$ 962,181
23,925	-
3,254,092	185
74,467,212	962,366
10,467,380	573,099
10,132,470	320,604
30,215,822	-
2,058,903	711,021
1,423,065	23,128
4,742,241	71,051
59,039,881	1,698,903
15,427,331	(736,537)
104,962	-
1,256,518	-
(2,182,873)	(8)
207,091	-
(614,302)	(8)
14,813,029	(736,545)
21,758	-
(9,504,069)	-
1,656,658	598,787
(7,847,411)	598,787
(3,152,966)	-
3,834,410	(137,758)
	1,053,513
	$ 915,755
(461,727)	
$ 3,372,683	

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Water/ Wastewater Utility Fund	Electric Utility Fund	Solid Waste Fund	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 17,008,318	$ 50,750,412	$ 6,166,291	$ 1,106,839
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(5,558,312)	(32,669,617)	(3,638,828)	(887,880)
Payments to employees	(3,756,944)	(3,781,967)	(2,001,268)	(906,008)
Net cash provided by (used in) operating activities	7,693,062	14,298,828	526,195	(687,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental grant	-	-	-	104,962
Transfers to Airport Authority	-	-	-	(311,512)
Transfers out	(2,085,314)	(7,416,406)	-	(2,349)
Transfers in	-	-	-	1,656,658
Net cash provided by (used in) noncapital financing activities	(2,085,314)	(7,416,406)	-	1,447,759
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,504,242)	(2,033,792)	(346,086)	(506,807)
Intergovernmental grant	-	21,758	-	-
Proceeds from the disposal of capital assets	-	20,254	234,545	74,300
Principal paid on bonds	(2,293,000)	-	-	-
Principal paid on notes payable and capital leases	-	-	(229,199)	(171,733)
Principal paid on agreement due to Pike County	(43,672)	-	-	-
Interest paid	(2,232,040)	-	(7,166)	(54,676)
Net cash used in capital and related financing activities	(10,072,954)	(1,991,780)	(347,906)	(658,916)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(309,233)	(7,563,915)	(3,416)	-
Proceeds from the sale of investments	30,307	1,026,204	-	-
Interest and dividends received	336,299	789,720	14,292	-
Net cash provided by (used in) investing activities	57,373	(5,747,991)	10,876	-
Increase (decrease) in cash and cash equivalents	(4,407,833)	(857,349)	189,165	101,794
Cash and cash equivalents:				
Beginning of year	11,255,057	3,039,247	298,976	1,585,903
End of year	$ 6,847,224	$ 2,181,898	$ 488,141	$ 1,687,697
Classified as:				
Cash and cash equivalents	$ 604,943	$ 2,175,198	$ 464,872	$ 1,604,617
Restricted assets, cash	6,242,281	6,700	23,269	83,080
	$ 6,847,224	$ 2,181,898	$ 488,141	$ 1,687,697

(Continued)

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 75,031,860	$ -
-	1,123,143
(42,754,637)	(1,015,959)
(10,446,187)	(573,925)
21,831,036	(466,741)
104,962	-
(311,512)	
(9,504,069)	-
1,656,658	598,787
(8,053,961)	598,787
(8,390,927)	-
21,758	-
329,099	-
(2,293,000)	-
(400,932)	-
(43,672)	-
(2,293,882)	(8)
(13,071,556)	(8)
(7,876,564)	-
1,056,511	-
1,140,311	-
(5,679,742)	-
(4,974,223)	132,038
16,179,183	1,010,818
$ 11,204,960	$ 1,142,856
$ 4,849,630	$ 1,142,856
6,355,330	-
$ 11,204,960	$ 1,142,856

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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)	$ 5,814,057	$ 9,581,271	$ 12,139	$ 19,864
Adjustments to reconcile operating income (loss) to net cash provided (used in) by operating activities:				
Depreciation	3,065,161	904,924	348,233	423,923
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	1,376	(341,692)	-	(130,374)
(Increase) decrease in due from other governments	-	366,663	-	(12,420)
(Increase) decrease in inventories	(41,338)	(87,552)	-	(8,295)
(Increase) in due from other funds	(3,654,807)	(411,846)	(737,200)	(1,555,971)
(Increase) decrease in due from component units	23	(181,251)	-	-
Decrease in prepaids and other assets	54,163	86,824	8,605	2,685
Increase in accounts payable	536,080	39,657	69,878	185,666
Increase (decrease) in accrued liabilities	13,548	103,640	(4,992)	2,923
Decrease in customer deposits	-	370,253	-	-
Increase in landfill closure / postclosure care costs	-	-	103,016	-
Increase (decrease) in due to other funds	1,904,799	3,867,937	726,516	384,950
Net cash provided by (used in) operating activities	$ 7,693,062	$ 14,298,828	$ 526,195	$ (687,049)
Noncash investing, capital, and financing activities:				
Unrealized gain (loss) on investments	$ (5,879)	$ 122,086	$ -	$ -
Net noncash investing, capital, and financing activities	$ (5,879)	$ 122,086	$ -	$ -

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

Totals	Governmental Activities Internal Service Fund - Motor Pool
$ 15,427,331	$ (736,537)
4,742,241	71,051
(470,690)	-
354,243	-
(137,185)	(35,993)
(6,359,824)	(1,633)
(181,228)	-
152,277	1,311
831,281	73,476
115,119	(826)
370,253	-
103,016	-
6,884,202	162,410
$ 21,831,036	$ (466,741)
$ 116,207	$ -
$ 116,207	$ -

CITY OF GRIFFIN, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2014

	Municipal Court
ASSETS	
Cash and cash equivalents	$ 131,181
Total assets	131,181
LIABILITIES	
Due to others	131,181
Total liabilities	$ 131,181

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, 2014, the City does not have any blended component units.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Financial Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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.

The Griffin-Spalding County Airport Authority (the "Airport Authority") - The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. The City Commission appoints five of the nine member Airport Authority board. The City and 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. Due to these factors and due to the City maintaining the administrative functions of the Authority, the City has elected to include the Airport Authority operations as a component unit of the City. Separate financial statements for the Airport Authority are not prepared.

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, 2014, 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, 2014, the City contributed $118,176 and employees contributed $438,118.

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 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	$	3,677,353
Bonds payable		858,862
Compensated absences		662,755
Accrued interest		46,973
Net adjustment to reduce *fund balance - total governmental funds* to arrive at net position - governmental activities	$	5,245,943

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	$	1,677,913
Depreciation expense		(1,502,451)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	175,462

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:

Principal retirement on long-term debt	$	341,489
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	341,489

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	$	(1,755)
Net pension asset		(208,406)
Accrued interest		1,214
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	(208,947)

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2014, are summarized as follows:

Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents	$	13,773,600
Investments		27,778,318
Restricted cash and cash equivalents		6,355,330
Restricted investments		8,475,992
Amounts as presented on the fiduciary statement of net position:		
Cash and cash equivalents - Agency Fund		131,181
Component Units - cash and cash equivalents		523,998
Total	$	57,038,419
Cash deposited with financial institutions	$	23,306,265
Cash deposited with Georgia Fund 1		2,979,341
Investments in the Municipal Competitive Trust		17,027,404
Investments in governmental bonds		12,324,815
Investments in corporate bonds		54,963
Investments in equities and various other securities		1,345,631
Total	$	57,038,419

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, 2014, 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 $5,879 reflected as interest income in the Water & Sewer Fund, an unrealized gain of $122,086 reflected as interest income in the Electric Utility Fund and an unrealized gain of $341,011 reflected as interest income in the Cemetery Trust Fund.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2014, 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		$ 2,979,341	$ 2,979,341	$ -	$ -	$ -	$ -	$ -
Certificates of Deposit		2,522,156	-	2,104,060	418,096	-	-	-
Municipal Competitive Trust		17,027,404	17,027,404	-	-	-	-	-
Equities and various other non-maturing securities		1,345,631	NA	-	-	-	-	-
Governmental bonds	BBB-	38,309	-	38,309	-	-	-	-
Governmental bonds	BBB	63,841	-	-	-	-	16,439	47,402
Governmental bonds	BBB+	10,477	-	-	-	-	10,477	-
Governmental bonds	A-	888,094	-	-	-	189,747	252,207	446,140
Governmental bonds	A	531,855	-	16,285	59,864	229,672	-	226,034
Governmental bonds	A+	706,262	-	-	-	254,817	31,904	419,541
Governmental bonds	AA-	2,314,758	-	292,714	547,301	569,213	596,662	308,868
Governmental bonds	AA	3,482,536	-	102,097	481,969	831,204	735,944	1,331,322
Governmental bonds	AA+	2,248,779	-	29,852	475,970	702,399	766,332	274,226
Governmental bonds	AAA	2,039,904	-	168,919	878,924	601,547	286,765	103,749
Corporate bonds	AAA	4,175	-	-	-	-	4,175	-
Corporate bonds	A	50,788	-	-	-	-	-	50,788
Total		$ 36,254,310	$ 20,006,745	$ 2,752,236	$ 2,862,124	$ 3,378,599	$ 2,700,905	$ 3,208,070

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, 2014, 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, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental	Water/ Wastewater
Receivables:			
Taxes	$ 1,242,192	$ 6,013	$ -
Accounts	46,605	-	61,121
Intergovernmental	152,343	429,335	-
Gross receivables	1,441,140	435,348	61,121
Less: allowance for uncollectibles	(243,982)	-	(5,839)
Net total receivables	$ 1,197,158	$ 435,348	$ 55,282

	Electric	Nonmajor Enterprise	Total
Receivables:			
Taxes	$ -	$ -	$ 1,248,205
Accounts	17,348,150	137,496	17,593,372
Intergovernmental	1,246	12,420	595,344
Gross receivables	17,349,396	149,916	19,436,921
Less: allowance for uncollectibles	(8,690,126)	-	(8,939,947)
Net total receivables	$ 8,659,270	$ 149,916	$ 10,496,974

Property Taxes

Property taxes were levied on behalf of the City by Spalding County on October 1, 2013, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on October 18, 2013, and payable on or before December 20, 2013, for the calendar year 2013 tax. Taxes not paid within 30 days of December 21, 2013 were subject to property tax liens on July 10, 2014. 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, 2014, the allowance for uncollectible property taxes was $243,982.

The tax rate levied during calendar year 2013 for the City's operations was 8.611 mills (mill equals $1 per thousand dollars of assessed value).

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,495,785	$ 72,927	$ -	$ -	$ 1,568,712
Construction in progress	1,623,505	1,383,948	-	(543,816)	2,463,637
Total capital assets, not being depreciated	3,119,290	1,456,875	-	(543,816)	4,032,349
Capital assets, being depreciated:					
Buildings and improvements	9,115,169	28,000	-	28,550	9,171,719
Machinery and equipment	22,146,542	193,038	(266,221)	-	22,073,359
Infrastructure	32,948,230	-	-	515,266	33,463,496
Total capital assets, being depreciated	64,209,941	221,038	(266,221)	543,816	64,708,574
Less accumulated depreciation for:					
Buildings and improvements	(3,017,706)	(317,870)	-	-	(3,335,576)
Machinery and equipment	(19,444,031)	(821,827)	266,221	-	(19,999,637)
Infrastructure	(23,206,434)	(433,805)	-	-	(23,640,239)
Total accumulated depreciation	(45,668,171)	(1,573,502)	266,221	-	(46,975,452)
Total capital assets, being depreciated, net	18,541,770	(1,352,464)	-	543,816	17,733,122
Governmental activities capital assets, net	$ 21,661,060	$ 104,411	$ -	$ -	$ 21,765,471

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, $632,018 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	$ -	$ -	$ (75,000)	$ 7,575,221
Construction in progress	6,103,171	7,239,532	(1,822)	(5,997,072)	7,343,809
Total capital assets, not being depreciated	13,753,392	7,239,532	(1,822)	(6,072,072)	14,919,030
Capital assets, being depreciated:					
Land improvements	5,429,702	-	(30,000)	(3,614,411)	1,785,291
Buildings	36,570,489	15,109	-	(576,913)	36,008,685
Improvements other than buildings	103,576,351	19,380	-	5,790,611	109,386,342
Machinery and equipment	26,564,998	1,116,906	(413,977)	(649,011)	26,618,916
Total capital assets, being depreciated	172,141,540	1,151,395	(443,977)	950,276	173,799,234
Less accumulated depreciation for:					
Land improvements	(2,024,642)	(118,202)	30,000	1,181,084	(931,760)
Buildings	(16,290,813)	(836,472)	-	395,863	(16,731,422)
Improvements other than buildings	(33,572,365)	(2,572,723)	-	-	(36,145,088)
Machinery and equipment	(21,321,447)	(1,214,844)	293,789	630,490	(21,612,012)
Total accumulated depreciation	(73,209,267)	(4,742,241)	323,789	2,207,437	(75,420,282)
Total capital assets, being depreciated, net	98,932,273	(3,590,846)	(120,188)	3,157,713	98,378,952
Business-type activities capital assets, net	$ 112,685,665	$ 3,648,686	$ (122,010)	$ (2,914,359)	$ 113,297,982

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:		
General government	$	318,794
Public safety		568,139
Public works		565,784
Parks and recreation		33,365
Housing and economic development		16,369
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		71,051
Total depreciation expense - governmental activities	$	1,573,502
Business-type activities:		
Water and wastewater	$	3,065,161
Electric		904,924
Solid waste		348,233
Stormwater		312,068
Welcome center		42,240
Golf course		69,615
Total depreciation expense - business-type activities	$	4,742,241

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Airport Authority for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ -	$ -	$ -	$ 75,000	$ 75,000
Construction in progress	-	163,406	-	206,462	369,868
Total capital assets, not being depreciated	-	163,406	-	281,462	444,868
Capital assets, being depreciated:					
Land improvements	-	-	-	3,614,410	3,614,410
Buildings	-	-	-	576,913	576,913
Machinery and equipment	-	-	-	649,011	649,011
Total capital assets, being depreciated	-	-	-	4,840,334	4,840,334
Less accumulated depreciation for:					
Land improvements	-	(108,641)	-	(1,181,084)	(1,289,725)
Buildings	-	(15,571)	-	(395,863)	(411,434)
Machinery and equipment	-	(8,477)	-	(630,490)	(638,967)
Total accumulated depreciation	-	(132,689)	-	(2,207,437)	(2,340,126)
Total capital assets, being depreciated, net	-	(132,689)	-	2,632,897	2,500,208
Airport Authority capital assets, net	$ -	$ 30,717	$ -	$ 2,914,359	$ 2,945,076

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, 2014, are as follows:

Description	Original Amount	Interest Rate	Due Date	Amount
Combined Utility, Series 2012	$ 57,500,000	2.00% - 5.00%	2032	$ 56,200,000
Combined Utility, Series 2005	9,748,000	3.59%	2017	2,610,000
				58,810,000
			Less current portion	(2,354,000)
				$ 56,456,000

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 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
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	4,546,138	2,675,000	1,871,138
2020 - 2024	22,709,088	15,045,000	7,664,088
2025 - 2029	22,722,137	18,490,000	4,232,137
2030 - 2032	13,636,106	12,770,000	866,106
	$ 81,793,307	$ 58,810,000	$ 22,983,307

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, 2014:

Description	Original Amount	Interest Rate	Due Date	Amount
Stormwater GEFA Loan	$ 2,691,113	3.75%	2022	$ 1,356,683
			Less current portion	(159,695)
				$ 1,196,988

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

Fiscal Year Payable	Total	Principal	Interest
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	207,850	185,495	22,355
2020 - 2022	623,552	494,922	128,630
	$ 1,662,806	$ 1,356,683	$ 306,123

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, 2014:

Description	Original Amount	Interest Rate	Due Date	Amount
Due to Pike County	$ 374,469	7.00%	2016	$ 46,729

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

Fiscal Year Payable	Total	Principal	Interest
2016	$ 50,000	$ 46,729	$ 3,271
	$ 50,000	$ 46,729	$ 3,271

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
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	46,105	13,401	32,704
2020 - 2024	260,073	106,939	153,134
2025 - 2029	296,862	169,701	127,161
2030 - 2034	337,010	250,102	86,908
2035 - 2038	306,088	277,457	28,631
	$ 1,422,730	$ 858,862	$ 563,868

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, 2014:

	Governmental Activities	Business-type Activities	Total
Buildings	$ 3,949,160	$ -	$ 3,949,160
Equipment	1,559,800	506,380	2,066,180
Less accumulated depreciation	(2,303,764)	(194,555)	(2,498,319)
Carrying value	$ 3,205,196	$ 311,825	$ 3,517,021

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, 2014:

Fiscal year ending	Governmental Activities	Business-type Activities	Total
2015	$ 434,663	$ 93,106	$ 527,769
2016	432,418	83,827	516,245
2017	2,851,027	83,827	2,934,854
2018	74,333	62,870	137,203
2019	74,333	-	74,333
2020 - 2022	210,423	-	210,423
Total minimum lease payments	4,077,197	323,630	4,400,827
Less amount representing interest	(399,844)	(10,458)	(410,302)
Present value of future minimum lease payments	$ 3,677,353	$ 313,172	$ 3,990,525
Less current maturities	(274,445)	(88,299)	(362,744)
	$ 3,402,908	$ 224,873	$ 3,627,781

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 $609,565 over the remaining nine- 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 $657,286 over the remaining 26-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, 2014, represents the cumulative amount reported to date based on the use of approximately 33% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of $1,700,030 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	$ 609,565
Shoal Creek Road Landfill Phase 2 postclosure care costs	657,286
Shoal Creek Road Landfill Phase 3 closure and postclosure care costs	820,925
Total closure and postclosure care costs recorded within the Solid Waste Fund	2,087,776
Less current portion	(93,010)
	$ 1,994,766

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 4,011,307	$ -	$ (333,954)	$ 3,677,353	$ 274,445
Bonds payable	866,397	-	(7,535)	858,862	7,836
Compensated absences	674,787	687,785	(687,436)	675,136	573,866
Governmental activity Long-term liabilities	$ 5,552,491	$ 687,785	$ (1,028,925)	$ 5,211,351	$ 856,147
Business-type activities:					
Revenue bonds	$ 61,103,000	$ -	$ (2,293,000)	$ 58,810,000	$ 2,354,000
Bond premium	3,968,387	-	(338,305)	3,630,082	-
Net revenue bonds	65,071,387	-	(2,631,305)	62,440,082	2,354,000
Notes payable	1,510,510	-	(153,827)	1,356,683	159,695
Compensated absences	461,095	457,046	(446,505)	471,636	400,891
Capital leases	560,277	-	(247,105)	313,172	88,299
OPEB liability	96,029	739,000	(664,069)	170,960	-
Intergovernmental agreement	90,401	-	(43,672)	46,729	-
Landfill closure / postclosure	1,984,760	175,929	(72,913)	2,087,776	93,010
Business-type activity Long-term liabilities	$ 69,774,459	$ 1,371,975	$ (4,259,396)	$ 66,887,038	$ 3,095,895
Component Units - Airport Authority					
Compensated absences	$ -	$ 18,404	$ (8,963)	$ 9,441	$ 8,025

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, $12,381 of internal service fund's compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences, 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, 2014, the date of the most recent actuarial valuation, there were 683 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	185
Vested terminated employees not yet receiving benefits	70
Active employees	428
Total	683

As of the most recent valuation date, January 1, 2014, 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)
01/01/14	$ 51,224,861	$ 61,316,355	$ 10,091,494	83.54 %	$ 16,343,329	61.75 %

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, 2014.

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, 2014, the City's annual pension cost was $2,891,056 for the City of Griffin Retirement Plan. The recommended contribution of $2,682,650 was determined as part of the January 1, 2013 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 12 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, 2014 is as follows:

Annual required contribution	$ 2,682,650
Interest on net pension obligation (asset)	(33,927)
Adjustments to annual required contribution	242,333
Annual pension cost	2,891,056
Contributions made	2,682,650
Decrease in net pension asset	208,406
Net pension obligation (asset), beginning of year	(1,696,333)
Net pension obligation (asset), end of year	$ (1,487,927)

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)
June 30, 2014	2,891,056	2,682,650	93%	(1,487,927)

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, 2014:

Public Safety - code enforcement	$ 10,933
Public Safety - other protection	4,792
Neighborhood Stabilization 3 Fund	6,864
Tax Allocation Districts Fund	42,062

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, 2014:

2013 CDBG Fund	3,627
General Capital Projects Fund	6,261

The fund deficits in the 2012 CDBG Fund, 2013 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, 2014 are as follows:

	Due From			
Due To	General	Nonmajor Governmental	Electric	Water / Wastewater
General Fund	$ -	$ 876,899	$ 472,468	$ 1,792,240
Nonmajor governmental	127,122	114,327	-	-
Water / Wastewater	-	2,338	5,351,426	-
Electric	-	113,864	-	105,318
Solid Waste	-	57,349	994,405	54,169
Internal service funds	41,741	-	9,951	11,023
Nonmajor enterprise	-	238	2,513,258	-
Total	$ 168,863	$ 1,165,015	$ 9,341,508	$ 1,962,750

Due To	Solid Waste	Nonmajor Enterprise	Internal Service	Total
General Fund	$ 677,940	$ 265,512	$ 32,116	$ 4,117,175
Nonmajor governmental	-	22,314	-	263,763
Water/Wastewater	-	116,981	-	5,470,745
Electric	54,783	46,474	919,828	1,240,267
Solid Waste	-	42,903	83,688	1,232,514
Internal Service Funds	24,489	23,617	-	110,821
Nonmajor enterprise	-	19	-	2,513,515
Total	$ 757,212	$ 517,820	$ 1,035,632	$ 14,948,800

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, 2014 consisted of the following:

	Transfer To			
	General	Nonmajor Governmental	Water/ Wastewater	Electric
Transfer From				
General Fund	$ -	$ 305,844	$ -	$ -
Nonmajor Governmental	24,493	60,201	-	-
Water / Wastewater	1,800,000	285,314	-	-
Electric	6,200,000	21,928	-	-
Nonmajor Enterprise	-	2,349	-	-
Total	$ 8,024,493	$ 675,636	$ -	$ -

	Solid Waste	Internal Service	Nonmajor Enterprise	Total
Transfer From				
General Fund	$ -	$ 598,787	$ 445,840	$ 1,350,471
Nonmajor Governmental	-	-	16,340	101,034
Water / Wastewater	-	-	-	2,085,314
Electric	-	-	1,194,478	7,416,406
Nonmajor Enterprise	-	-	-	2,349
Total	$ -	$ 598,787	$ 1,656,658	$ 10,955,574

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, 2014, $57,172 of hotel/motel tax was collected. Of the total collected, over 50% was used for the promotion of tourism within the City ($16,340 to the Griffin Business and Tourism Association and $16,340 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, 2014, the City paid $23,389 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, 2014, 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 $34,060,637 in 2014.

At June 30, 2014, the outstanding debt of MEAG was approximately $5.84 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $304.83 million at June 30, 2014.

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 2014, the City contributed $664,069 to the plan, including $189,098 for current premiums and an additional $474,971 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	$	747,000
Interest on net OPEB obligation (asset)		(29,000)
Adjustments to annual required contribution		21,000
Annual OPEB cost		739,000
Contributions made		664,069
Increase in net OPEB obligation		74,931
Net OPEB obligation, beginning of year		96,029
Net OPEB obligation, end of year	$	170,960

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
June 30, 2014	739,000	664,069	90%	170,960

Funded Status and Funding Progress

As of the most recent valuation date, July 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)
07/01/13	$ 3,795,000	$ 8,635,000	$ 4,840,000	43.95 %	$ 16,837,911	28.74 %

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, 2013.

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, 2013 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, 2013, was 19 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, 2014 are as follows:

2015	$	122,082
2016		75,563
2017		22,030
2018		7,500
	$	227,175

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, 2014 are as follows:

2015	$	37,871
2016		37,871
2017		32,983
2018		4,272
	$	112,997

NOTE 18. SPECIAL ITEM

The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. On May 14, 2013, the City entered into an intergovernmental agreement to effectively transfer all ownership and operation of the City's local airport to the newly created Airport Authority (a discretely presented component unit of the City) effective July 1, 2013. As a result of this agreement, the City has recorded the $3,152,966 transfer of operations from the City's Airport Fund to the Airport Authority as a special item. GASB 34 defines special items as significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

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	85.17 %	$ 14,865,070	42.86 %
01/01/07	38,982,838	44,895,259	5,912,421	86.83	14,887,536	39.71
01/01/08	41,942,958	47,180,238	5,237,280	88.90	14,827,023	35.32
01/01/09	36,885,665	50,056,917	13,171,252	73.69	17,313,780	76.07
01/01/10	44,271,925	53,160,185	8,888,260	83.28	16,747,151	53.07
01/01/11	45,980,432	55,222,320	9,241,888	83.26	16,495,560	56.03
01/01/12	47,179,729	57,459,449	10,279,720	82.11	16,387,668	62.73
01/01/13	48,906,689	59,537,280	10,630,591	82.14	16,837,911	63.13
01/01/14	51,224,861	61,316,355	10,091,494	83.54	16,343,329	61.75

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	11.55	17,313,780	45.22
07/01/10	1,785,088	10,746,646	8,961,558	16.61	16,747,151	53.51
07/01/11	2,155,000	10,980,000	8,825,000	19.63	16,495,560	53.50
07/01/12	3,463,306	8,440,000	4,976,694	41.03	16,387,668	30.37
07/01/13	3,795,000	8,635,000	4,840,000	43.95	16,837,911	28.74

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 **2012 CDBG Fund** accounts for CDBG grant revenues and expenditures relating to public works projects.

The **2013 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 **FEMA Grants Fund** accounts for disaster relief 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.

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** accounts 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, 2014

	Special Revenue Funds						
ASSETS	**Hotel/ Motel Tax Fund**	**Multiple Grant Fund**	**Confiscated Assets Fund**	**Police Technology Fund**	**Court Technology Fund**	**Police Donations**	**2012 CDBG**
Cash and cash equivalents	$ -	$ 131,257	$ 192,842	$ 18,718	$ 42,493	$ 11,894	$ -
Investments	-	-	-	-	-	-	-
Taxes receivable	6,013	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	6,070	-	12,982	188	-
Assets held for resale	-	-	-	-	-	-	-
Total assets	$ 6,013	$ 131,257	$ 198,912	$ 18,718	$ 55,475	$ 12,082	$ -
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	6,013	44,451	-	3,974	-	185	199
Total liabilities	6,013	44,451	-	3,974	-	185	199
FUND BALANCES (DEFICIT)							
Nonspendable:							
Assets held for resale	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-
Restricted for:							
Law enforcement	-	86,806	198,912	14,744	55,475	11,897	-
Cemetery maintenance (expendable)	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(199)
Total fund balances (deficit)	-	86,806	198,912	14,744	55,475	11,897	(199)
Total liabilities and fund balances	$ 6,013	$ 131,257	$ 198,912	$ 18,718	$ 55,475	$ 12,082	$ -

(Continued)

							Capital Project Funds	
2013 CDBG	2008 CHIP	FEMA Grants	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts	LCI Project Fund	Federal Stimulus
$ -	$ 6,837	$ -	$ 108,806	$ 62,361	$ 16,157	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	168,788	-	-	-	27,272	-
-	-	22,314	-	-	107,145	-	737
-	-	-	-	-	-	-	-
$ -	$ 6,837	$ 191,102	$ 108,806	$ 62,361	$ 123,302	$ 27,272	$ 737
$ 3,627	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	191,102	36	-	-	-	-
3,627	-	191,102	36	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	27,272	-
-	-	-	-	-	-	-	-
-	6,837	-	108,770	62,361	123,302	-	737
(3,627)	-	-	-	-	-	-	-
(3,627)	6,837	-	108,770	62,361	123,302	27,272	737
$ -	$ 6,837	$ 191,102	$ 108,806	$ 62,361	$ 123,302	$ 27,272	$ 737

(Continued)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GRIFFIN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Capital Project Funds		Permanent Funds		
ASSETS	**General Capital Projects Fund**	**SPLOST Fund**	**Cemetery Trust Fund**	**Mausoleum Trust Fund**	**Totals**
Cash and cash equivalents	$ -	$ 5,135,571	$ 221,691	$ 323,459	$ 6,272,086
Investments	-	-	2,221,554	371,914	2,593,468
Taxes receivable	-	-	-	-	6,013
Due from other governments	19,344	213,931	-	-	429,335
Due from other funds	2,500	-	111,827	-	263,763
Assets held for resale	-	-	247,112	-	247,112
Total assets	$ 21,844	$ 5,349,502	$ 2,802,184	$ 695,373	$ 9,811,777
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 27,775	$ 12,812	$ -	$ -	$ 44,214
Due to other funds	330	580,539	28,148	310,038	1,165,015
Total liabilities	28,105	593,351	28,148	310,038	1,209,229
FUND BALANCES (DEFICIT)					
Nonspendable:					
Assets held for resale	-	-	247,112	-	247,112
Permanent fund principal	-	-	2,059,679	187,935	2,247,614
Restricted for:					
Law enforcement	-	-	-	-	395,106
Cemetery maintenance (expendable)	-	-	467,245	197,400	664,645
Other capital projects	-	4,756,151	-	-	5,058,158
Unassigned	(6,261)	-	-	-	(10,087)
Total fund balances (deficit)	(6,261)	4,756,151	2,774,036	385,335	8,602,548
Total liabilities and fund balances	$ 21,844	$ 5,349,502	$ 2,802,184	$ 695,373	$ 9,811,777

(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, 2014

	Special Revenue Funds						
	Hotel/ Motel Tax Fund	Multiple Grant Fund	Confiscated Assets Fund	Police Technology Fund	Court Technology Fund	Police Donations	2012 CDBG
Revenues:							
Other taxes	$ 57,172	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	252,706
Fines and forfeitures	-	-	20,104	11,990	19,862	-	-
Interest revenue	-	31	-	-	-	-	-
Contributions and donations	-	-	-	-	-	1,031	-
Other revenues	-	-	-	-	-	-	-
Total revenues	57,172	31	20,104	11,990	19,862	1,031	252,706
Expenditures:							
Current:							
Public safety	-	-	38,074	7,193	-	-	-
Public works	-	-	-	-	-	-	421,727
Housing and economic development	16,340	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	16,340	-	38,074	7,193	-	-	421,727
Excess (deficiency) of revenues over (under) expenditures	40,832	31	(17,970)	4,797	19,862	1,031	(169,021)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	206,087
Transfers out	(40,832)	-	-	-	-	-	-
Total other financing sources (uses)	(40,832)	-	-	-	-	-	206,087
Net change in fund balances	-	31	(17,970)	4,797	19,862	1,031	37,066
Fund balances (deficits), beginning of year	-	86,775	216,882	9,947	35,613	10,866	(37,265)
Fund balances (deficits), end of year	$ -	$ 86,806	$ 198,912	$ 14,744	$ 55,475	$ 11,897	$ (199)

(Continued)

							Capital Project Funds	
2013 CDBG	2008 CHIP	FEMA Grants	Neighborhood Stabilization	Neighborhood Stabilization 3	Tax Allocation Districts	LCI Project Fund	Federal Stimulus
$ -	$ -	$ -	$ -	$ -	$ 79,645	$ -	$ -
-	-	-	-	-	-	-	-
-	-	168,788	13,100	189,414	-	43,416	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	168,788	13,100	189,414	79,645	43,416	-
-	-	207,925	-	-	-	-	-
82,853	-	-	28,079	127,053	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	42,062	-	-
82,853	-	207,925	28,079	127,053	42,062	-	-
(82,853)	-	(39,137)	(14,979)	62,361	37,583	43,416	-
79,226	-	39,137	-	-	-	-	-
-	-	-	-	-	-	(40,394)	-
79,226	-	39,137	-	-	-	(40,394)	-
(3,627)	-	-	(14,979)	62,361	37,583	3,022	-
-	6,837	-	123,749	-	85,719	24,250	737
$ (3,627)	$ 6,837	$ -	$ 108,770	$ 62,361	$ 123,302	$ 27,272	$ 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, 2014

	Capital Project Funds		Permanent Funds		
	General Capital Projects Fund	SPLOST Fund	Cemetery Trust Fund	Mausoleum Trust Fund	Totals
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ 136,817
Charges for services	-	-	42,801	-	42,801
Intergovernmental	-	2,140,712	-	-	2,808,136
Fines and forfeitures	-	-	-	-	51,956
Interest revenue	-	109	405,831	31,206	437,177
Contributions and donations	-	-	-	-	1,031
Other revenues	-	-	38,103	-	38,103
Total revenues	-	2,140,821	486,735	31,206	3,516,021
Expenditures:					
Current:					
Public safety	-	-	-	-	253,192
Public works	-	-	18,698	2,241	680,651
Housing and economic development	-	-	-	-	16,340
Capital outlay	289,944	643,587	-	-	933,531
Debt service	-	-	-	-	42,062
Total expenditures	289,944	643,587	18,698	2,241	1,925,776
Excess (deficiency) of revenues over (under) expenditures	(289,944)	1,497,234	468,037	28,965	1,590,245
Other financing sources (uses)					
Transfers in	331,378	19,808	-	-	675,636
Transfers out	(19,808)	-	-	-	(101,034)
Total other financing sources (uses)	311,570	19,808	-	-	574,602
Net change in fund balances	21,626	1,517,042	468,037	28,965	2,164,847
Fund balances (deficits), beginning of year	(27,887)	3,239,109	2,305,999	356,370	6,437,701
Fund balances (deficits), end of year	$ (6,261)	$ 4,756,151	$ 2,774,036	$ 385,335	$ 8,602,548

(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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 58,000	$ 57,172	$ (828)
EXPENDITURES			
Housing and development	16,576	16,340	236
Total expenditures	16,576	16,340	236
Excess of revenues over expenditures	41,424	40,832	(592)
Other financing uses			
Transfers out	(41,424)	(40,832)	592
Total other financing uses	(41,424)	(40,832)	592
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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Interest revenue	-	31	31
Total revenues	-	31	31
EXPENDITURES			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	31	31
FUND BALANCES, beginning of year	86,775	86,775	-
FUND BALANCES, end of year	$ 86,775	$ 86,806	$ 31

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 75,000	$ 20,104	$ (54,896)
Other revenue	4,000	-	(4,000)
Total revenues	79,000	20,104	(58,896)
EXPENDITURES			
Public safety	55,691	38,074	17,617
Total expenditures	55,691	38,074	17,617
Excess (deficiency) of revenues over expenditures	23,309	(17,970)	(41,279)
Other financing sources (uses)			
Transfers out	(986)	-	986
Total other financing uses	(986)	-	986
Net change in fund balance	22,323	(17,970)	(40,293)
FUND BALANCES, beginning of year	216,882	216,882	-
FUND BALANCES, end of year	$ 239,205	$ 198,912	$ (40,293)

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 7,200	$ 11,990	$ 4,790
Total revenues	7,200	11,990	4,790
EXPENDITURES			
Current:			
Public safety	7,200	7,193	7
Total expenditures	7,200	7,193	7
Net change in fund balance	-	4,797	4,797
FUND BALANCES, beginning of year	9,947	9,947	-
FUND BALANCES, end of year	$ 9,947	$ 14,744	$ 4,797

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Fines and forfeitures	$ 26,800	$ 19,862	$ (6,938)
Interest revenue	-	-	-
Total revenues	26,800	19,862	(6,938)
Net change in fund balance	26,800	19,862	(6,938)
FUND BALANCES, beginning of year	35,613	35,613	-
FUND BALANCES, end of year	$ 62,413	$ 55,475	$ (6,938)

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Interest revenue	$ -	$ -	$ -
Contributions and donations	100	1,031	931
Total revenues	100	1,031	931
EXPENDITURES			
Current:			
Public safety	-	-	-
Total expenditures	-	-	-
Net change in fund balance	100	1,031	931
FUND BALANCES, beginning of year	10,866	10,866	-
FUND BALANCES, end of year	$ 10,966	$ 11,897	$ 931

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 225,230	$ 252,706	$ 27,476
Total revenues	225,230	252,706	27,476
EXPENDITURES			
Public works	442,168	421,727	20,441
Total expenditures	442,168	421,727	20,441
Deficiency of revenues over expenditures	(216,938)	(169,021)	47,917
Other financing sources			
Transfers in	216,938	206,087	(10,851)
Total other financing sources	216,938	206,087	(10,851)
Net change in fund balance	-	37,066	37,066
FUND BALANCES (DEFICIT), beginning of year	(37,265)	(37,265)	-
FUND BALANCES (DEFICIT), end of year	$ (37,265)	$ (199)	$ 37,066

CITY OF GRIFFIN, GEORGIA
2013 CDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Total revenues	-	-	-
EXPENDITURES			
Public works	82,853	82,853	-
Total expenditures	82,853	82,853	-
Deficiency of revenues over expenditures	(82,853)	(82,853)	-
Other financing sources			
Transfers in	82,853	79,226	(3,627)
Total other financing sources	82,853	79,226	(3,627)
Net change in fund balance	-	(3,627)	(3,627)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES (DEFICIT), end of year	$ -	$ (3,627)	$ (3,627)

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ -	$ -	$ -
Total revenues	-	-	-
EXPENDITURES			
Public works	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	-	-
FUND BALANCES, beginning of year	6,837	6,837	-
FUND BALANCES, end of year	$ 6,837	$ 6,837	$ -

CITY OF GRIFFIN, GEORGIA
FEMA GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 181,935	$ 168,788	$ (13,147)
Total revenues	181,935	168,788	(13,147)
EXPENDITURES			
Public safety	207,940	207,925	15
Total expenditures	207,940	207,925	15
Deficiency of revenues over expenditures	(26,005)	(39,137)	(13,132)
Other financing sources			
Transfers in	26,005	39,137	13,132
Total other financing sources	26,005	39,137	13,132
Net change in fund balance	-	-	(13,162)
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ (13,162)

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 73,921	$ 13,100	$ (60,821)
Total revenues	73,921	13,100	(60,821)
EXPENDITURES			
Public works	73,921	28,079	45,842
Total expenditures	73,921	28,079	45,842
Net change in fund balance	-	(14,979)	(14,979)
FUND BALANCES, beginning of year	123,749	123,749	-
FUND BALANCES, end of year	$ 123,749	$ 108,770	$ (14,979)

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Intergovernmental	$ 120,189	$ 189,414	$ 69,225
Total revenues	120,189	189,414	69,225
EXPENDITURES			
Public works	120,189	127,053	(6,864)
Total expenditures	120,189	127,053	(6,864)
Net change in fund balance	-	62,361	62,361
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ 62,361	$ 62,361

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance
REVENUES			
Other taxes	$ 83,000	$ 79,645	$ (3,355)
Total revenues	83,000	79,645	(3,355)
EXPENDITURES			
Debt service	-	42,062	(42,062)
Total expenditures	-	42,062	(42,062)
Net change in fund balance	83,000	37,583	(45,417)
FUND BALANCES, beginning of year	85,719	85,719	-
FUND BALANCES, end of year	$ 168,719	$ 123,302	$ (45,417)

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	705,795	71,306	777,101
Airport road intersection	55,000	55,000	-	-	-
6th Street Bridge	643,340	643,340	879,621	2,450	882,071
Meriwether Street Bridge	275,000	275,000	-	-	-
Poplar Street Bridge	275,000	275,000	-	-	-
Street Resurfacing	1,800,000	1,800,000	1,871,490	227,156	2,098,646
Block Improvement	500,000	500,000	3,000	2,500	5,500
Sidewalks	490,728	490,728	208,127	191,963	400,090
North Hill Street LCI	3,000,000	3,000,000	45,815	-	45,815
Utilities / Engineering	2,435,465	2,435,465	-	148,212	148,212
	$ 10,874,590	$ 10,874,590	$ 3,898,583	$ 643,587	$ 4,542,170
Total per Combining Statement of Revenues, Expenditures and Changes in Fund Balance				$ 643,587	

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. Operations of this fund were transferred to the newly created Airport Authority effective July 1, 2013.

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, 2014

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
ASSETS					
CURRENT ASSETS					
Cash	$ 1,266,537	$ -	$ -	$ 338,080	$ 1,604,617
Restricted assets, cash	-	-	-	83,080	83,080
Accounts receivable, net of allowances	130,033	-	-	7,463	137,496
Due from other governments	12,420	-	-	-	12,420
Due from other funds	2,513,515	-	-	-	2,513,515
Inventories	-	-	-	30,743	30,743
Prepaid expenses	9,088	-	368	2,491	11,947
Total current assets	3,931,593	-	368	461,857	4,393,818
NONCURRENT ASSETS					
Capital assets:					
Nondepreciable	452,613	-	365,500	1,492,380	2,310,493
Depreciable, net of accumulated depreciation	5,837,610	-	1,506,929	354,013	7,698,552
Total noncurrent assets	6,290,223	-	1,872,429	1,846,393	10,009,045
Total assets	10,221,816	-	1,872,797	2,308,250	14,402,863
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	359,035	-	361	7,334	366,730
Accrued liabilities	18,328	-	-	8,673	27,001
Current portion - compensated absences	12,989	-	-	4,490	17,479
Current portion - notes payable	159,695	-	-	-	159,695
Current portion - capital leases payable	-	-	-	9,186	9,186
Due to component units	-	-	-	55	55
Due to other funds	380,418	-	15,242	122,160	517,820
Total current liabilities	930,465	-	15,603	151,898	1,097,966
NONCURRENT LIABILITIES					
Compensated absences, net of current portion	2,292	-	-	792	3,084
Notes payable, net of current portion	1,196,988	-	-	-	1,196,988
Total noncurrent liabilities	1,199,280	-	-	792	1,200,072
Total liabilities	2,129,745	-	15,603	152,690	2,298,038
NET POSITION					
Net investment in capital assets	4,933,540	-	1,872,429	1,837,207	8,643,176
Unrestricted	3,158,531	-	(15,235)	318,353	3,461,649
Total net position	$ 8,092,071	$ -	$ 1,857,194	$ 2,155,560	$ 12,104,825

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
OPERATING REVENUES					
Charges for services	$ 2,195,463	$ -	$ 8,075	$ 236,936	$ 2,440,474
Other services	12,488	-	-	-	12,488
Total operating revenues	2,207,951	-	8,075	236,936	2,452,962
OPERATING EXPENSES					
Personal services	674,872	-	-	232,477	907,349
Purchased or contracted service	500,894	-	77,701	127,168	705,763
Supplies	158,008	-	2,804	65,331	226,143
Miscellaneous	27,140	-	156	142,624	169,920
Depreciation	312,068	-	42,240	69,615	423,923
Total operating expenses	1,672,982	-	122,901	637,215	2,433,098
Operating income (loss)	534,969	-	(114,826)	(400,279)	19,864
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	104,962	-	-	-	104,962
Interest expense	(53,566)	-	-	(626)	(54,192)
Gain on disposal of capital assets	-	-	-	74,300	74,300
Total nonoperating revenues (expenses)	51,396	-	-	73,674	125,070
Income (loss) before transfers and special item	586,365	-	(114,826)	(326,605)	144,934
TRANSFERS					
Transfers out	-	-	-	(2,349)	(2,349)
Transfers in	1,194,478	-	73,394	388,786	1,656,658
Total transfers	1,194,478	-	73,394	386,437	1,654,309
SPECIAL ITEM					
Transfer of airport operations to Airport Authority	-	(3,152,966)	-	-	(3,152,966)
Change in net position	1,780,843	(3,152,966)	(41,432)	59,832	(1,353,723)
NET POSITION, beginning of year	6,311,228	3,152,966	1,898,626	2,095,728	13,458,548
NET POSITION, end of year	$ 8,092,071	$ -	$ 1,857,194	$ 2,155,560	$ 12,104,825

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 865,557	$ -	$ 4,687	$ 236,595	$ 1,106,839
Payments to suppliers	(499,216)	-	(77,933)	(310,731)	(887,880)
Payments to employees	(672,687)	-	(148)	(233,173)	(906,008)
Net cash used in operating activities	(306,346)	-	(73,394)	(307,309)	(687,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental	104,962	-	-	-	104,962
Transfer to Airport Authority	-	(311,512)	-	-	(311,512)
Transfers out	-	-	-	(2,349)	(2,349)
Transfers in	1,194,478	-	73,394	388,786	1,656,658
Net cash provided by (used in) noncapital financing activities	1,299,440	(311,512)	73,394	386,437	1,447,759
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(388,100)	-	-	(118,707)	(506,807)
Proceeds from the disposal of capital assets	-	-	-	74,300	74,300
Principal paid on notes payable and capital leases	(153,827)	-	-	(17,906)	(171,733)
Interest paid	(54,024)	-	-	(652)	(54,676)
Net cash used in capital and related financing activities	(595,951)	-	-	(62,965)	(658,916)
Increase (decrease) in cash and cash equivalents	397,143	(311,512)	-	16,163	101,794
Cash and cash equivalents:					
Beginning of year	869,394	311,512	-	404,997	1,585,903
End of year	$ 1,266,537	$ -	$ -	$ 421,160	$ 1,687,697
Classified as:					
Cash	$ 1,266,537	$ -	$ -	$ 338,080	$ 1,604,617
Restricted assets, cash	-	-	-	83,080	83,080
	$ 1,266,537	$ -	$ -	$ 421,160	$ 1,687,697

(Continued)

CITY OF GRIFFIN, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Stormwater Utility Fund	Airport Fund	Welcome Center Fund	Golf Course Fund	Totals
Reconciliation of operating income (loss) to net cash (used in) operating activities:					
Operating income (loss)	$ 534,969	$ -	$ (114,826)	$ (400,279)	$ 19,864
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities					
Depreciation	312,068	-	42,240	69,615	423,923
(Increase) in accounts receivable	(130,033)	-	-	(341)	(130,374)
(Increase) in due from other governments	(12,420)	-	-	-	(12,420)
(Increase) in inventory	-	-	-	(8,295)	(8,295)
(Increase) decrease in due from other funds	(1,557,428)	-	1,457	-	(1,555,971)
(Increase) decrease in prepaids and other assets	1,850	-	1,123	(288)	2,685
Increase in accounts payable	183,542	-	-	2,124	185,666
Increase (decrease) in accrued liabilities	3,619	-	-	(696)	2,923
Increase (decrease) in due to other funds	357,487	-	(3,388)	30,851	384,950
Net cash used in operating activities	$ (306,346)	$ -	$ (73,394)	$ (307,309)	$ (687,049)

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Municipal Court			
	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 42,880	$ 930,468	$ (842,167)	$ 131,181
Total assets	$ 42,880	$ 930,468	$ (842,167)	$ 131,181
LIABILITIES				
Due to others	$ 42,880	$ 930,468	$ (842,167)	$ 131,181
Total liabilities	$ 42,880	$ 930,468	$ (842,167)	$ 131,181

CITY OF GRIFFIN, GEORGIA

BALANCE SHEET
COMPONENT UNITS

JUNE 30, 2014

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
ASSETS			
Cash and cash equivalents	$ 24,840	$ 110,926	$ 1,039
Due from primary government	-	-	20,268
Prepaid items	70	70	-
Total assets	24,910	110,996	21,307
LIABILITIES			
Accounts payable	7,916	-	-
Accrued liabilities	3,221	5,510	-
Due to primary government	17,564	10,333	54
Total liabilities	28,701	15,843	54
FUND BALANCES (DEFICIT)			
Nonspendable:			
Prepaid items	70	70	-
Unassigned	(3,861)	95,083	21,253
Total fund balance (deficit)	$ (3,791)	$ 95,153	$ 21,253

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Griffin Main Street	Griffin Downtown Development	Business and Tourism Association
Revenues			
Intergovernmental	$ 95,895	$ 119,737	$ 45,090
Contributions	-	3,000	-
Interest	-	113	-
Total revenues	95,895	122,850	45,090
Expenditures			
Personal services	53,829	99,051	-
Purchased or contracted services	19,903	14,886	28,634
Supplies	9,083	2,329	-
Miscellaneous	4,257	4,588	-
Total expenditures	87,072	120,854	28,634
Net change in fund balance	8,823	1,996	16,456
FUND BALANCE (Deficit), beginning of year	(12,614)	93,157	4,797
FUND BALANCE (Deficit), end of year	$ (3,791)	$ 95,153	$ 21,253

CITY OF GRIFFIN, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AIRPORT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Charges for services	$ 547,773
Other services	1,835
Total operating revenues	549,608
OPERATING EXPENSES	
Personal services	197,972
Purchased or contracted service	502,085
Supplies	15,560
Miscellaneous	40,946
Depreciation	132,690
Total operating expenses	889,253
Operating income (loss)	(339,645)
NONOPERATING REVENUES	
Intergovernmental	154,863
Intergovernmental - contributions from City	165,646
Interest revenue	735
Total nonoperating revenues	321,244
SPECIAL ITEM	
Transfer of airport operations to Airport Authority from City	3,152,966
Change in net position	3,134,565
NET POSITION, beginning of year	-
NET POSITION, end of year	$ 3,134,565

CITY OF GRIFFIN, GEORGIA

STATEMENT OF CASH FLOWS
AIRPORT AUTHORITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 630,602
Payments to suppliers	(513,672)
Payments to employees	(199,088)
Net cash used in operating activities	(82,158)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental	320,509
Transfer of operations from City	311,512
Net cash provided by noncapital financing activities	632,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(163,405)
Net cash used in capital and related financing activities	(163,405)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	735
Net cash provided by investing activities	735
Increase in cash and cash equivalents	387,193
Cash and cash equivalents:	
Beginning of year	-
End of year	$ 387,193
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (339,645)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	132,690
(Increase) in accounts receivable	(1,927)
(Increase) in inventory	(20,705)
(Increase) in due from other funds	(106,575)
Decrease in prepaids and other assets	13,844
Increase in accounts payable	52,858
(Decrease) in accrued liabilities	(2,194)
Increase in due to other funds	189,496
Net cash used in operating activities	$ (82,158)

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 ..... 98 - 106

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 ..... 107 - 113

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... 114 - 117

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 ..... 118 and 119

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 ..... 120 - 122

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 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	$ 18,088,118
Restricted	-	-	-	-	-	-	3,334,266	3,826,867	4,206,163	6,227,266
Unrestricted	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	15,748,511
Total governmental activities net position	$ 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	$ 40,063,895
Business-type activities										
Net investment in capital assets	$ 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	$ 49,188,045
Restricted	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	5,982,820
Unrestricted	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	31,291,021
Total business-type activities net position	$ 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	$ 86,461,886
Primary government										
Net investment in capital assets	$ 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	$ 67,276,163
Restricted	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	12,210,086
Unrestricted	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	47,039,532
Total primary government net position	$ 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	$ 126,525,781

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Primary government:										
Governmental activities:										
General government	$ 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	$ 5,019,496
Judicial	232,360	147,337	138,435	155,443	154,801	166,044	168,762	251,537	163,995	187,201
Public safety [a]	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	14,770,642
Public works	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	4,838,560
Parks and recreation	350,586	412,667	426,302	464,517	535,047	265,882	265,527	288,563	306,880	331,053
Housing and development	360,112	596,803	755,454	811,268	574,377	960,351	897,705	893,084	1,744,909	1,285,090
Interest and fiscal changes	45,564	21,826	175,391	254,579	232,108	218,882	206,442	192,630	315,732	206,286
Total governmental activities expenses	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	26,638,328
Business-type activities:										
Water and Wastewater [b]	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	15,142,670
Electric [c]	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	37,555,182
Solid Waste	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	6,460,663
Stormwater	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	1,765,224
Airport	882,948	1,025,792	1,163,804	974,200	911,534	806,985	928,157	780,458	1,014,246	-
Welcome Center	108,408	122,687	97,060	103,441	101,039	108,418	107,105	106,178	115,656	122,901
Golf Course [d]	436,261	41,378	37,695	319,360	595,589	551,005	561,208	601,361	608,758	637,841
Total business-type activities expenses	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	61,684,481
Total primary government expenses	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	88,322,809
Program revenues										
Primary government:										
Governmental activities:										
Charges for services [e]										
General government	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	5,716,553
Judicial	-	-	-	-	-	-	-	-	-	-
Public safety	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	660,646
Public works	122,543	216,254	194,501	220,743	181,713	174,843	200,332	205,135	197,369	174,619
Parks and recreation	55,880	55,140	231,099	213,252	183,146	211,449	210,767	207,638	207,317	186,169
Housing and economic development	340,657	344,629	389,600	231,281	127,306	115,216	101,832	149,688	127,337	150,780
Operating grants and contributions	449,113	413,975	363,998	338,472	406,984	1,693,407	1,053,102	401,862	790,343	615,471
Capital grants and contributions [f]	-	-	335,500	394,613	-	2,488,143	3,342,662	1,728,069	2,244,969	2,629,373
Total governmental activities program revenues	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	10,133,611

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services [g]										
Water and wastewater	$ 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	$ 18,756,927
Electric	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	47,080,348
Solid waste	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	6,176,975
Stormwater	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	2,207,951
Airport	471,849	536,607	637,397	650,450	486,881	478,507	427,705	522,811	683,920	-
Welcome center	9,486	3,375	-	-	-	5,300	10,325	10,825	11,524	8,075
Golf course	193,584	13,000	16,988	183,752	316,858	300,866	284,412	234,223	236,934	236,936
Operating grants and contributions	158,883	155,219	155,219	157,276	206,103	141,499	169,809	46,773	182,849	104,962
Capital grants and contributions [f]	4,319	11,800	-	127,333	735,186	571,622	331,663	117,206	9,141,322	21,758
Total business-type activities program revenues	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	74,593,932
Total primary government program revenues	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	84,727,543
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	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	4,986,729
Sales taxes	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	3,345,800
Insurance premium tax	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	1,219,600
Alcoholic beverage taxes	583,404	607,163	616,134	646,473	644,810	614,651	620,485	635,971	621,130	626,427
Business occupational taxes	457,860	451,474	462,636	442,655	384,289	415,842	404,400	421,639	416,930	441,938
Other taxes	175,018	186,959	181,064	181,316	166,668	179,848	196,315	196,560	253,890	257,431
Franchise fees	571,945	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345	535,272
Unrestricted investment earnings	115,668	112,359	314,039	73,214	(158,665)	(81,675)	245,221	163,807	9,852	445,337
Gain on sale of assets	-	71,085	21,607	82,281	50,012	30,023	10,530	72,546	-	5,341
Transfers	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	7,847,411
Total governmental activities general revenues and changes in net position	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	19,711,286
Business-type activities:										
Unrestricted investment earnings	742,558	811,917	747,202	619,561	372,215	410,381	231,019	783,095	(373,183)	1,256,518
Gain on sale of assets	-	42,631	572,424	(4,567)	-	-	9,177	35,898	-	207,091
Special item	-	-	-	-	-	-	-	-	-	(3,152,966)
Transfers	(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)	(7,847,411)
Total business type activities general revenues and changes in net position	(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)	(9,536,768)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total primary government general revenues and other changes in net position	$ 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	$ 10,174,518
Change in net position										
Governmental activities	3,777,506	(461,702)	303,657	(1,152,211)	(5,224)	5,032,550	6,197,972	3,869,288	1,108,345	3,206,569
Business-type activities	(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	3,372,683
Total primary government change in net position	$ 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	$ 6,579,252

(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
2005 - 2010

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
General Fund						
Reserved	$ 692,937	$ 303,356	$ 219,852	$ 160,471	$ 180,051	$ 238,489
Unreserved	36,786	1,214,341	1,123,751	1,190,065	742,294	2,024,459
Total General fund	$ 729,723	$ 1,517,697	$ 1,343,603	$ 1,350,536	$ 922,345	$ 2,262,948
All Other Governmental Funds						
Reserved	$ 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	303,956	150,991	149,806	20,061	(83,019)	2,315,097
Total all other governmental funds	$ 2,442,245	$ 2,414,358	$ 2,720,846	$ 2,439,490	$ 2,203,244	$ 4,780,208
Total all governmental funds	$ 3,171,968	$ 3,932,055	$ 4,064,449	$ 3,790,026	$ 3,125,589	$ 7,043,156

CITY OF GRIFFIN, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	$ 211,407	$ 188,035	$ 217,727	$ 143,578
Restricted	109,357	109,357	109,357	109,357
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,290,717	7,795,166	7,624,705	8,012,324
Total General fund	4,611,481	8,092,558	7,951,789	8,265,259
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	$ -	$ -	$ -	$ -
Capital projects funds	-	-	-	-
Permanent funds	2,233,107	2,325,307	2,406,047	2,494,726
Restricted, reported in:				
Special revenue funds	355,797	410,412	576,388	669,104
Capital projects funds	2,698,470	3,016,291	3,264,096	4,784,160
Permanent funds	170,642	290,807	256,322	664,645
Unassigned	-	-	(65,152)	(10,087)
Total all other governmental funds	$ 5,458,016	$ 6,042,817	$ 6,437,701	$ 8,602,548
Total all governmental funds	$ 10,069,497	$ 14,135,375	$ 14,389,490	$ 16,867,807

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Property taxes	$ 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	$ 4,890,450
Other taxes	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	5,891,196
Charges for services	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	5,656,674
Licenses and permits	488,576	521,097	545,177	396,528	300,540	284,588	285,302	319,097	312,916	319,997
Intergovernmental	449,113	413,975	363,998	397,585	406,984	4,162,422	4,286,767	2,243,559	3,031,251	3,244,735
Franchise fees	571,945	596,534	599,456	612,240	621,589	560,428	555,513	556,258	559,345	535,272
Fines and forfeitures	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	621,506
Interest revenues	115,657	112,359	314,039	68,533	(159,027)	(82,058)	244,569	162,991	9,936	445,446
Rental income	53,505	69,743	238,126	215,418	191,521	195,969	196,689	193,874	193,944	175,598
Contributions and donations	6,970	16,276	5,953	21,046	4,314	35,626	3,766	3,165	629	9,160
Other revenues	814,707	662,694	741,899	128,899	147,835	55,864	42,020	64,906	65,895	105,832
Total revenues	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	21,895,866
Expenditures:										
Current:										
General government [c]	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	4,702,864
Judicial [a]	308,837	133,113	138,431	154,045	154,315	165,023	168,195	251,021	163,570	185,970
Public safety [b]	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	13,996,515
Public works	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	4,749,767
Parks and recreation	315,171	472,303	432,342	451,220	543,691	310,404	293,622	317,098	372,654	296,379
Housing and development	394,161	590,356	745,818	800,422	566,739	949,545	892,066	879,060	1,749,118	1,257,507
Capital outlay	11,584	37,745	10,734	258,331	300,440	88,322	1,675,504	577,948	1,579,640	933,531
Debt service:										
Principal	29,059	129,983	261,154	544,731	663,610	712,094	463,214	427,584	415,465	341,489
Interest and fiscal charges	40,106	21,826	38,150	353,919	235,199	220,395	208,474	191,383	299,941	207,492
Total expenditures	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	26,671,514
Deficiency of revenues over expenditures	(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)	(4,775,648)

(Continued)

CITY OF GRIFFIN, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Transfers in	$ 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	$ 8,700,129
Transfers out	(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)	(1,451,505)
Tax allocation bond issuance	-	-	-	-	-	-	-	-	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	5,341
Total other financing sources	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	7,253,965
Net change in fund balances	$ 3,982,410	$ 760,087	$ 132,394	$ (274,423)	$ (664,437)	$ 3,917,108	$ 3,026,341	$ 4,065,878	$ 254,115	$ 2,478,317
Debt Service as a Percentage of Noncapital Expenditures	0.34%	0.69%	1.26%	3.78%	3.84%	4.04%	2.74%	2.63%	2.69%	2.20%

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
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	10,891
2014	4,890	3,346	442	2,639	11,317

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
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	539,751,234	8.63	1,305,576,773	40%
2014	2013	205,946,035	231,703,614	69,346,736	36,366,027	45,781,832	497,580,580	8.61	1,243,951,450	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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Municipal rates:										
City of Griffin:										
Maintenance and operations	14.61	14.97	15.11	15.18	14.95	14.95	14.95	14.95	14.95	16.25
Debt service	-	-	-	-	-	-	-	-	-	-
Sales tax reduction	(5.96)	(6.34)	(6.51)	(6.54)	(6.35)	(6.32)	(6.32)	(6.32)	(6.32)	(7.64)
Total City of Griffin	8.65	8.63	8.60	8.64	8.60	8.64	8.64	8.64	8.64	8.61
City of Orchard Hill maintenance and operations	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.00	6.31
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.36	4.29	4.29	4.08	5.00
Spalding County rates:										
Unincorporated maintenance and operations	13.46	13.41	13.39	13.89	13.88	14.88	14.81	15.01	15.01	16.01
Fire protection (1)	4.76	4.81	4.81	4.83	4.82	5.04	5.98	5.98	5.98	4.17
Insurance premium rollback (1)	(1.69)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.81)	(1.81)	(1.76)
Board of Education	18.90	18.85	18.82	18.81	18.80	18.80	18.80	19.06	19.47	19.47
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15
Total Unincorporated Spalding County	35.68	35.56	35.51	35.99	35.96	37.16	38.03	38.49	38.85	38.04
Total Municipalities:										
City of Griffin	41.26	41.14	41.06	41.59	41.53	42.57	42.50	42.96	43.32	44.24
City of Orchard Hill	37.60	37.46	37.41	37.90	37.88	38.88	38.81	39.27	39.68	41.94
City of Sunny Side	36.97	36.87	36.82	37.31	37.29	38.29	38.15	38.61	38.76	40.63

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	
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%	119,455	4,821,572	99.96%	2,066
2007	2006	4,921,300	4,807,096	97.68%	102,283	4,909,379	99.76%	11,921
2008	2007	5,021,890	4,843,578	96.45%	172,349	5,015,927	99.88%	5,963
2009	2008	5,015,275	4,809,253	95.89%	192,261	5,001,514	99.73%	13,761
2010	2009	4,888,103	4,682,081	95.79%	177,168	4,859,249	99.41%	28,854
2011	2010	4,571,371	4,264,314	93.28%	264,024	4,528,338	99.06%	43,033
2012	2011	4,661,292	4,455,818	95.59%	129,453	4,585,271	98.37%	76,021
2013	2012	4,621,315	4,355,689	94.25%	109,098	4,464,787	96.61%	156,528
2014	2013	4,623,024	4,309,870	93.23%	-	4,309,870	93.23%	313,154

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

	2014			2005		
Taxpayer	**Taxable Assessed Value (In thousands)**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value (In thousands)**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Tenet-Spalding Regional Hospital	$ 42,398	1	3.41%	$ 27,492	3	2.00%
Bandag Inc.	24,992	2	2.01%	21,211	6	1.55%
Wal-Mart Stores	22,215	3	1.79%	17,928	8	1.31%
International Paper	21,286	4	1.71%	24,413	5	1.78%
Kroger	15,458	5	1.24%	-		-
Lowes Home Centers, Inc.	12,977	6	1.04%	11,985	10	0.87%
First National Bank of Griffin	11,049	7	0.89%	-		-
Home Depot	10,534	8	0.85%	-		-
Walden Point	10,424	9	0.84%	-		-
NACOM	9,612	10	0.77%	109,007	1	7.94%
Exo-Tech Packaging LLC	-		-			
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	$ 180,945		14.55%	$ 296,260		19.58%

Source: Spalding County Tax Assessor

CITY OF GRIFFIN, GEORGIA

TOP TEN SEWER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014				2005			
Customer	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Southern Terry	77,127,600	$ 635,719	1	9.09 %	454,313	$ 252,082	1	4.65 %
Spalding Co. Law Enforcement	26,197,600	415,338	2	5.94	-	-		-
AMI Griffin-Spalding Co. Hospital	29,673,400	238,466	3	3.41	207,539	118,431	3	2.19
Caterpillar Inc.	12,899,800	106,687	4	1.52	-	-		-
Bandag Inc.	13,316,000	102,290	5	1.46	-	-		-
Brightmoor Health	11,046,800	86,487	6	1.24	-	-		-
Spalding Co. Correctional Institute	11,917,200	84,950	7	1.21	-	-		-
Sumika Polymer Compounds	9,538,600	74,919	8	1.07	-	-		-
Griffin Health Care Center	8,753,000	67,832	9	0.97	64,563	35,934	10	0.66
Exopack	8,066,600	32,382	10	0.46	-	-		-
National Housing Management Service	-	-		-	264,257	146,087	2	2.70
Copper Standard	-	-		-	201,813	114,478	4	2.11
Nacom	-	-		-	158,074	89,705	5	1.66
Griffin Crossings					79,928	44,662	6	0.82
Griffin Housing Authority	-	-		-	73,422	41,791	7	0.77
Walden Pointe Apartments					66,510	36,503	8	0.67
Heritage Apartments					63,662	35,989	9	0.66
	208,536,600	$ 1,845,070		26.37 %	1,634,081	$ 915,662		16.89 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

TOP TEN WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014				2005			
Customer	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues	Usage (in gallons)	Charges	Rank	Percentage of Total Revenues
Spalding County Water Authority	750,983,300	$ 7,774,310	1	51.30 %	-	$ -		- %
Coweta County Water and Sewer	1,081,528,900	2,784,323	2	18.37	-	-		-
City of Zebulon	55,384,000	440,353	3	2.91	722,277	167,557	3	2.06
Southern Terry	77,127,600	390,697	4	2.58	454,313	182,633	2	2.25
AMI Griffin-Spalding Co. Hospital	29,673,400	151,440	5	1.00	207,539	86,824	5	1.07
City of Williamson	12,200,700	96,997	6	0.64	-	-		-
Bandag Inc.	13,316,000	83,049	7	0.55	-	-		-
International Paper	7,757,400	50,592	8	0.33	-	-		-
Griffin Health Care Center	8,753,000	49,485	9	0.33	-	-		-
Exopack	8,066,600	23,646	10	0.16	-	-		-
Springs Ind. Inc.	-	-		-	3,601,391	857,131	1	10.54
National Housing Management Service	-	-		-	264,257	108,828	4	1.34
Cooper Standard	-	-		-	201,813	83,868	6	1.03
NACOM	-	-		-	158,252	65,955	7	0.81
University of Georgia, Griffin Campus	-	-		-	116,232	53,085	8	0.65
Spalding Co. Correctional Institute	-	-		-	108,751	44,668	9	0.55
Griffin Crossings	-	-		-	92,163	39,284	10	0.48
	2,044,790,900	$ 11,844,892		78.17 %	5,926,988	$ 1,689,833		20.77 %

Source: City of Griffin Utility Billing Department

CITY OF GRIFFIN, GEORGIA

TOP TEN ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014				2005			
Customer	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues	Usage (in kHz)	Charges	Rank	Percentage of Total Revenues
City of Griffin WasteWater Treatment Plant	16,588,135	$ 1,606,452	1	3.66 %	-	$ -		- %
Bandag, Inc.	18,463,200	1,585,012	2	3.61	17,986,197	1,125,753	2	3.51
Griffin Spalding County Schools	10,560,576	1,113,061	3	2.53	-	-		-
Covaris (formerly Exopac)	15,346,000	970,555	4	2.21	18,078,087	939,387	3	2.93
Caterpillar Inc.	11,405,400	944,191	5	2.15	12,337,569	671,773	4	2.09
AMI Griffin-Spalding Co. Hospital	8,787,657	787,263	6	1.79	7,901,023	529,923	5	1.65
International Paper	7,967,400	645,398	7	1.47	-	-		-
Norcom	7,295,760	611,062	8	1.39	-	-		-
University of Georgia, Griffin Campus	5,935,200	575,420	9	1.31	6,385,385	488,190	7	1.52
Southern Terry	5,927,000	508,587	10	1.16	6,443,078	411,994	10	1.28
Cooper Standard	-	-		-	25,213,701	1,369,433	1	4.27
WAL-MART Store #01-932,	-	-		-	7,094,965	504,742	6	1.57
Filter Plant/River and Reservoir PMP	-	-		-	6,108,600	453,708	8	1.41
Weyerhaeuser Co.	-	-		-	7,224,174	420,178	9	1.31
	108,276,328	$ 9,347,001		21.28 %	114,772,779	$ 6,915,081		21.54 %

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				
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	65,071,387	1,510,510	560,277	90,401	68,141,892	13.05%	2,244.09	2,913.42
2014	858,862	3,677,353	62,440,082	1,356,683	313,172	46,729	68,692,881	13.81%	2,271.82	2,905.42

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]									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 56,335	$ 55,765	$ 57,026	$ 58,394	$ 58,061	$ 56,601	$ 56,080	$ 53,975	$ 52,223	$ 49,758
Total net debt applicable to limit	548	1,047	5,193	5,405	4,742	4,675	4,212	4,427	4,011	3,677
Legal debt margin	$ 55,787	$ 54,718	$ 51,833	$ 52,989	$ 53,319	$ 51,926	$ 51,868	$ 49,548	$ 48,212	$ 46,081
Total net debt applicable to the limit as a percentage of debt limit	0.97%	1.88%	9.11%	9.26%	8.17%	8.26%	7.51%	8.20%	7.68%	7.39%

Legal Debt Margin Calculation for Fiscal Year 2014

Total assessed value	$ 543,362
Less Exempt:	45,782
Total taxable assessed value:	497,580
Debt limit (10% of total taxable assessed value)	49,758
Debt applicable to limit:	
Capital leases	3,677
Legal debt margin	$ 46,081

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, 2014
(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	$ 5,062	39.79%	$ 2,014
Certificates of Participation	3,300	39.79%	1,313
Subtotal, overlapping debt	8,362		3,327
Direct:			
City of Griffin tax allocation bonds	859	100.00%	859
City of Griffin capital leases	3,677	100.00%	3,677
Total	$ 12,898		$ 7,863

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	
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
2014	67,080	46,472	20,608	2,293	2,225	4,518	4.56

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]
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%
2014	23,643	30,237	0.78	12.70%

* 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

	2014			2005		
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									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Function										
General government										
Administration	47	47	52	52	50	49	45	31	29	30
Judicial	1	1	1	1	1	1	1	1	2	2
Public Safety	181	183	172	183	166	172	170	164	168	172
Public Works	53	40	44	52	49	53	46	49	44	46
Development	5	6	6	7	6	6	6	7	9	6
Water/Wastewater Operations	74	81	69	69	53	70	68	64	74	73
Electric operations	54	29	44	55	45	45	64	64	60	64
Solid Waste operations	58	56	54	54	45	47	45	42	40	40
Golf Course operations	-	-	-	-	-	-	-	-	9	9
Airport operations	6	6	3	4	4	3	4	4	4	-
Welcome Center	1	1	1	2	2	2	2	2	-	-
Stormwater	17	14	12	12	13	13	14	13	14	14
Motor Pool	14	13	13	14	13	12	11	11	11	11
Total	511	477	471	505	447	473	476	452	461	466

Source: City Finance Department

CITY OF GRIFFIN, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Police										
Physical arrests	4,320	2,404	4,417	2,631	2,612	3,207	3,959	3,802	3,756	3,650
Parking violations	1,627	621	1,234	1,387	958	472	191	5	0	5
Traffic violations	11,488	10,813	8,465	9,856	9,231	11,126	11,862	11,062	8,928	5,549
Fire										
Emergency responses	1,111	938	1,268	1,210	1,121	1,212	1,405	1,515	1,645	1,770
Fires extinguished	97	122	231	192	173	175	202	167	81	166
Inspections	792	1,000	1,243	1,185	1,336	1,314	1,254	1,332	1,164	1,103
Refuse Collection										
Refuse collected (tons per day)	38	38	38	38	49	29	29	30	30	36
Other Public Works										
Street resurfacing (miles)	6	3	3	3	0	2	10	0	13	2
Potholes repaired	682	1,053	1,051	1,052	387	548	753	215	462	482
Parks and recreation										
Athletic field permits issued	356	360	358	361	350	0	0	0	145	115
Water										
New connections	99	136	120	122	63	31	20	16	14	13
Water main breaks	34	39	49	50	35	56	34	37	41	20
Average daily consumption (millions of gallons)	9.50	1.03	8.94	8.94	9.11	8.92	8.98	8.95	8.97	9.14
Peak daily consumption (millions of gallons)	1.08	1.23	1.20	1.21	1.24	1.08	1.44	15.67	12.93	12.02
Wastewater										
Average daily sewage treatment (millions of gallons)	5.14	4.6	5	5	3.23	3.98	3.26	2.95	3.61	3.85

Sources: Various City departments.

CITY OF GRIFFIN, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST NINE FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Zone officers	112	112	111	99	56	60	54	56	56	56
Patrol units	102	102	102	102	102	70	104	105	55	74
Fire stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	165	165	165	165	165	162	160	140	140	140
Streetlights	879	879	879	879	879	879	879	879	879	879
Traffic signals	879	879	913	913	913	913	913	58	58	76
Parks and recreation										
Acreage	207	207	207	207	207	207	207	212	210	210
Playgrounds	3	3	3	3	3	4	4	5	5	5
Water										
Water mains (miles)	700	700	700	700	700	700	623	200	212	212
Fire hydrants	7,392	7,392	7,392	7,392	7,392	7,392	7,392	1,240	1,240	1,426
Storage capacity (thousands of gallons)	500	500	500	500	500	500	500	700	700	750
Wastewater										
Sanitary sewers (miles)	160	160	213	213	243	223	225	232	232	233
Storm sewers (miles)	75	75	91	91	85	100	100	64	64	65
Treatment capacity (thousands of gallons)	6.00	6.00	6.00	6.00	5.75	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, 2014, 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 October 28, 2014.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

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'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 Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
October 28, 2014

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 the City of Griffin, Georgia's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. 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, 2014.

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
October 28, 2014

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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)			
State Administered CDBG Cluster			
Community Development Block Grant (2012)	14.228	12P-X-126-2-5472	$ 252,706
Neighborhood Stabilization Program	14.228	11-NS-6011	79,850
Total State Administered CDBG Cluster			332,556
Total U.S. Department of Housing and Urban Development			332,556
U.S. Department of Justice			
(Passed through Criminal Justice Coordinating Council)			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0098	14,125
Total U.S. Department of Justice			14,125
U.S. Department of Transportation			
(Passed through the Georgia Department of Transportation)			
Federal Aviation Administration - Airport Improvement Program	20.106	AP013-9019-29(255)	44,314
Federal Highway Administration - Highway Planning and Construction	20.205	PI No 0010333	43,416
Total U.S. Department of Transportation			87,730
U.S. Department of Homeland Security			
(Passed through Georgia Emergency Management Agency)			
Disaster Relief Grants	97.036	PA-04-GA-4165-PW-0020(19)	234,823
Total U.S. Department of Homeland Security			234,823
U.S. Environmental Protection Agency			
(Passed through Georgia Environmental Protection Agency)			
Nonpoint Source Implementation Program	66.460	751-110088	97,558
Total U.S. Environmental Protection Agency			97,558
Total Expenditures of Federal Awards			$ 766,792

CITY OF GRIFFIN, GEORGIA

NOTE 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, 2014.

Amount Provided to Subrecipients

During the fiscal year ended June 30, 2014, the City made disbursements to sub-recipients of the following grant programs:

Program	CFDA	Amount
Neighborhood Stabilization Program	14.228	$ 79,850

CITY OF GRIFFIN, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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
66.460	319 Program / Nonpoint Source Implementation Grant

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 FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014-001 Management of Accrued Liabilities

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. As such, liabilities including payroll should be properly accrued at year end for services provided no matter the timing of the related cash flows.

Condition: For the fiscal year ending June 30, 2014, we noted the City did not properly accrue its payroll for the pay period ending June 28, 2014 but not paid until July 3, 2014. This caused expenditures and liabilities to be understated for various funds of the City 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 record the accrued payroll liability.

Effect: Audit adjustments to increase salary expenditures/expenses and accrued liabilities within the General Fund by $443,485, the Water Fund by $105,318, the Electric Fund by $118,475, the Solid Waste Fund by $54,784 and other various nonmajor funds totaling $44,150 were required to be recorded as of June 30, 2014.

Recommendation: We recommend the City’s accounting staff develop year end processes to ensure all necessary accruals are prepared, recorded, and reviewed to ensure accuracy. A year end and monthly process checklist would work well to ensure that all necessary items are properly addressed at each period end.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding and recommendation. We will make adjustments to our processes to ensure that all required liabilities are properly accrued at each period and year end.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF GRIFFIN, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATUS OF PRIOR YEAR AUDIT FINDINGS

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 fiscal year ending June 30, 2013.

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

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.

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.

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