CITY OF DALLAS, GEORGIA

ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2011

Kendall Smith
City Manager

By Authority of
Mayor and City Council

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FINANCIAL SECTION



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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

EARL WILLIAMSON
LLOYD WILLIAMSON

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Council
City of Dallas
Dallas, Georgia

We have audited the accompanying financial statements of the governmental activities and the business-type activities fund information of the City of Dallas, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dallas, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities and the business-type activities fund information of the City of Dallas, Georgia as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America and the respective budgetary comparison for the General Fund, the Confiscated Drug Fund, the Hotel Motel Tax Fund, and the Capital Projects Funds.

The City of Dallas has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The accompanying Post Employment Healthcare Plan Schedule of Funding Progress and Schedule of Employer Contributions on pages 38 and 39 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

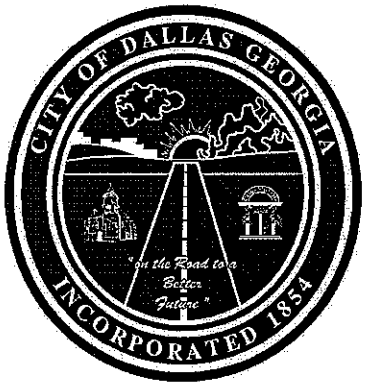
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dallas's financial statements as a whole. The Schedule of Special Purpose Local Options Sales Tax, as required by the Georgia code section OCGA §48-8-121, is presented for purposes

of additional analysis and is not required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Dallas, Georgia. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williamson and Company, CPA's

Williamson & Co., CPA's
October 12, 2011

BASIC FINANCIAL STATEMENTS



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CITY OF DALLAS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 1,457,561	$ 27,580	$ 1,485,141
Receivables - net	635,863	478,375	1,114,238
Internal Balances	785,844	(785,844)	-
Inventory	-	97,260	97,260
Restricted Assets:			
Cash	1,767,433	5,443,462	7,210,895
Non-Current Assets:			
Issuance Cost-Net	-	209,342	209,342
Capital Assets:			
Land and Construction in Progress	5,133,585	1,879,906	7,013,491
Other Capital Assets-Net	13,409,067	11,466,775	24,875,842
Total Capital Assets	18,542,652	13,346,681	31,889,333
Total Assets	23,189,353	18,816,856	42,006,209
LIABILITIES			
Accounts Payable	414,258	184,586	598,844
Customer Deposits	114,190	344,133	458,323
Interest Payable	-	93,303	93,303
Retainage Payable	97,145	18,193	115,338
Deferred Revenue	149,504	-	149,504
Noncurrent Liabilities:			
Due Within One Year	548,745	333,040	881,785
Due In More Than One Year	2,201,405	10,571,882	12,773,287
Total Liabilities	3,525,247	11,545,137	15,070,384
NET ASSETS			
Invested in Capital Assets, net of related debt	15,840,175	2,457,585	18,297,760
Restricted for:			
Capital Projects	596,555	-	596,555
Drug Enforcement Activities	9,591	-	9,591
Tourism	1,648	-	1,648
Debt Service	-	5,443,462	5,443,462
Unrestricted	3,216,137	(629,328)	2,586,809
Total Net Assets	$ 19,664,106	$ 7,271,719	$ 26,935,825

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	$ 1,106,271	$ 1,653,415	$ -	$ -
Public Safety	1,889,006	311,364	-	9,758
Public Works	1,330,379	-	-	57,343
Building Inspector	95,665	7,980	-	-
Theater	364,351	144,589	-	-
Civic Center	82,042	-	-	-
Parks	293,379	86,893	-	450,236
Marshall	19,250	-	-	-
Interest on Long-term Debt	80,625	-	-	-
Total Governmental Activities	5,260,968	2,204,241	-	517,337
Business-type activities:				
Water & Sewer	3,431,999	2,582,432	-	237,432
Solid Waste	285,986	477,213	-	-
Total Business-type Activities	3,717,985	3,059,645	-	237,432
Total primary government	$ 8,978,953	$ 5,263,886	$ -	$ 754,769

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
Functions/Programs	Governmental Activities	Business-type Activities	Totals
Primary government:			
Governmental activities:			
General Government	$ 547,144		$ 547,144
Public Safety	(1,567,884)		(1,567,884)
Public Works	(1,273,036)		(1,273,036)
Building Inspector	(87,685)		(87,685)
Theater	(219,762)		(219,762)
Civic Center	(82,042)		(82,042)
Parks	243,750		243,750
Marshall	(19,250)		(19,250)
Interest on Long-term Debt	(80,625)		(80,625)
Total Governmental Activities	(2,539,390)		(2,539,390)
Business-type activities:			
Water & Sewer		$ (612,135)	(612,135)
Solid Waste		191,227	191,227
Total Business-type Activities		(420,908)	(420,908)
Total primary government	(2,539,390)	(420,908)	(2,960,298)
General revenues:			
Taxes:			
Property	967,631	-	967,631
Sales Tax	1,295,612	-	1,295,612
Hotel/Motel	9,263	-	9,263
Business Occupation	52,255	-	52,255
Financial Institution Tax	31,718	-	31,718
Insurance Premium	274,824	-	274,824
Malt Beverage	222,466	-	222,466
Franchise	571,040	-	571,040
Payment from County	-	-	-
Investment Earnings	8,724	592	9,316
Transfers In (Out)	(625,165)	625,165	-
Miscellaneous	12,036	-	12,036
Total General Revenues and Transfers	2,820,404	625,757	3,446,161
Change in Net Assets	281,014	204,849	485,863
Net Assets - Beginning	19,383,092	7,066,870	26,449,962
Net Assets - Ending	$ 19,664,106	$ 7,271,719	$ 26,935,825

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
BALANCE SHEET- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General	Special Revenue- Confiscated Drug	Capital Projects- Splost 2005	Capital Projects- Splost 2011	Hotel Motel	Total Governmental Funds
ASSETS						
Cash	$1,457,561	$ -	$ -	$ -	$ -	$ 1,457,561
Receivables (Net):						
Accounts	352,005	-	-	-	-	352,005
Taxes	47,076	-	155,295	81,487	-	283,858
Due from Other Funds	1,810,958	1,838	46,548	-	-	1,859,344
Cash - Restricted	-	7,753	1,753,712	2,086	3,882	1,767,433
Total Assets	$3,667,600	$ 9,591	$1,955,555	$ 83,573	$ 3,882	$ 5,720,201
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 42,951	$ -	$ 369,073		$ 2,234	$ 414,258
Due to Other Funds	-	-	-	1,073,500	-	1,073,500
Retainage Payable	97,145	-	-	-	-	97,145
Deferred Revenue	149,504	-	-	-	-	149,504
Deposits Payable	114,190	-	-	-	-	114,190
Total Liabilities	403,790	-	369,073	1,073,500	2,234	1,848,597
Fund Balance:						
Reserved for:						
Drug Enforcement Activities	-	9,591	-	-	-	9,591
Capital Projects	-	-	1,586,482	(989,927)	-	596,555
Tourism	-	-	-	-	1,648	1,648
Unassigned	3,263,810	-	-	-	-	3,263,810
Total Fund Balances	3,263,810	9,591	1,586,482	(989,927)	1,648	3,871,604
Total Liabilities and Fund Balances	$3,667,600	$ 9,591	$1,955,555	$ 83,573	$ 3,882	$ 5,720,201

Reconciliation of the Balance Sheet to the Statement of Net Assets

Fund Balances - Total governmental funds	$ 3,871,604
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.	18,542,652
Non-current liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Note Payable	(496,667)
Lease Payable	(2,205,809)
Compensated Absences	(47,674)
Net assets of governmental activities	$ 19,664,106

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	General	Special Revenue-Confiscated Drug	Capital Projects-Splost 2005	Capital Projects-Splost 2011	Hotel / Motel	Total Governmental Funds
REVENUES						
Taxes	$ 3,415,546	$ -	$ -	$ -	$ 9,263	$ 3,424,809
Licenses and Permits	70,488	-	-	-	-	70,488
Intergovernmental	5,575		1,421,659	163,673	-	1,590,907
Fines and Forfeitures	300,691	2,122	-	-	-	302,813
Services	231,482	-	-	-	-	231,482
Grants	298,637	-	-	-	-	298,637
Sale of confiscated property	-	2,285	-	-	-	2,285
Miscellaneous Income	12,036	-	-	-	-	12,036
Interest Income	3,249	-	5,475	-	-	8,724
Total Revenues	4,337,704	4,407	1,427,134	163,673	9,263	5,942,181
EXPENDITURES						
Current:						
General Government	971,543	-	10,156	267	9,263	991,229
Public Safety	1,769,647	1,295	1,052,067	-	-	2,823,009
Public Works	807,269	-	1,893,912	-	-	2,701,181
Building Inspector	95,665	-	-	-	-	95,665
Theater	354,498	-	-	-	-	354,498
Civic Center	48,749	-	-	-	-	48,749
Parks	482,120	-	113,811	1,800,000	-	2,395,931
Marshall	19,250	-	24,458	-	-	43,708
Debt Service:						
Principal	219,787	-	-	248,333	-	468,120
Interest	80,625	-	-	-	-	80,625
Total Expenditures	4,849,153	1,295	3,094,404	2,048,600	9,263	10,002,715
Excess (Deficiency) of Revenues Over (Under) Expenditures	(511,449)	3,112	(1,667,270)	(1,884,927)	-	(4,060,534)
OTHER FINANCING SOURCES (USES)						
Transfers - Out	(685,565)	-	-	-	-	(685,565)
Transfers - In	-	-	60,400	-	-	60,400
Capital Contribution	68,700	-	-	150,000	-	218,700
Note Payable Issuance	-	-	-	745,000	-	745,000
Proceeds From Disposal of Capital Assets	6,266	-	-	-	-	6,266
Total Other Financing Sources (Uses)	(610,599)	-	60,400	895,000	-	344,801
Net Change in Fund Balances	(1,122,048)	3,112	(1,606,870)	(989,927)	-	(3,715,733)
Fund Balance (Deficit) - Beginning of Year	4,385,858	6,479	3,193,352	-	1,648	7,587,337
Fund Balance - End of Year	$ 3,263,810	$ 9,591	$ 1,586,482	$ (989,927)	$ 1,648	$ 3,871,604

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
JUNE 30, 2011

Net Change in Fund Balances - Total Governmental Funds		$ (3,715,733)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Gain(Loss) on Disposal of Capital Assets	(8,877)	
Expenditures for capital assets	4,965,646	
Less current year depreciation	(688,763)	4,268,006
In the Statement of Activities, the lease proceeds are shown as a source of funds, these are net capital assets and not reflected financial resources. Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Add Repayment of Principal		468,120
Note Payable Proceeds		(745,000)
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 the governmental funds.		
Net change in long-term compensated absences		5,621
Change in Net Assets of Governmental Activities		$ 281,014

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 3,110,050	$ 3,483,050	$ 3,415,546	$ 67,504
Licenses and Permits	80,100	80,100	70,488	(9,612)
Fines and Forfeitures	324,000	324,000	300,691	(23,309)
Services	162,260	193,690	231,482	37,792
Grants	1,675,951	739,951	298,637	(441,314)
Miscellaneous Income	27,100	27,100	17,611	(9,489)
Interest Income	20,000	20,000	3,249	(16,751)
Total Revenues	5,399,461	4,867,891	4,337,704	(395,179)
EXPENDITURES				
Current:				
General Government	1,287,847	1,731,346	971,543	759,803
Public Safety	2,036,733	2,109,182	1,769,647	339,535
Public Works	1,821,675	838,675	807,269	31,406
Building Inspector	185,090	164,290	95,665	68,625
Theater	270,485	367,985	354,498	13,487
Civic Center	49,534	54,334	48,749	5,585
Parks	511,296	646,496	482,120	164,376
Marshall	-	19,250	19,250	-
Debt Service:				
Principal	219,787	219,787	219,787	-
Interest	80,629	80,629	80,625	4
Total Expenditures	6,463,076	6,231,974	4,849,153	1,382,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,063,615)	(1,364,083)	(511,449)	987,642
OTHER FINANCING SOURCES (USES)				
Transfers - Out	-	(700,000)	(685,565)	14,435
Capital Contribution	-	68,700	68,700	-
Proceeds From Disposal of Capital Assets	3,000	6,000	6,266	266
Total Other Financing Sources (Uses)	3,000	(625,300)	(610,599)	14,701
Net Change in Fund Balance	(1,060,615)	(1,989,383)	(1,122,048)	1,002,343
Fund Balance (Deficit) - Beginning of Year	-	-	4,385,858	-
Fund Balance (Deficit) - End of Year	$ (1,060,615)	$ (1,989,383)	$ 3,263,810	$ 1,002,343

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
CONFISCATED DRUG SPECIAL REVENUE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Confiscations	$ 1,000	$ 1,000	$ 2,285	$ 1,285
Fines and Forfeitures	-	-	2,122	2,122
Total Revenues	1,000	1,000	4,407	3,407
EXPENDITURES				
Current:				
Public Works	1,000	1,000	1,295	(295)
Total Expenditures	1,000	1,000	1,295	(295)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	3,112	3,702
OTHER FINANCING SOURCES (USES)				
Transfers - in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	3,112	3,702
Fund Balance (Deficit) - Beginning of Year	-	6,479	6,479	-
Fund Balance (Deficit) - End of Year	$ -	$ 6,479	$ 9,591	$ 3,702

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 9,263	$ 9,263	$ 9,263	$ -
Total Revenues	9,263	9,263	9,263	-
EXPENDITURES				
Current:				
General Government	9,263	9,263	9,263	-
Total Expenditures	9,263	9,263	9,263	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers - in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) - Beginning of Year	-	1,648	1,648	-
Fund Balance (Deficit) - End of Year	$ -	$ 1,648	$ 1,648	$ -

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Water and Sewer	Solid Waste	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 27,580	$ -	$ 27,580
Accounts Receivable - net	236,541	30,809	267,350
Grant Receivable	203,417	-	203,417
Due From Other Governments	7,608	-	7,608
Due From Other Funds	-	522,090	522,090
Inventory	97,260	-	97,260
Cash- Restricted	5,443,462	-	5,443,462
Total Current Assets	6,015,868	552,899	6,568,767
Non-Current Assets:			
Issuance Cost-Net	209,342	-	209,342
Capital Assets:			
Buildings	245,915	-	245,915
Machinery & Equipment	1,318,729	-	1,318,729
Utility System - Water	4,934,987	-	4,934,987
Utility System - Sewer	11,102,308	-	11,102,308
Less Accumulated Depreciation	(6,135,164)	-	(6,135,164)
Construction in Progress	1,324,195	-	1,324,195
Land	555,711	-	555,711
Total Capital Assets	13,346,681	-	13,346,681
Total Non-Current Assets	13,556,023	-	13,556,023
Total Assets	$ 19,571,891	$ 552,899	$ 20,124,790

(Continued)

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

(Continued)	Water and Sewer	Solid Waste	Total
Liabilities			
Current Liabilities:			
Accounts Payable	$ 184,586	$ -	$ 184,586
Due to Other Funds	1,307,934	-	1,307,934
Accrued Interest Payable	93,303	-	93,303
Retainage Payable	18,193	-	18,193
Customer Deposits	344,133	-	344,133
Notes Payable	333,040	-	333,040
Total Current Liabilities	2,281,189	-	2,281,189
Noncurrent Liabilities:			
Compensated Absences Payable	15,826	-	15,826
Bond Payable	6,445,000	-	6,445,000
Note Payable	4,111,056	-	4,111,056
Total Noncurrent Liabilities	10,571,882	-	10,571,882
Total Liabilities	12,853,071	-	12,853,071
Net Assets			
Invested in Capital Assets, net of related debt	2,457,585	-	2,457,585
Restricted for Debt Service	5,443,462	-	5,443,462
Unrestricted	(1,182,227)	552,899	(629,328)
Total Net Assets	$ 6,718,820	$ 552,899	$ 7,271,719

The accompanying notes are an integral part of this financial statement.

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

	Water and Sewer	Solid Waste	Total
Operating Revenues			
Charges for Services	$ 2,522,087	$ 477,213	$ 2,999,300
Fees	54,761	-	54,761
Other Revenues	5,584	-	5,584
Total Operating Revenues	2,582,432	477,213	3,059,645
Operating Expenses			
Cost of Sales and Services	1,487,537	285,986	1,773,523
Salaries, Wages and Employee Benefits	476,666	-	476,666
Cost of Water Purchased	589,599	-	589,599
Amortization Expense	11,018	-	11,018
Depreciation Expense	564,082	-	564,082
Total Operating Expenses	3,128,902	285,986	3,414,888
Operating Income (Loss)	(546,470)	191,227	(355,243)
Nonoperating Revenues (Expenses)			
Federal Grants	237,432	-	237,432
Interest Revenue	592	-	592
Interest Expense	(303,097)	-	(303,097)
Total Nonoperating Revenues (Expenses)	(65,073)	-	(65,073)
Income Before Contributions, Special Items and Transfers	(611,543)	191,227	(420,316)
Transfers In (Out)	625,165	-	625,165
	625,165	-	625,165
Change in Net Assets	13,622	191,227	204,849
Net Assets - Beginning	6,705,198	361,672	7,066,870
Net Assets - Ending	$ 6,718,820	$ 552,899	$ 7,271,719

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Water and Sewer	Solid Waste	Total
Cash Flows From Operations			
Receipts from Customers and Users	$ 2,397,192	$ 508,012	$ 2,905,204
Payments to Suppliers	(2,015,107)	(285,986)	(2,301,093)
Payments to/for Employees	(484,122)	-	(484,122)
Net Cash Provided by (Used by) Operating Activities	(102,037)	222,026	119,989
Cash Flows from Noncapital Financing Activities			
Payments from Other Funds	1,557,088	1,346,856	2,903,944
Payments to Other Funds	(585,150)	(1,568,882)	(2,154,032)
Net Cash from Noncapital Financing Activities	971,938	(222,026)	749,912
Cash Flows from Capital and Related Financing Activities			
Principal Payments -Notes	(352,105)	-	(352,105)
Proceeds from Bonds	6,316,040	-	6,316,040
Proceeds from Grants	237,432	-	237,432
Acquisition and Construction of Capital Assets	(1,481,995)	-	(1,481,995)
Interest Paid	(283,533)	-	(283,533)
Net Cash from Capital and Related Financing Activities	4,435,839	-	4,435,839
Cash Flows from Investing Activities			
Interest Received	592	-	592
Net Increase(Decrease) in Cash	5,306,332	-	5,306,332
Cash (Overdraft) - July 1	164,710	-	164,710
Cash (Overdraft) - June 30	$ 5,471,042	$ -	$ 5,471,042
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ (546,470)	$ 191,227	$ (355,243)
Adjustments to Reconcile from Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation	564,082	-	564,082
Amortization	11,018	-	11,018
(Increase) Decrease in Assets:			
Accounts Receivable	(172,740)	30,799	(141,941)
Inventory	(12,500)	-	(12,500)
Increase (Decrease) in Liabilities:			
Accounts Payable	36,200	-	36,200
Accrued Payroll	(7,456)	-	(7,456)
Accrued Interest	23,539	-	23,539
Retainage Payable	(4,632)	-	(4,632)
Customer Deposits	6,922	-	6,922
Net Cash Provided by (Used in) Operating Activities	$ (102,037)	$ 222,026	$ 119,989

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Water and Sewer	Solid Waste	Total
Noncash Investing, Capital and Financing Activities			
Acquisition of Capital Assets	$ 89,820	$ -	$ 89,820
Retainage Payable	(63,843)	-	(63,843)
Accounts Payable	(25,977)	-	(25,977)
Accrued Interest	(19,564)	-	(19,564)
Interest Expense	19,564	-	19,564
Net Cash from Noncash Activities	$ -	$ -	$ -

The accompanying notes are an integral part of this financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, certain potential component units are considered for inclusion in the financial report because of the significance of the City's influence over their operation or finances. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In accordance with the above criteria, the City does not include any component units.

Related organization: The Housing Authority of the City of Dallas is a related organization that has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Authority's Board consists of six members that are appointed by the Dallas City Council. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The more significant of the government's accounting policies are described below.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues.*

Fund financial statements emphasize major funds in either the governmental, proprietary and fiduciary (if any) funds. Non-major funds (if any) are reported as a separate column in the fund financial statements.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The

Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City does not apply FASB pronouncement and APB opinions issued after November 30, 1989.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 government 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.

Taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, non-exchange transactions are recognized in accordance with GASB Statement 33.

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

D. Fund Types and Major Funds

Major Governmental Funds:

These are the funds through which most governmental functions typically are financed. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. The funds included in this category are the:

General Fund - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Fund- This fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or capital projects). The City has elected to present two special revenue funds: Confiscated Drug Fund

and Hotel/Motel Tax Fund as major funds. The Confiscated Drug Fund accounts for cash received from the confiscation or sale of capital assets acquired through confiscations. The Hotel/Motel Tax Fund accounts for tax proceeds from the hotel/motel tax.

Capital Projects Funds- These funds are used to account for major capital expenditures not financed by Enterprise Funds, Internal Service Funds, or Trust Funds. These funds are used to account for projects funded by grants and the Special Local Option Sales Tax. The City maintains a SPLOST capital project fund.

Proprietary Funds:

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting.

Major Proprietary Funds
The City reports the water and sewer, and sanitation funds as major funds. 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 are charges to customers for sales and services. The water and sewer fund recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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 non-operating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include charges to customers for good, services or privileges provided, operating grants and contributions, and capital grants and contributions, including any special assessments. General revenues include all taxes. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

E. Stewardship, Compliance, and Accountability

Budgetary Data:

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of annual budget ordinance and amended as required and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the department level and expenditures may not legally exceed appropriations at this level.

No supplemental budgetary appropriations were necessary during the current year. All unencumbered budget appropriations lapse at the end of each fiscal year.

The general and special revenue funds legally adopt an annual budget. The department heads may amend their budget, so long as the total department level budget does not change. The Capital Projects Funds adopt a project length budget.

Deposits with Financial Institutions:

State statutes require that the City's deposits be collateralized by securities held in the name of the City by the trust department of a bank that does not hold the collateralized deposits.

F. Cash

Cash consists of amounts in demand deposits that are insured or collateralized as required by law.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise fund are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

H. Interfund Receivables and Payables / Internal balances

Due To and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

I. Inventories

Inventories for all governmental funds are recorded as expenditures when purchased; however, material amounts, if any, of inventories are reported as assets of the respective fund. Inventories of the enterprise fund, if any, are valued at the lower of cost (first-in, first-out) or market.

J. Other Assets

Other assets held are recorded and accounted for at cost.

K. Restricted Assets

The enterprise fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt.

L. Capital Assets

The City's property, buildings, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage systems, lighting system, etc) with useful lives of more than one year and a cost greater than a thousand dollars are capitalized and depreciated. The assets are reported in the applicable government or business-type activity columns in the government-wide financial statements.

Property, plant, and equipment are stated at cost. When cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the

assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible capital assets used by enterprise funds is charged as an expense against operations, and accumulated depreciation is reported on its balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The City's infrastructures are acquisitions of general infrastructure assets made after the implementation of GASB 34 on June 15, 2003.

M. Long-Term Debt and Bond Issuance Cost

Long-term obligations of the City are reported as a liability in the government-wide and proprietary fund financial statements. Bond issuance cost for proprietary funds are capitalized and amortized over the term of the respective bonds using a method that approximates the effective interest method.

N. Pensions

The provision for pension cost is recorded on the accrual basis, and the City's policy is to fund pension costs as they accrue.

O. Fund Equity/ Net Assets

The governmental fund financial statements report restricted fund balance for amounts not available for appropriation or legally segregated for a specific use. The unassigned portion represents an amount available for future operations.

Unrestricted net assets for proprietary funds represent the net assets available for future operations or distribution. Restricted net assets represent the net assets that have been legally identified for specific purposes.

P. Property Taxes

Property taxes are levied when the digest is received from the county (usually in October), based on the assessed value of property, which is 40% of estimated (appraised) market value. A re-valuation of all real property must be made if state criteria are not met regarding recent sales and assessed values. The City bills and collects its own property taxes.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Proper allowances are made for estimated uncollectible accounts and delinquent accounts.

Q. Compensated Absences

Full-time, permanent employees are granted vacation and sick leave benefits. Vested or accumulated vacation leave is accrued in the government-wide and proprietary financial statements and governmental funds only report the portion expected to be liquidated within the current year. Governmental funds report compensated absences only when employees are no longer employed with the City. Vacation leave is calculated based on an employee's anniversary date. For governmental activities, compensated absences are liquated by the

general fund. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

NOTE 2. CASH AND INVESTMENTS

The City's cash and investments are considered to be cash on hand, demand deposits and certificates of deposit. Investments are stated at fair value (the City has no investments other than cash.)

Primary Government:

Cash as of June 30, 2011 is classified in the financial statements as follows:

Statement of Net Assets

Cash	$ 1,485,141
Restricted Cash	7,210,895
Total Cash	$ 8,696,036

At year-end, the book balance of the City's deposits was $8,696,036 including restricted cash of $7,210,895 and the bank balance was $8,982,271. The bank balance is insured or collateralized by securities held by the City or by its agent in the City's name (category 2).

Reconciliation of enterprise fund cash per combined balance sheet to cash (and cash equivalents-investments) per combined statement of cash flows as of June 30, 2011

Statement of Cashfllows

Cash	$ 27,580
Restricted Cash	5,443,462
Total Cash	$ 5,471,042

NOTE 3. RECEIVABLES

Accounts receivable consists of amounts due from customers for charges related to providing water/sewer and sanitation services. Accounts receivable also consist of amounts due from other customers. Taxes due consist of property tax. Amounts due as of June 30, 2011, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	General	Capital Projects	Water & Sewer	Sanitation	Total
Accounts	$ 352,005	$ -	$ 339,921	$ 81,263	$ 773,189
Grants	-	-	203,417	-	203,417
Taxes	74,801	283,858	-	-	358,659
Other Goverments	-	-	7,608	-	7,608
Less: Allowance for Uncollectibles	(27,725)	-	(103,380)	(50,454)	(181,559)
Net Total Receivables	$ 399,081	$ 283,858	$ 447,566	$ 30,809	$ 1,161,314

Property tax is levied upon receipt of the digest from Paulding County and based upon the assessed value at January 1. Taxes were levied September 20 and due by December 20. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

Assessed values are established by the Paulding County Tax Assessor's office and are currently calculated at 40% of the market value. The gross assessed value of property at January 1, 2011 was $870,243.

Based on the 2010 millage levy of 3.79, a property owner would pay $3.79 per $1,000 of assessed valuation.

Current tax collections of $823,167 for the fiscal year ended June 30, 201 were 95 percent of the tax levy.

All property taxes are recognized in compliance with NCGAI-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

Enterprise accounts receivable consists of billed and unbilled services to utility customers at June 30, 2011. The allowance for uncollectible accounts represents approximately 34% of total outstanding utility billings.

The grants receivable of $203,417 are from the Natural Resources Conservation Service for the repair of Braly Dam and its underlying sewer lines.

Capital projects taxes receivable consists of special local option sales tax collected during the month of July and August, 2011.

NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services, goods, short-term non-operating subsidies, and other miscellaneous transactions between funds. This activity is similar to lending/borrowing arrangements and outstanding balances at yearend are presented as "due to/from other funds". Balances between governmental or proprietary funds are netted when presented in the government-wide statements and reported as "internal balances". As of June 30, 2011, interfund transfers and payments were as follows:

Transfers and Payments:

Routine transfers and payments between funds are to subsidize operations and to fund capital projects and capital asset acquisitions. As of June 30, 2011, interfund transfers were as follows:

Source Fund	Transfer To Fund	Amount
General Fund	Water/Sewer	$ 625,165
General Fund	SPLOST	60,400

As of June 30, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water/Sewer	$ 761,705
General Fund	Capital Projects-2011	1,073,500
Capital Projects-2005	Water/Sewer	24,139
Capital Projects-2005	General Fund	22,409
Confiscated Drug	General Fund	1,838
Solid Waste	Water/Sewer	522,090

NOTE 5. CAPITAL ASSETS

The following table provides a summary of capital asset activity for governmental activities:

Governmental Activities:	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Capital Assets Not Being Depreciated				
Land and Improvements	$ 1,374,728	$ 2,034,522	$ 231,692	$ 3,640,942
Construction In Progress	2,609,584	1,380,198	(2,497,139)	1,492,643
Total Capital Assets Not Being Depreciated	3,984,312	3,414,720	(2,265,447)	5,133,585
Capital Assets Being Depreciated				
Infrastructure	6,654,842	301,873	247,186	7,203,901
Buildings and Improvements	5,300,836	806,094	2,018,262	8,125,192
Machinery and Equipment	2,265,380	442,959	62,874	2,645,465
Total Capital Assets Being Depreciated	14,221,058	1,550,926	2,328,322	17,974,558

Governmental Activities:	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Less Accumulated Depreciation For:				
Infrastructure	1,618,638	292,200	-	1,910,838
Buildings and Improvements	910,490	212,240	-	1,122,730
Machinery and Equipment	1,401,596	184,323	53,996	1,531,923
Total Accumulated Depreciation	3,930,724	688,763	53,996	4,565,491
Total Capital Assets Being Depreciated, Net	$ 10,887,639	$ 862,163	$ 116,871	$ 13,409,067
Governmental Activity Capital Assets, Net	$ 14,871,951	$ 4,276,883	$ (2,148,576)	$ 18,542,652

The following table provides a summary of capital assets activity for business-type activities:

Business-type Activities:	Balance July 1, 2010	Additions	Transfers/ Deletions	Balance June 30, 2011
Capital Assets, Not Being Depreciated				
Land	$ 555,711	$ -	$ -	$ 555,711
Construction In Progress	1,098,838	1,144,827	(919,470)	1,324,195
Total Capital Assets Not Being Depreciated	1,654,549	1,144,827	(919,470)	1,879,906
Capital Assets, Being Depreciated				
Utility Systems - Water	4,038,342	22,825	873,820	4,934,987
Utility Systems - Sewer	11,102,308	-	-	11,102,308
Buildings and Improvements	245,915	-	-	245,915
Machinery and Equipment	914,566	404,163	-	1,318,729
Total Capital Assets Being Depreciated	16,301,131	426,988	873,820	17,601,939
Less Accumulated Depreciation For:				
Utility Systems - Water	1,062,006	141,848	-	1,203,854
Utility Systems - Sewer	4,152,009	278,836	-	4,430,845
Buildings and Improvements	35,886	21,234	-	57,120
Machinery and Equipment	321,181	122,164	-	443,345
Total Accumulated Depreciation	5,571,082	564,082	-	6,135,164
Total Capital Assets Being Depreciated, Net	10,730,049	(137,094)	873,820	11,466,775
Business-type Activities Capital Assets, Net	$ 12,384,598	$ 1,007,733	$ (45,650)	$ 13,346,681

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

Governmental Activities:		
General Government	$	167,072
Public Safety		114,291
Public Works		319,803
Civic Center		33,293
Theater		9,853
Parks		44,451
Total Depreciation Expense	$	688,763
Business-type Activities		
Water/Sewer	$	564,082
Total Depreciation Expense	$	564,082

Estimated useful lives used to compute depreciation are:

Infrastructure	10-20 years
Equipment	5-10 years
Buildings	30-40 years
Water Lines and Meters	10-40 years
Sewer Lines	40 years

NOTE 6. LEASES

Operating Leases

The City has no material operating leases.

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of buildings and other equipment. On November 4, 2004, the City executed an agreement with RBC Centura Bank whereby funds were appropriated.

The lease agreement with RBC Centura Bank qualifies as a capital lease for accounting purposes (title transfer at the end of the lease term) and, therefore, has been recorded at the present value. Amounts drawn down under the lease agreement bear interest at 3.44%. Lease proceeds were used to fund the City's construction and renovation for the city auditorium and police department. Estimated completed cost to exceed $3,200,000.

The following is a schedule of the future lease payments at June 30, 2011.

Year Ending June 30	General Fund
2012	$ 300,412
2013	300,412
2014	300,412
2015	300,412
2016	300,412
2017-2019	1,051,351
Total Minimum Lease Payments	$ 2,553,411
Less Interest	(347,602)
Present Value of Minimum Lease Payments	$ 2,205,809

NOTE 7. LONG-TERM DEBT

Business-type Activities

Revenue Bonds:

The City issued bonds where revenues from the business-type activities are used to pay debt service.

Recovery Zone Economic Development Bonds, Series 2010

On August 1, 2010, the Paulding County Industrial Building Authority and the City of Dallas entered an Intergovernmental agreement to issue Water and Sewer Revenue Bonds of $6,445,000 with interest rates of 3.75% to 5.37% to advance the Recovery Zone Economic Development Bonds, Series 2010 which mature in years 2020 and 2030. Proceeds from the sale of the Series 2010 Bonds will be used to finance various renovations, additions, extensions and expansions to the City's water and sewage system.

These Recovery Zone Economic Development Bonds "qualify for a federal subsidy through a refundable tax credit allowed under section 6431 of the Code equal to 45% of the interest payable by the issuer payable to the holders of the bonds." This qualification legally assures the City of Dallas to be responsible for only 55% of interest accrued during the life of the bonds. However, the City is still responsible for 100% of the principal amounts due during the life of the Series 2010 Bonds.

The following schedule presents debt service requirements to maturity for Water Sewer Revenue Bonds:

Year Ending June 30	Principal	Interest (55%)
2012	$ -	$ 177,189
2013	-	177,189
2014	140,000	174,298
2015	180,000	174,298
2016	215,000	170,582
2017-2021	1,330,000	786,527
2022-2026	2,270,000	551,360
2027-2030	2,310,000	177,144
Total	$ 6,445,000	$ 2,388,587

Notes Payable as of June 30, 2011 is composed of the following:

Notes Payable	Interest Rates	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
GEFA 1 Sewer Improvements	2.00%	10/01/98	4/1/2010	$1,575,210	$ 47,521
GEFA 2 Sewer Improvements	4.00%	07/01/94	4/1/2010	895,159	197,886
GEFA 3 Water Main Replacement	5.43%	12/01/97	6/1/2010	2,000,000	1,004,885
GEFA 4 Waste Water Improvements	4.30%	09/11/03	5/1/2010	1,600,000	587,189
GEFA 5 Ground Water Well	3.92%	06/30/06	6/1/2010	1,992,945	1,856,296
GEFA 6 Ground Water Well	3.92%	06/30/10	4/1/2011	754,477	750,319
				Total	$4,444,096

Notes payable debt service requirements to maturity are presented below:

Year Ending June 30	Principal	Interest
2012	$ 333,040	$ 191,618
2013	305,048	171,261
2014	318,907	157,402
2015	304,461	153,413
2016	280,556	130,518
2017-2021	1,347,918	450,589
2022-2026	928,411	215,999
2027-2031	625,755	69,325
Total	$4,444,096	$1,540,125

The City's long-term debt transactions for the year ended June 30, 2011 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 65,137	$ 42,271	$ 54,113	$ 53,295	$ -
Notes Payable	-	745,000	248,333	496,667	248,333
Capital Leases	2,425,596	-	219,787	2,205,809	300,412
Total Governmental Activities	$ 2,490,733	$ 787,271	$ 522,233	$ 2,755,771	$ 548,745

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Compensated Absences	$ 18,342	$ -	$ 2,516	$ 15,826	$ -
Notes Payable	4,625,766	170,435	352,105	4,444,096	333,040
Bonds Payable	-	6,445,000	-	6,445,000	-
Total Business-type Activities	$ 4,644,108	$ 6,615,435	$ 354,621	$ 10,904,922	$ 333,040

Additions to the business type activities include accrued interest of $170,435 to GEFA principal balance and Recovery Zone Economic Development Bonds of $6,445,000 for the various renovations, additions, extensions and expansions to the City's water and sewage system.

NOTE 8. PENSION PLAN

Plan Description.

The City has a non-contributory defined benefit plan covering all full time employees. The plan, the City of Dallas Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS) a statewide, agent multiple employer defined benefit plan. GMEBS policy direction and oversight for the fund is provided by a 15-member board comprised of elected and appointed municipal officials from among the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The City continues to have the authority to establish, amend or discontinue the Plan.

The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year and employees are vested after 5 years of service. Members may retire at age 65 with 5 years of service or at age 60 with 30 years of service. Benefits are calculated at 1.0% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Funding Policy and Pension Cost.

The City's funding policy for the plan is to contribute an amount equal to the actuarial recommended contribution each year. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 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 periods, if applicable, are closed for this plan year.

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). According to the latest actuarial valuation dated January 1, 2010, the estimated minimum annual contribution under these funding standards is $154,719. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution. Since the City's policy is to contribute the amount recommended by GMEBS in each year, the Plan will meet applicable funding standards.

According to the latest actuarial valuation dated January 1, 2010 the recommended contribution to the plan is $266,736 ($0 employee and $266,736 employer; 0% and 17.55% of covered payroll respectively).

Funded Status

GASB No. 27 requires disclosure of the City's annual pension cost, percentage of annual percentage cost contributed and net pension obligation for the most recent three years.

Three-Year Trend Information

For the Year	Employer Annual Pension Cost (APC)	Percentage of APC Contributed	Net End of Year Pension Obligation
2010	$266,623	100%	$ -
2009	$232,736	100%	-
2008	$159,000	100%	-

Schedule of Funding Progress

Actuarial Valuation For Plan Year Beginning October 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Unfunded Actuarial Accrued Liability (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability As % Of Covered Payroll (3)/(5)
2010	$ 2,075,639	$ 2,832,267	$ 756,628	73.29%	$ 1,493,312	50.67%
2009	1,812,980	2,785,578	972,598	65.08%	1,445,472	67.29%
2008	2,035,939	2,582,476	546,537	78.84%	905,943	60.33%
2007	1,984,874	2,485,819	500,945	79.85%	818,767	61.18%
2006	1,901,881	2,290,238	388,357	83.04%	640,149	60.67%
2005	1,816,704	2,090,175	273,471	86.92%	766,312	35.69%
2004	1,737,722	1,927,332	189,610	90.16%	680,149	27.88%
2003	1,660,222	1,772,994	112,772	93.64%	700,638	16.10%
2002	1,591,486	1,627,265	35,779	97.80%	681,263	5.25%
2001	1,608,934	1,552,953	(55,981)	103.60%	603,585	-9.27%

Significant Actuarial Assumptions

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

Rate of Return on Investment	7.75% per year
Projected Salary Increase	3.50% per year
Postretirement Benefit Increases	Not Applicable
Economic Assumptions	
Annual Rates of Increase in Salaries	5.0%
Future Social Security Wage Bases	5.0%
Cost of Living Adjustment	N/A
Actuarial Methods	
Normal Cost and Actuarial Accrued Liability	Projected Unit Credit
Amortization method	Level dollar

Actuarial Value of Assets	Roll forward prior year's actuarial value with contributions, disbursements, and expected return on investments, plus (minus) 10% of investment gains (losses) during 10 prior years.

The salary increase assumption was changed from 5.50% each year to a table of rates based on age and service. The investment return assumption was changed from 8.00% to 7.75% per annum. The inflation assumption was changed from 5.00% to 3.50% per annum. The valuation date was changed from October 1 to January 1. The asset method was changed to temporarily widen the corridor.

As of January 1, 2010 the plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to benefits but not yet receiving them	7
Vested active participants	22
Nonvested participants	28
Total	80

NOTE 9. SPECIAL LOCAL OPTION SALES TAX

On August 24, 2004, Paulding County voters passed a referendum on the question of "yes/no" shall a special one percent sales and use tax be imposed in Paulding County for a period of time not to exceed twenty four calendar quarters. Actual collection of the tax began April 1, 2005. The City of Dallas' distributive share of the revenue is projected to be $5,580,000 and used for street and road improvements, recreational facility capital outlay projects, and public safety capital outlay projects. This SPLOST referendum ended March 31, 2011.

On July 20, 2010, Paulding County voters passed a referendum on the question of "yes/no" shall a special one percent sales and use tax be imposed in Paulding County for a period of time not to exceed twenty four calendar quarters. Actual collection of the tax began April 1, 2011. The City of Dallas' distributive share of the revenue is projected to be $6,840,000 and used for street and road improvements, recreational facility capital outlay projects, and public safety capital outlay projects. This SPLOST referendum should be in full force and effect until March 31, 2017.

NOTE 10. RISK MANAGEMENT

At year-end there were no legal actions taken by or against the City that would have an adverse effect on the City's financial condition. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's Compensation Self-Insurance Fund (WCSIF) for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, cooperate with the pools' agents and attorneys, follow loss reduction procedures established by the funds and to promptly report all incidents which could result in the funds being required to pay any claim for 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 its members against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

During the past three fiscal years the cost of any settlements have not exceeded insurance coverage

NOTE 11. DUE FROM OTHER GOVERNMENTS

Business Type Activities	
Water/Sewer Fund	
Paulding County	$ 7,608

NOTE 12. RESTRICTED ASSETS AND RESTRICTED NET ASSETS

Restricted Assets

The City is required to establish and maintain cash accounts to comply with bond covenants and external legal requirements. The revenue bond debt service and reserve cash accounts are restricted for payment of bond principal and interest and certain construction funds are restricted for specified capital project or improvements. The Drug enforcement account is restricted for monies used in law enforcement activities. The Tourism cash account is for monies designated for the use of promoting tourism in the City of Dallas.

At June 30, 2011, the balances in the restricted asset accounts are as follows:

Governmental Activities:

Capital Projects Account	$ 596,555
Drug Enforcement Account	9,591
Tourism Account	1,648
Total Restricted Assets	$ 607,794

Business-Type Activities:

Restricted for Debt Service	$ 5,443,462
Total Restricted Assets	$ 5,443,462

Restricted Net Assets

Reserves are used to indicate that a portion of the fund balance/net assets is not available for appropriation or is legally segregated for specific future use. The City uses the following reserves:

Governmental Funds:

Reserved for capital project activities- Created to segregate money received from federal or state sources that restrict the funds eligible for capital construction projects.

Reserved for drug enforcement activities- Created to segregate money received from federal or state sources that restrict use for law enforcement purposes only.

Reserved for Tourism Promotion- Created to segregate money received from local Hotels/Motels for the use of promoting, attracting, stimulating, and developing tourism.

Business Type- activities:

Restricted for debt Service: The City's bond covenants require certain reservations of the Water and Sewer net assets for payments of bond principal and interest.

NOTE 13. HOTEL MOTEL TAX

The City of Dallas levies a 5 percent hotel/motel tax. The City is required to distribute 2% to convention center and 3% back to the City for the purpose of promoting tourism. For the year ended June 30, 2011, the amount of revenue the City collected for hotel motel tax was as follows:

Balance of Hotel/Motel Tax Fund at July 1, 2010	$ 1,648
Hotel/motel receipts	9,263
Disbursements to City	(5,558)
Disbursements to Convention Center	(3,705)
Balance of Hotel/Motel Tax Fund at June 30, 2011	$ 1,648

NOTE 14. POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: In addition to providing pension benefits, the City provides certain health care benefits for retired employees. All current employees and future employees who are at least fifty years of age and have at least 20 years of service may be eligible for the health care benefits. The health care benefits offered to the retirees will continued to be paid for until the retiree reaches the age of 65. Benefits are payable to a surviving spouse until they are Medicare eligible. The plan is administered by Georgia Municipal Association.

Funding Policy: The City currently funds the plan on a pay-as-you-go basis.

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 as of September 30, 2010. The ARC is the amount calculated to determine the annual cost of the OPEB plan for accounting purposes as if the plan were being funded through contributions to a trust fund.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB:

Annual required contribution	$ 80,240
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	80,240
Contributions made	
Interest on Employer Contributions	-
Increase in net OPEB obligation	80,240
Net OPEB obligation- beginning of year	-
Net OPEB obligation- end of year	$ 80,240

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 was as follows:

Fiscal Year Ended	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
1/1/2010	$80,210	0%	$ 80,210

Funding Status and Funding Progress: As of January 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $640,073, resulting in an unfunded actuarial accrued liability of $640,073. The covered payroll was $1,587,640, and the ratio of UAAL to the covered payroll was 40.32%. Actuarial valuations of an ongoing plan involve estimates of the value of the 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, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 January 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return, which is based on the city's surplus funds and an annual healthcare cost trend rate of 9.50% initially, reduced by decrements to an ultimate rate of 5.0 percent after nine years. The UAAL is being amortized over a 25-year closed period, level-dollar payment. The remaining amortization period at January 1, 2010, was twenty five years.

NOTE 15. JOINT VENTURE

The City of Dallas is a member of the Coosa Valley Regional Development Center (RDC). The RDC was created under the laws of the State of Georgia and cities and counties in the area served by the RDC are required to be members. The membership of the RDC includes 10 counties and 35 municipalities. The City has no equity interest in the RDC nor does the City materially contribute to the continued existence of the RDC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RDC ceases operation, the membership can be assessed for any debt or obligation of the RDC. Separate financial statements may be obtained from: Coosa Valley Regional Development Center, P. O. Box 1793, Rome, Georgia 30162.

NOTE 16. CONSTRUCTION COMMITMENTS

The City's construction projects in progress as of June 30, 2011 are as follows:

Governmental Activities

In October of 2006 the City began the new Civic Center project which included the demolition of the existing Civic Center and the construction of a modern facility and parking deck. As of June 30, 2009 the project was in the finishing phase with a cumulative cost of $2,017,743. The City is still holding a retainage payable of $ 97,145 for this project. This project is completed but the

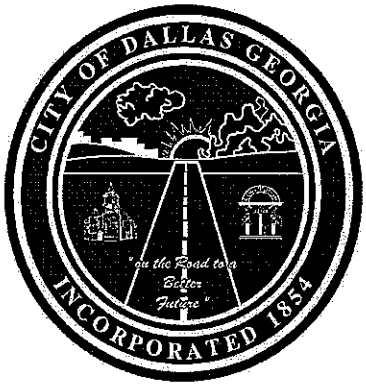
contractor still has a punch listed that is unfinished. The actual building and parking lot were reclassed out of CIP and to capital asset accounts. The retainage for this project is still in the CIP account.

In the 2011 audit year, the City started on the construction of two new projects to improve its existing sidewalks and to add new sidewalks to the City's street infrastructure. These projects include: the City Sidewalk Extension and Connect Sidewalk Project. These projects have a cumulative cost of $1,353,007 for the 2011 year end.

In 2011, the City of Dallas began a construction project called Braly Dam Project, for the repair of the dam and sewer lines that were damaged during the 2009 floods. This project will repair the existing sewer lines and dam above these lines to pre-storm conditions. This repair is to be done in order to meet federal regulations. This project should be reimbursed by the NRCS.

Business-type Activities

The City issued Recovery Zone Economic Development Bonds for the purpose of improving and adding to water/sewer infrastructure. These issued bonds have allowed the City to start numerous construction projects in the 2011 audit year. These projects include: 2010 Water Main, Water Model, Airport Sewer Outfall Project, Pump Station Generators, Rosewood Drive Sewer Extension Project, West Ave Sewer Extension Project, Ivey Trace Sewer Extension Projects and the Master Plan Project. These projects have a cumulative cost of $922,076 for the 2011 audit year.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DALLAS, GEORGIA
Required Supplementary Information
Postemployment Healthcare Plan - Schedule of Funding Progress
JUNE 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL As % of Covered Payroll
September 30,2010	$ -	$ 640,073	$ 640,073	0.0%	$ 1,587,640	40.3%

Note: The City implemented GASB 45 in 2010.

CITY OF DALLAS, GEORGIA
Required Supplementary Information
Postemployment Health Benefit Plan- Schedule of Employer Contributions
JUNE 30, 2011

Year Ended September 30	ARC	% Contributed	Annual OPEB Cost	% Contributed
2011	$ 80,240	0%	$ 80,240	0%

Note: The City implemented GASB 45 in 2010.



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COMBINING AND INDIVIDUAL STATEMENTS

CITY OF DALLAS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
2005 SPLOST CAPITAL PROJECTS FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED
JUNE 30,2011

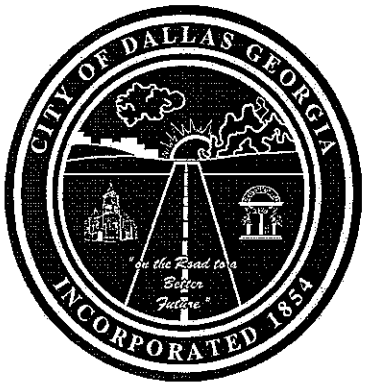
	Project Length			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 5,580,000	$ 5,580,000	$ 1,421,659	$ 7,001,659
Interest Income	-	-	5,475	5,475
Total Revenues	5,580,000	5,580,000	1,427,134	7,007,134
EXPENDITURES				
Current:				
Capital Outlays	5,580,000	5,580,000	3,094,404	2,485,596
Total Expenditures	5,580,000	5,580,000	3,094,404	2,485,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(1,667,270)	9,492,730
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	60,400	60,400
Total Other Financing Sources (Uses)	-	-	60,400	60,400
Net Change in Fund Balance	-	-	(1,606,870)	9,553,130
Fund Balance (Deficit) - Beginning of Year	-	-	3,193,352	3,193,352
Fund Balance (Deficit) - End of Year	$ -	$ -	$ 1,586,482	$ 12,746,482

The accompanying notes are an integral part of this financial statement.

CITY OF DALLAS, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
2011 SPLOST CAPITAL PROJECTS-BUDGET AND ACTUAL
FOR THE YEAR ENDED
JUNE 30,2011

	Project Length			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ -	$ 163,673	$ 163,673	$ 6,840,000
Interest Income	-	-	-	-
Total Revenues	-	163,673	163,673	6,840,000
EXPENDITURES				
Current:				
Capital Outlays	-	2,048,600	2,048,600	6,840,000
Total Expenditures	-	2,048,600	2,048,600	6,840,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,884,927)	(1,884,927)	-
OTHER FINANCING SOURCES (USES)				
Capital Contribution	-	150,000	150,000	-
Note Payable Issuance	-	745,000	745,000	-
Total Other Financing Sources (Uses)	-	895,000	895,000	-
Net Change in Fund Balance	-	(989,927)	(989,927)	-
Fund Balance (Deficit) - Beginning of Year	-	-	-	-
Fund Balance (Deficit) - End of Year	$ -	$ (989,927)	$ (989,927)	$ -

The accompanying notes are an integral part of this financial statement.



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COMPLIANCE SECTION

P.O. BOX 473
CARTERSVILLE, GA 30120
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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

EARL WILLIAMSON
LLOYD WILLIAMSON

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, Members of the City Council
And the City Manager
City of Dallas, Georgia

We have audited the financial statements of the governmental activities and the business-type activities fund information of City of Dallas, Georgia, as of June 30, 2011, which collectively comprise the City of Dallas, Georgia's basic financial statements and have issued our report thereon dated October 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Dallas, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of City of Dallas, Georgia's, in a separate letter dated October 12, 2011.

This report is intended solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williamson and Company, CPA's

Williamson and Company, CPAs

Cartersville, Georgia

October 12, 2011

City of Dallas, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2011

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2005					
Roads & Streets	$ 4,464,000	$ 2,957,400	$ 375,102	$ 1,181,451	$ 1,556,553
Other Projects					
Public Safety	837,000	1,450,800			
Vehicles			108,512	99,227	207,739
Equipment & Furniture			7,162	94,790	101,952
Building Renovation			181,404	882,508	1,063,912
Parking Deck			41,864	-	41,864
Major Repairs			129,140	-	129,140
Recreation	279,000	1,171,800			
Athletic Facilities			20,774	4,146	24,920
Renovations Athletic Facilities			-	-	-
Equipment			-	9,885	9,885
Land & Improvements			-	-	-
Walking/Jogging Trail			2,425	84,571	86,996
Athletic Fields & Courts.			29,460	15,209	44,669
Total other projects	1,116,000	2,622,600	520,741	1,190,336	1,711,077
SPLOST Administrative Fees	-	-	-	319	319
Total for all projects	$ 5,580,000	$ 5,580,000	$ 895,843	$ 2,372,106	$ 3,267,949

The City of Dallas is being reimbursed by the Georgia Department of Transportation for its various sidewalk projects.
The total of SPLOST expenditures in the above SPLOST 2005 Schedule and SPLOST expenditures on page 7 in the financial statements have a variance of $722,298.

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2011					
Roads & Streets	$ 2,359,800	$ 2,359,800	$ -	$ -	$ -
Other Projects					
Public Safety	1,997,280	1,997,280			
Vehicles			-	-	-
Equipment & Furniture			-	-	-
Building Renovation			-	-	-
Parking Deck			-	-	-
Major Repairs			-	-	-
Recreation	2,482,920	2,482,920			
Athletic Facilities			-	-	-
Renovations Athletic Facilities			-	-	-
Equipment			-	-	-
Land & Improvements			-	1,800,000	1,800,000
Walking/Jogging Trail			-	-	-
Athletic Fields & Courts.			-	-	-
SPLOST Administrative Fees	-	-	-	267	267
Total for all projects	$ 6,840,000	$ 6,840,000	$ -	$ 1,800,267	$ 1,800,267

The above SPLOST 2011 Schedule varies from the SPLOST Schedule on page 8 by $248,333.
This expenditure of $248,333 is an approved SPLOST expenditure.