CITY OF DORAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF DORAVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PAGE
Independent Auditor's Report	i
Management's Discussion and Analysis	iii
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Reconciliation of Fund Balance in Governmental Funds to the Statement of Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Confiscated Assets Fund	8
Statement of Net Assets - Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Notes to the Financial Statements	13
Analysis of Pension Plan Funding Progress	31
Combing Statements of Non-Major Funds:	
Combining Balance Sheet	32
Combing Statement of Revenues, Expenditures and Changes in Fund Balances	33
Individual Fund Statements:	
General Fund -	
Comparative Balance Sheet	34
Schedule of Revenues - Budget and Actual	35
Schedule of Expenditures - Budget and Actual	37
Confiscated Assets Fund -	
Comparative Balance Sheet	40
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	41

CITY OF DORAVILLE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PAGE

Individual Fund Statements - Continued

Hotel / Motel Tax Fund -
Schedule of Revenues, Expenditures and changes in Fund Balance - Budget and Actual 42
E-911 Fund
Schedule of Revenues, Expenditures and changes in Fund Balance - Budget and Actual 43
Tree Bank Fund -
Schedule of Revenues, Expenditures and changes in Fund Balance - Budget and Actual 44
Solid Waste Management Fund -
Comparative Statement of Net Assets 45
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets 46
Comparative Statement of Cash Flows 47
Storm Water Management Fund
Comparative Statement of Net Assets 49
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets 50
Comparative Statement of Cash Flows 51

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Doraville, Georgia

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated December 29, 2011 on our consideration of City of Doraville's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages iii through x and historical pension information on page 31 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 and reviewing information supplied by the City's pension fund consultants. 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 Doraville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

James L. Whitaker, P.C.

Snellville, Georgia
December 29, 2011

CITY OF DORAVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Doraville, we offer readers of the City of Doraville's financial statements this narrative overview and analysis of the financial activities of the City of Doraville for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Management encourages readers to review the attached charts that show where the City's revenue comes from and how the revenue is appropriated and expended.

Financial Highlights

- The assets of the City of Doraville exceeded its liabilities at June 30, 2011 by $13,499,714. Of this amount unrestricted net assets of $2,174,809 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net assets decreased by $1,057,054. Of this amount a decrease of $1,367,728 was associated with governmental and an increase of $310,674 was from business-type activities.

- As of the close of the current fiscal year, the City of Doraville's governmental funds reported combined ending fund balances of $1,510,298 a decrease of $2,108,472 in comparison with the prior year. Of this amount $1,009,860 is unassigned and available for spending: $290,326 is restricted for Police Activities; $43,108 is restricted for Tree Bank Activities; and $167,004 is non-spendable related to prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $1,009,860 or 8.5 percent of total General Fund expenditures.

- The City of Doraville's total long term debt obligations consisted only of accrued compensated absences of $253,876. It has been a past and present policy of the City of Doraville's Mayor and Council to keep the City of Doraville out of debt and financially sound.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Doraville's basic financial statements. The City of Doraville's basic financial statements are comprised 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 Doraville's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the city's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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.

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 of Doraville include general government, public safety and courts, streets and maintenance, parks and recreation, library, and community development.

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 of Doraville can be divided into two categories: governmental funds and proprietary 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 the two.

The City maintains two major governmental funds. The City's major governmental funds are the General and the Confiscated Assets Fund. 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 these major funds.

The City of Doraville adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with the FY 11 budget. These statements can be found beginning on page 7. Non-major fund budgets can be found in the individual fund statements and schedules.

Proprietary funds. The City of Doraville maintains two proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in Statement of Net Assets of the Solid Waste Management Enterprise Fund and the Storm Water Management Fund and the Statement of Revenues, Expenses and Changes in Fund Net Assets for the Solid Waste Management Enterprise Fund and Storm Water Management Fund.

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.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of budget comparison for the General Fund's revenues and expenditures, and required supplemental information regarding the City's defined Benefit Pension Plan.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2011, the City's assets exceeded liabilities by $13,499,714. The City's net assets reflect its investment in capital assets (81.4 percent) less related debt, if any. As of June 30, 2011, there was no debt related to capital assets. Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net assets of $13,499,714 only $333,434 or 2.5 percent is restricted for Police, Tree Bank and Economic Development Activities and $2,174,809 (16.1 percent) is unrestricted. The following table provides a summary of the City's net assets at June 30:

City of Doraville's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 3,562,710	$ 6,005,905	$ 1,238,183	$ 965,883	$ 4,800,893	$ 6,971,788
Capital assets	10,061,983	9,329,932	929,488	875,952	10,991,471	10,205,884
Total assets	13,624,693	15,335,837	2,167,671	1,841,835	15,792,364	17,177,672
Current liabilities	1,980,582	2,309,138	58,192	43,030	2,038,774	2,352,168
Long-term liabilities	253,876	268,736	-	-	253,876	268,736
Total liabilities	2,234,458	2,577,874	58,192	43,030	2,292,650	2,620,904
Net assets:						
Invested in capital assets,	10,061,983	9,329,932	929,488	875,952	10,991,471	10,205,884
Restricted	333,434	569,362	-	-	333,434	569,362
Unrestricted	994,818	2,858,669	1,179,991	922,853	2,174,809	3,781,522
Total net assets	$ 11,390,235	$ 12,757,963	$ 2,109,479	$ 1,798,805	$ 13,499,714	$ 14,556,768

A portion of the net assets (2.5 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets at June 30, 2011 ($2,174,809) may be used to meet the government's ongoing obligations to citizens and creditors.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased for business type activities by $310,674 and decreased for governmental activities by $1,367,728. Although the City did suffer a decrease in net assets for the year, its financial position continues to be positive with an unrestricted net asset balance of $2,174,809.

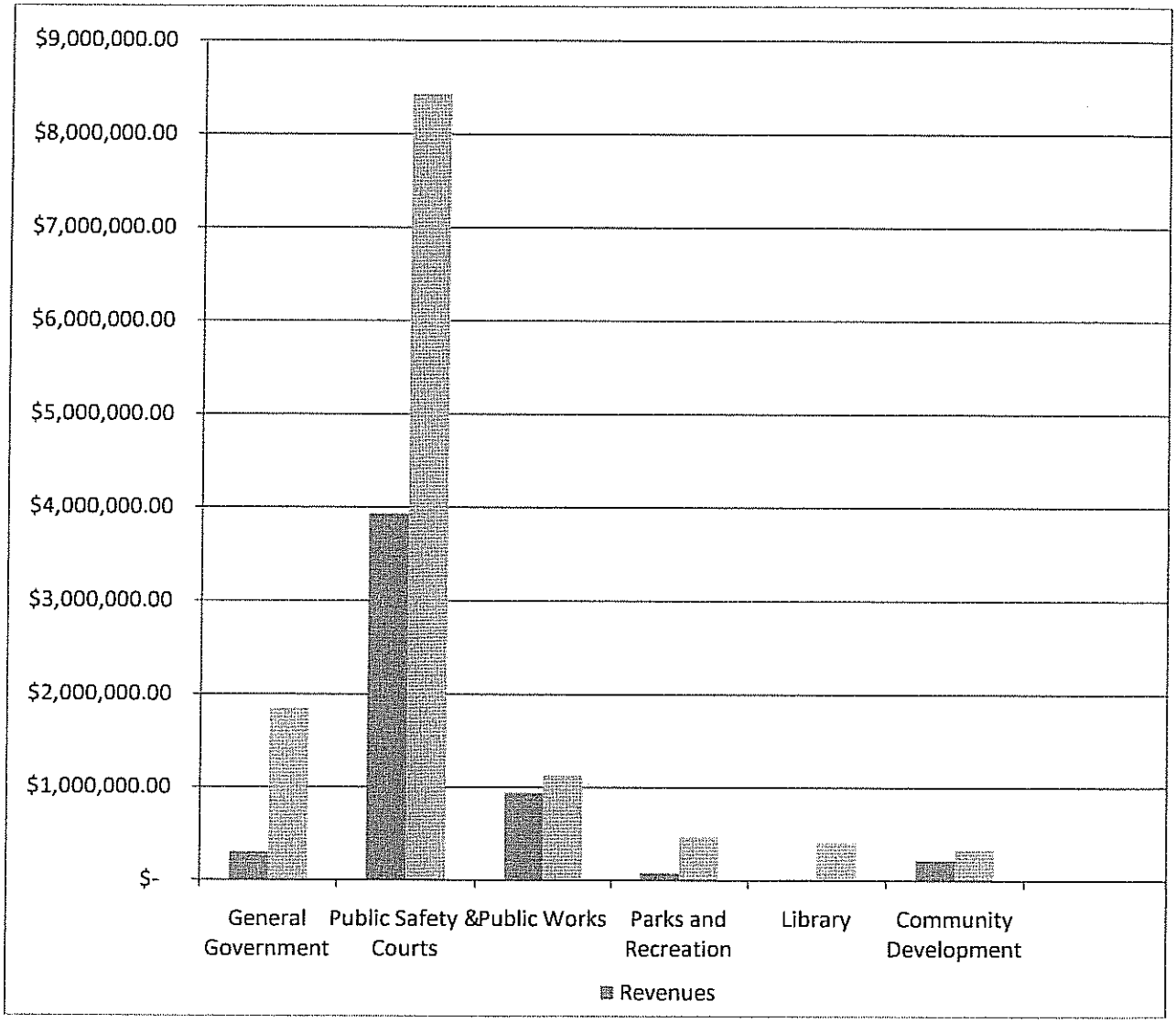
City of Doraville's Change in Net Assets
For The Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues -						
Charges for services	$ 4,287,891	$ 4,432,404	$ 863,716	$ 870,353	$ 5,151,607	$ 5,302,757
Operating grants and contributions	59,636	26,913	-	-	59,636	26,913
Capital grants and contributions	1,149,516	149,025	-	-	1,149,516	149,025
General Revenues-						
Property taxes	2,740,197	2,573,114	-	-	2,740,197	2,573,114
Other taxes	2,875,541	2,623,306	-	-	2,875,541	2,623,306
Interest	72,880	147,371	-	-	72,880	147,371
Other	104,332	146,007	-	-	104,332	146,007
	11,289,993	10,098,140	863,716	870,353	12,153,709	10,968,493
Expenses:						
General government	1,851,435	1,606,922	-	-	1,851,435	1,606,922
Public safety and courts	8,430,988	8,568,227	-	-	8,430,988	8,568,227
Public works	1,131,649	1,278,704	-	-	1,131,649	1,278,704
Parks and recreation	468,425	486,131	-	-	468,425	486,131
Library	407,454	436,503	-	-	407,454	436,503
Community development	329,353	263,526	-	-	329,353	263,526
Solid waste	-	-	405,166	455,708	405,166	455,708
Stormwater	-	-	186,293	150,337	186,293	150,337
	12,619,304	12,640,013	591,459	606,045	13,210,763	13,246,058
Increase (decrease) in net assets before transfers	(1,329,311)	(2,541,873)	272,257	264,308	(1,057,054)	(2,277,565)
Transfers	(38,417)	(92,554)	38,417	92,554	-	-
Special items	-	433,673	-	-	-	433,673
Increase (decrease) in net assets	(1,367,728)	(2,200,754)	310,674	356,862	(1,057,054)	(1,843,892)
Net assets - beginning of year	12,757,963	14,958,717	1,798,805	1,441,943	14,556,768	16,400,660
Net assets - end of year	$ 11,390,235	$ 12,757,963	$ 2,109,479	$ 1,798,805	$ 13,499,714	$ 14,556,768

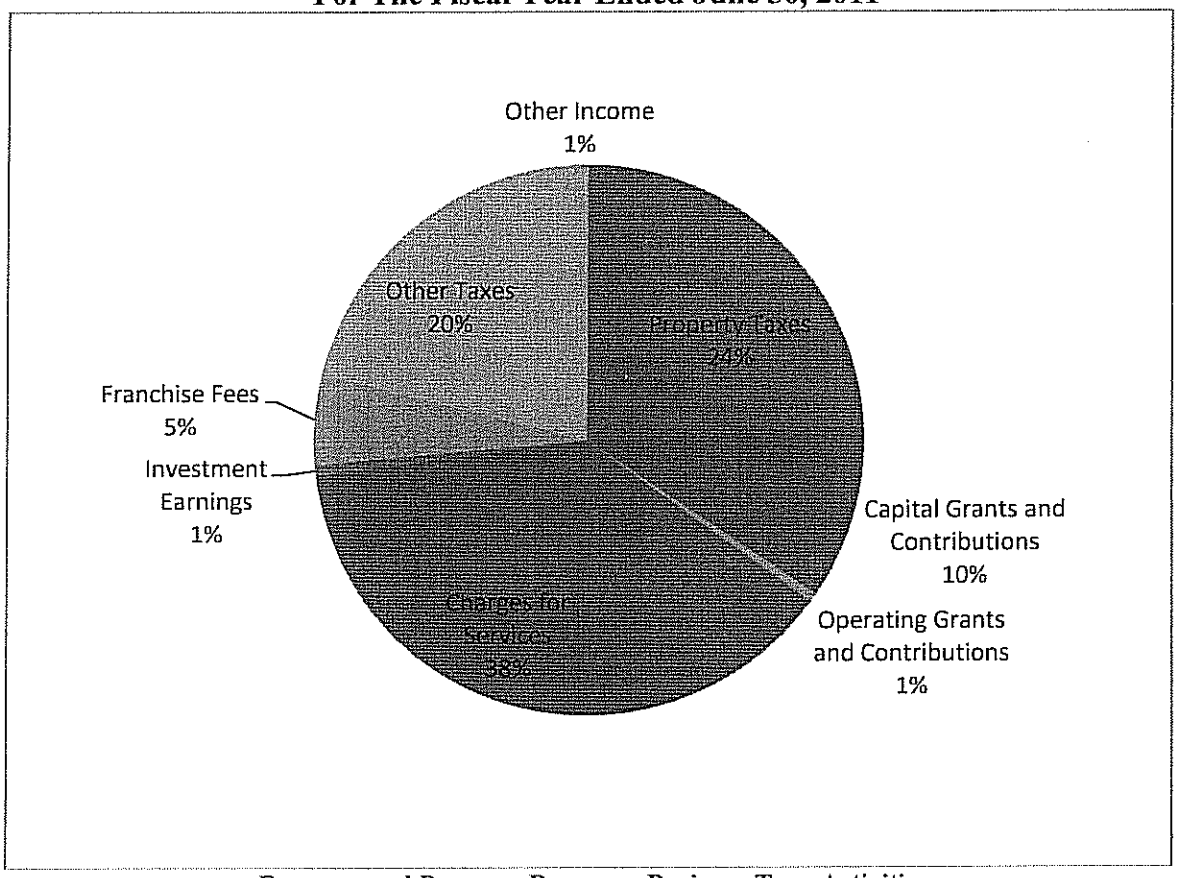
Governmental activities. Governmental activities decreased the City's net assets $1,367,728 accounting for all of the decrease in net assets for the year. Key elements of this decrease are as follows:

- Expenditures related to capital outlay increase by approximately $1,000,000.
- Charges for services continues to decline as with prior year.

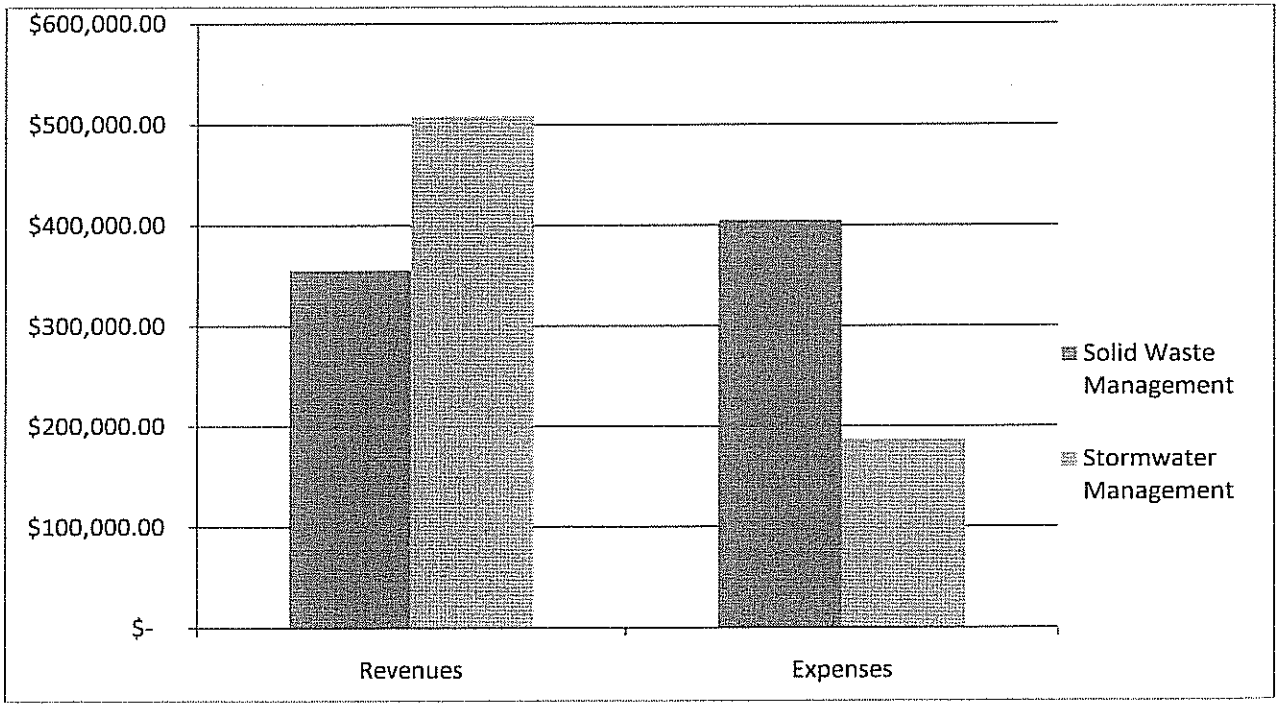
Expenses and Program Revenues-Governmental Activities
For The Fiscal Year Ended June 30, 2011



Revenue by Source-Governmental Activities
For The Fiscal Year Ended June 30, 2011



Expenses and Program Revenues-Business-Type Activities
For The Year Ended June 30, 2011



Financial Analysis of the Government's Funds

As noted earlier, the City of Doraville used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such 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 June 30, 2011 the city's governmental funds reported combined ending fund balances of $1,510,298. Of this amount, $1,009,860 (66.9 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because $299,319 is restricted for Police Activities, $33,394 is restricted for Tree Bank Activities, $721 is restricted for economic development and $167,004 are non-spendable resources related to prepaid expenses.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,009,860 while the total fund balance totaled $1,176,864. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.5 percent of the total general fund expenditures, while total fund balance represents 10.0 percent of that same amount.

During the current fiscal year the funds balance of the City's general fund decreased by $1,867,338. Contributing to the decrease in the General Fund is the transfer of $38,417 to the Solid Waste Management Fund and $559,609 to the E-911 Fund to supplement the cost of operations.

The Confiscated Assets Fund was created by the City to account for assets confiscated during investigations into illegal drug activities. The City received $493,780 of allocations of confiscated assets from federal and state agencies during 2011. The City expended $708,723 of these funds for police activities.

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

Unrestricted net assets of the Solid Waste Fund at the end of the year were $7,598. Operating revenues amounted to $355,359 while operating expenses amounted to $405,166, resulting in an operating loss of $49,807. Transfers from the General Fund in the amount of $38,417 supplemented the cost of operations. The City of Doraville offers free sanitation pick up to its citizens that are 65 and older. The City also offers free bulk refuse removal to all of its citizens. The General Fund is financially stable enough to subsidize the deficiency in the Solid Waste Enterprise Fund and not pass the deficiency on to its Solid Waste customers.

Unrestricted net assets of the Storm Water Management Fund amounted to $1,172,393 as of June 30, 2011. Operating revenues amounted to $508,357 while operating expenses amounted to $186,293 resulting in operating income of $322,064. The City of Doraville has an Intergovernmental Agreement with DeKalb County to perform maintenance and replacement of the Storm Water infrastructure.

General Fund Budgetary Highlights

The general fund's final budgeted expenditures were $11,741,452. Actual expenditures totaled $11,824,850 thus producing a negative variance of $83,398 mainly due to the compensated absences payout to employees.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2011 amounts to $10,991,471 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Purchases of capital assets during the year included:

- $840,000 in construction projects.
- $925,000 in land improvements.
- $112,000 in other equipment.
- $223,000 in building improvements.

A more detail analysis of capital asset transactions for the year can be found on page 24.

Long-term debt. At the end of the current fiscal year, the city's long term debt amounted to $253,876. Long-term debt consisted of accrued vacation and sick leave pay. An analysis of the City's long-term debt transactions for the year can be found on page 26.

Status of the City of Doraville Economy

Economic activity in Doraville during the year reflects national and regional trends. The City has a thriving retail sector, with strong commercial growth and is rating above the national and regional trends. However, as with the rest of the nation, the City's building permits decreased during 2011 which reflects the residential real estate market downturn.

The General Motors plant located within the city limits of Doraville was closed during 2008. The immediate and long term effects of this planned plant closing have not been determined but the decrease in revenues directly relating to the closing is estimated to be $1,000,000.

Requests for Information

This financial report is designed to provide a general overview of the City of Doraville's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 451-8745 or at the following address:

City Clerk
City of Doraville
3725 Park Avenue
Doraville, GA 30340

CITY OF DORAVILLE, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 1,832,911	$ 227,933	$ 2,060,844
Investments	1,800,630	-	1,800,630
Receivables (net of allowance for uncollectibles)			
Taxes	92,511	-	92,511
Intergovernmental	121,792	-	121,792
Accounts	17,539	42,522	60,061
Interest	1,644	-	1,644
Other	2,695	-	2,695
Interfund Balances	(967,728)	967,728	-
Prepaid Items	167,004	-	167,004
Restricted Assets -			
Cash	493,712	-	493,712
Non-Depreciable Capital Assets	361,971	91,740	453,711
Depreciable Capital Assets, Net	9,700,012	837,748	10,537,760
Total Assets	13,624,693	2,167,671	15,792,364
Liabilities			
Accounts Payable			
Operating	597,913	53,260	651,173
Accrued Liabilities -			
Salaries	176,099	4,932	181,031
Police Bonds and Court Fees	745,248	-	745,248
Other	370,837	-	370,837
Unearned Income	90,485	-	90,485
Long-Term Liabilities -			
Due Within One Year	20,000	-	20,000
Due In More Than One Year	233,876	-	233,876
Total Liabilities	2,234,458	58,192	2,292,650
Net Assets			
Invested in Capital Assets	10,061,983	929,488	10,991,471
Restricted for -			
Tree Bank Activities	33,394	-	33,394
Economic Development	721	-	721
Police Activities	299,319	-	299,319
Unrestricted	994,818	1,179,991	2,174,809
Total Net Assets	$ 11,390,235	$ 2,109,479	$ 13,499,714

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 1,851,435	$ 87,143	$ -	$ 218,156
Public Safety and Courts	8,430,988	3,879,705	51,990	-
Public Works	1,131,649	-	7,646	931,360
Parks and Recreation	468,425	82,197	-	-
Library	407,454	16,981	-	-
Community Development	329,353	221,865	-	-
Total Governmental Activities	12,619,304	4,287,891	59,636	1,149,516
Business-Type Activities				
Solid Waste Management	405,166	355,359	-	-
Storm Water Management	186,293	508,357	-	-
Total Business-Type Activities	591,459	863,716	-	-
Total	$ 13,210,763	$ 5,151,607	$ 59,636	$ 1,149,516
General Revenues:				
Taxes:				
Property				
Franchise				
Occupational				
Insurance premium				
Alcohol beverage				
Hotel/Motel				
Investment earnings				
Rental income				
Other				
Transfers				
Total General Revenues, Special Items and Transfers				
Change in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (1,546,136)	$ -	$ (1,546,136)
(4,499,293)	-	(4,499,293)
(192,643)	-	(192,643)
(386,228)	-	(386,228)
(390,473)	-	(390,473)
(107,488)	-	(107,488)
(7,122,261)	-	(7,122,261)
-	(49,807)	(49,807)
-	322,064	322,064
-	272,257	272,257
(7,122,261)	272,257	(6,850,004)
2,740,197	-	2,740,197
595,124	-	595,124
1,609,255	-	1,609,255
530,889	-	530,889
84,873	-	84,873
55,400	-	55,400
72,880	-	72,880
24,043	-	24,043
80,289	-	80,289
(38,417)	38,417	-
5,754,533	38,417	5,792,950
(1,367,728)	310,674	(1,057,054)
12,757,963	1,798,805	14,556,768
$ 11,390,235	$ 2,109,479	$ 13,499,714

CITY OF DORAVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL	CONFISCATED ASSETS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets				
Cash and Cash Equivalents	$ 1,832,911	$ -	$ -	$ 1,832,911
Investments	1,800,630	-	-	1,800,630
Receivables (net of allowance for uncollectibles)				
Taxes	89,562	-	2,949	92,511
Interest	1,644	-	-	1,644
Accounts	-	-	17,539	17,539
Intergovernmental	121,792	-	-	121,792
Other	2,695	-	-	2,695
Due from Other Funds	79,507	-	-	79,507
Restricted Assets - Cash	-	380,811	112,901	493,712
Prepaid Items	167,004	-	-	167,004
Total Assets	$ 4,095,745	$ 380,811	$ 133,389	$ 4,609,945
Liabilities				
Accounts Payable -				
Operating	$ 595,685	$ -	$ 2,228	$ 597,913
Accrued Liabilities -				
Salaries	167,553	-	8,546	176,099
Police bonds and court fees	745,248	-	-	745,248
Other	370,837	-	-	370,837
Deferred Revenues	71,830	90,485	-	162,315
Due to Other Funds	967,728	-	79,507	1,047,235
Total Liabilities	2,918,881	90,485	90,281	3,099,647
Fund Balances				
Nonspendable	167,004	-	-	167,004
Restricted	-	290,326	43,108	333,434
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,009,860	-	-	1,009,860
Total Fund Balances	1,176,864	290,326	43,108	1,510,298
Total Liabilities and Fund Balances	$ 4,095,745	$ 380,811	$ 133,389	$ 4,609,945

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 1,510,298
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,061,983
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	71,830
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long-term portion of compensated absences	(253,876)
Net assets of governmental activities	$ 11,390,235

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

CITY OF DORAVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL	CONFISCATED ASSETS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 5,630,207	$ -	$ 55,400	$ 5,685,607
Licenses and permits	289,897	-	-	289,897
Intergovernmental	1,229,070	-	-	1,229,070
Charges for services	291,084	-	148,986	440,070
Fines and forfeitures	2,836,348	481,709	-	3,318,057
Investment income	70,280	1,204	1,296	72,780
Rental income	32,443	-	-	32,443
Miscellaneous	138,484	10,867	-	149,351
Total Revenues	10,517,813	493,780	205,682	11,217,275
EXPENDITURES				
Current:				
General Government	1,607,942	-	-	1,607,942
Municipal Court	1,291,120	-	-	1,291,120
Public Safety	5,327,385	333,901	715,829	6,377,115
Public Works	1,095,080	-	15,768	1,110,848
Parks and Recreation	418,567	-	-	418,567
Library	390,710	-	-	390,710
Community Development	317,582	-	22,160	339,742
Capital:				
General Government	269,350	-	-	269,350
Municipal Court	7,847	-	-	7,847
Public Safety	96,912	374,822	-	471,734
Public Works	971,977	-	-	971,977
Parks and Recreation	28,573	-	-	28,573
Community Development	1,805	-	-	1,805
Total Expenditures	11,824,850	708,723	753,757	13,287,330
Excess (Deficiency) of Revenues Over Expenditures	(1,307,037)	(214,943)	(548,075)	(2,070,055)
Other Financing Sources (Uses):				
Transfers	(560,301)	-	521,884	(38,417)
Net Change in Fund Balance	(1,867,338)	(214,943)	(26,191)	(2,108,472)
Fund Balance - Beginning of the Year	3,044,202	505,269	69,299	3,618,770
Fund Balance - End of Year	$ 1,176,864	$ 290,326	$ 43,108	$ 1,510,298

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances -- total governmental funds	$ (2,108,472)
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 outlay ($1,767,465) exceeded depreciation expense ($854,243) in the current period.	913,222
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase assets.	(181,171)
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:	
Change in long-term portion of accrued compensated absences	14,860
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances.	
Change in deferred revenues	(6,167)
Change in net assets of governmental activities	$ (1,367,728)

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

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

	Original / Final Budget	Actual	Variance
REVENUES			
Taxes	$ 4,920,840	$ 5,630,207	$ 709,367
Licenses and permits	256,482	289,897	33,415
Intergovernmental	1,235,285	1,229,070	(6,215)
Charges for services	392,800	291,084	(101,716)
Fines and forfeitures	2,800,000	2,836,348	36,348
Investment income	-	70,280	70,280
Rental income	31,540	32,443	903
Miscellaneous	256,350	138,484	(117,866)
Total Revenues	9,893,297	10,517,813	624,516
EXPENDITURES			
Current:			
General Government	1,391,892	1,607,942	(216,050)
Municipal Court	1,224,252	1,291,120	(66,868)
Public Safety	5,293,123	5,327,385	(34,262)
Public Works	929,883	1,095,080	(165,197)
Parks and Recreation	474,811	418,567	56,244
Library	432,953	390,710	42,243
Community Development	276,454	317,582	(41,128)
Capital:			
General Government	280,000	269,350	10,650
Municipal Court	22,319	7,847	14,472
Public Safety	72,000	96,912	(24,912)
Public Works	995,285	971,977	23,308
Parks and Recreation	272,000	28,573	243,427
Library	68,480	-	68,480
Community Development	8,000	1,805	6,195
Total Expenditures	11,741,452	11,824,850	(83,398)
Excess (Deficiency) of Revenues Over Expenditures	(1,848,155)	(1,307,037)	541,118
Other Financing Sources (Uses):			
Transfers	(529,943)	(560,301)	(30,358)
Net Change in Fund Balances	(2,378,098)	(1,867,338)	510,760
Fund Balance:			
Beginning of Year	3,044,202	3,044,202	-
End of Year	$ 666,104	$ 1,176,864	$ 510,760

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Fines and forfeitures	$ -	$ 446,804	$ 481,709	$ 34,905
Investment income	-	1,016	1,204	188
Miscellaneous	-	137,963	10,867	(127,096)
Total Revenues	-	585,783	493,780	(92,003)
EXPENDITURES				
General law enforcement	508,215	1,087,891	708,723	379,168
Total Expenditures	508,215	1,087,891	708,723	379,168
Excess (Deficiency) of Revenues Over Expenditures	(508,215)	(502,108)	(214,943)	287,165
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Net Change in Fund Balances	(508,215)	(502,108)	(214,943)	287,165
Fund Balance:				
Beginning of year	505,269	505,269	505,269	-
End of year	$ (2,946)	$ 3,161	$ 290,326	$ 287,165

See accompanying notes to the basic financial statements.

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

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
ASSETS:			
CURRENT ASSETS			
Cash	$ -	$ 227,933	$ 227,933
Accounts receivable, net of reserve for doubtful accounts	7,598	34,924	42,522
Due from other funds	-	967,728	967,728
Total Current Assets	7,598	1,230,585	1,238,183
NONCURRENT ASSETS			
Captial Assets -			
Vehicles	-	155,012	155,012
Infrastructure		821,856	821,856
Construction in progress	-	91,740	91,740
Less: accumulated depreciation	-	(139,120)	(139,120)
Total Capital Assets, net of depreciation	-	929,488	929,488
Total Noncurrent Assets	-	929,488	929,488
Total Assets	7,598	2,160,073	2,167,671
LIABILITIES:			
CURRENT LIABILITIES			
Accounts payable	-	53,260	53,260
Accrued liabilities	-	4,932	4,932
Total Current Liabilities	-	58,192	58,192
NONCURRENT LIABILITIES	-	-	-
Total Liabilities	-	58,192	58,192
NET ASSETS:			
Invested in capital assets	-	929,488	929,488
Unrestricted	7,598	1,172,393	1,179,991
Total Net Assets	$ 7,598	$ 2,101,881	$ 2,109,479

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
OPERATING REVENUES:			
Charges for services	$ 341,088	$ 508,357	$ 849,445
Penalties and fifas	14,271	-	14,271
Miscellaneous	-	-	-
Total Operating Revenues	355,359	508,357	863,716
OPERATING EXPENSES:			
Current -			
Salaries and benefits	-	62,133	62,133
Contracted services	405,166	83,231	488,397
Supplies	-	2,723	2,723
Bad debt expense	-	-	-
Depreciation	-	38,206	38,206
Total Operating Expenses	405,166	186,293	591,459
Operating Income (Loss)	(49,807)	322,064	272,257
NON-OPERATING INCOME (EXPENSES):	-	-	-
Net Income (Loss) before Transfers	(49,807)	322,064	272,257
Transfers - in	38,417	-	38,417
NET INCOME	(11,390)	322,064	310,674
NET ASSETS - BEGINNING	18,988	1,779,817	1,798,805
NET ASSETS - ENDING	$ 7,598	$ 2,101,881	$ 2,109,479

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2011

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
Cash flows from operating activities:			
Cash received from customers and users	$ 366,749	$ 499,521	$ 866,270
Cash paid to suppliers	(405,166)	(86,542)	(491,708)
Cash paid to employees	-	(46,383)	(46,383)
Net Cash Provided by Operating Activities	(38,417)	366,596	328,179
Cash flows from investing activities:	-	-	-
Cash flows from non-capital financing activities:			
Change in due to/from other funds	-	(281,754)	(281,754)
Transfers	38,417	-	38,417
Net Cash Provided by (Used in) Non-capital Financing Activities	38,417	(281,754)	(243,337)
Cash flows from capital financing activities:			
Purchase/construction of capital assets	-	(91,742)	(91,742)
Net increase in cash and cash equivalents	-	(6,900)	(6,900)
Cash and cash equivalents - Beginning of Year	-	234,833	234,833
Cash and cash equivalents - End of Year	$ -	$ 227,933	$ 227,933

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - CONTINUED

Reconciliation of Net Income to Net Cash Provided By Operating Activities

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
Operating income (loss)	$ (49,807)	$ 322,064	$ 272,257
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	-	38,206	38,206
(Increase) decrease in receivables	11,390	(8,836)	2,554
Increase (decrease) in accounts payable	-	12,306	12,306
Increase (decrease) in accrued liabilities	-	2,856	2,856
Total Adjustments	11,390	44,532	55,922
Net Cash Provided by Operating Activities	$ (38,417)	$ 366,596	$ 328,179

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Doraville, Georgia (the "City") was incorporated in 1871 under the provisions of the State of Georgia. The City operates under a mayor / council form of government and provides the following services: police, highways and streets, sanitation, parks and recreation, planning and zoning, and general and administrative services. The City's comprehensive annual financial report includes the accounts of all City operations. Water, sewer and fire protection services are provided by DeKalb County.

Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. The City has no component units.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements - Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, excise, occupational and franchise taxes, intergovernmental revenues, interest income, etc.). The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

D. Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The City has two major governmental funds. The City also has two enterprise funds and considers both of them to be major funds. Separate financial statements are provided for governmental funds and proprietary funds. All major funds are reported in separate columns in the fund financial statements.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements - Fund Financial Statements – (Continued)

Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Confiscated Assets Fund – This special revenue fund was created to account for assets confiscated during investigations into illegal drug activities. The fund is authorized to report assets deemed forfeited by the appropriate court judge.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary fund is classified as an enterprise fund. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Solid Waste Management Enterprise Fund – The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City. The City applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its proprietary funds.

Stormwater Management Enterprise Fund – The Stormwater Management Enterprise Fund was created during the fiscal year ended June 30, 2006 to account for revenues generated from the charges for stormwater services provided to the citizens of Doraville.

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Measurement Focus – (Continued)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.
On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, fines, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

G. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

H. Investments

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value with accrued interest, if any, recorded under a separate category.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of June 30, 2011:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; c) items associated with a fund other than the fund to which the income is assigned.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

J. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items and are expensed during the period benefited.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of $3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended June 30, 2011. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

K. Capital Assets – (Continued)

Land improvements	20 years
Buildings and improvements	30-40 years
Furniture and office equipment	5-15 years
Vehicles	7-10 years
Infrastructure	40-50 years
Other equipment	10-20 years
Park and recreation facilities	20 years

The City only reports infrastructure assets purchased subsequent to June 30, 2003.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

N. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

O. Compensated Absences

The City accrues accumulated unpaid vacation and sick leave (personal leave) and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

P. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

R. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Budgets and Budgetary Accounting

Prior to July 1, the Mayor and Department Heads submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. During June, the mayor and council legally enact the budget through passage of an ordinance. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except that proprietary funds expense capital outlay instead of depreciation. The legal level of control (the level at which the City Council must approve expenditures in excess of appropriations) for each legally adopted annual operating budget is at the department level. Budget amounts are reported as originally adopted and also as last amended. Unexpended budget appropriations lapse at year-end.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

U. Fund Balance – Governmental Funds

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Doraville's Council. Doraville's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2011, fund balances are composed of the following:

	General Fund	Confiscated Assets Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaids	$ 167,004	$ -	$ -	$ 167,004
Restricted:				
Tree Bank Activities	-	-	33,394	33,394
Economic Development	-	-	721	721
Police Activities	-	290,326	8,993	299,319
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,009,860	-	-	1,009,860
Total Fund Balances	$ 1,176,864	$ 290,326	$ 43,108	$ 1,510,298

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditures is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

(See Independent Auditor's Report).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

V. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net assets reports $334,434 of restricted net assets, of which the total amount is restricted by enabling legislation.

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

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of June 30, 2011, $3,664,740 of the government's bank balance of $4,642,673 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -
Uninsured and collateral held by pledging bank's agent in the City's name	3,664,740
Total	$ 3,664,740

In accordance with state law, the City of Doraville can invest in: 1. Obligations issued by the U.S. Government, any state, any political subdivision of the State of Georgia, or Local Government Investment Pool established by state law; 2. Prime banks' acceptances; and 3. Repurchase agreements.

Investments as of June 30, 2011 consisted of non-participating certificates of deposit, which are included in the above-mentioned bank balances.

3. PROPERTY TAX

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2011, based upon the assessed value as of January 1, 2010, were levied in June 2010. Taxes are due in equal installments on July 1 and October 1 of each year. Tax liens may be issued on March 1 or after the due date, whichever occurs later. The City of Doraville uses the services of the DeKalb County Tax Commissioner to bill and collect its property taxes.

(See Independent Auditor's Report).

4. RECEIVABLES

Governmental Funds

	General	Confiscated Assets	Hotel / Motel	E-911	Total
Taxes	$ 239,562	$ -	$ 2,949	$ -	$ 242,511
Intergovernmental	121,792	-	-	-	121,792
Accounts	-	-	-	17,539	17,539
Interest	1,644	-	-	-	1,644
Other	2,695	-	-	-	2,695
Gross	365,693	-	2,949	17,539	386,181
Less: Allowance for uncollectibles	(150,000)	-	-	-	(150,000)
Net	$ 215,693	$ -	$ 2,949	$ 17,539	$ 236,181

Proprietary Funds

	Solid Waste Management	Stormwater Management	Total
Accounts	$ 167,598	$ 34,924	$ 202,522
Less: Allowance for uncollectibles	(160,000)	-	(160,000)
Net	$ 7,598	$ 34,924	$ 42,522

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables for the year ended June 30, 2011 consist of the following:

	Revenue	Receivable
General Fund -		
U. S. Department of Justice	$ 44,138	$ 26,133
U. S. Department of Transportation	96,380	33,445
DeKalb County - CDBG Program	183,679	-
GEFA - Department of Energy	218,156	-
MARTA - for transportation projects	679,071	62,214
State LARP	7,646	-
Total Intergovernmental Revenues	$ 1,229,070	$ 121,792

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivables and payable balances at June 30, 2011 were as follows:

Payable To	Payable From General	Non Major	Total
General	$ -	$ 79,507	$ 79,507
Stormwater Management	967,728	-	967,728
Totals	$ 967,728	$ 79,507	$ 1,047,235

The City's Stormwater Fund does not have a separate bank account and therefore deposits all its revenues and pays all of its expenses out of the General Fund's bank account. The cumulative net amount over the years (receipts over expenditures) of $967,728 is due to the Stormwater Fund. The amount payable from non-major funds is the result of the General Fund paying for expenditures of other funds and not being reimbursed as of June 30, 2011.

Individual fund interfund transfers for the year ended June 30, 2011 were as follows:

Transfer To	Transfer From Non Major	General	Total
General	$ 37,725	$ -	$ 37,725
Non Major	-	559,609	559,609
Solid Waste Management	-	38,417	38,417
Totals	$ 37,725	$ 598,026	$ 635,751

The General Fund transferred $559,609 to the E-911 Fund and $38,417 to the Solid Waste Management Fund during the year ended June 30, 2011 to help finance operations. The City reports the income from hotel / motel taxes in the Hotel / Motel Tax Fund along with the required 40% payment to the DeKalb Convention Center. The remaining monies are transferred to the General Fund to help finance the General Fund budgetary appropriations which amounted to $37,725 for the year ended June 30, 2011.

7. LITIGATION:

As of June 30, 2011 there were no lawsuits or complaints that management believes will have a material effect on the financial condition of the City.

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 309,557	$ 3,500	$ -	$ 313,057
Construction in progress	132,137	841,858	(925,081)	48,914
Total	441,694	845,358	(925,081)	361,971
Capital assets being depreciated:				
Land improvements	252,979	925,081	-	1,178,060
Buildings and improvements	7,541,326	223,331	-	7,764,657
Parks and recreation facilities	1,637,689	-	-	1,637,689
Furniture and office equipment	1,828,985	34,159	-	1,863,144
Vehicles	2,346,516	552,132	(413,691)	2,484,957
Other equipment	2,683,487	112,486	-	2,795,973
Total capital assets being depreciated	16,290,982	1,847,189	(413,691)	17,724,480
Less accumulated depreciation for:				
Land improvements	134,543	15,143	-	149,686
Buildings and improvements	2,488,288	181,405	-	2,669,693
Parks and recreation facilities	1,090,193	33,188	-	1,123,381
Furniture and office equipment	998,918	172,189	-	1,171,107
Vehicles	1,279,415	260,389	(232,519)	1,307,285
Other equipment	1,411,387	191,929	-	1,603,316
Total accumulated depreciation	7,402,744	854,243	(232,519)	8,024,468
Total capital assets being depreciated, ne	8,888,238	992,946	(181,172)	9,700,012
Governmental capital assets, net	$ 9,329,932	$ 1,838,304	$ (1,106,253)	$ 10,061,983

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

General Government	$ 50,120
Public Safety and Courts	706,705
Public Works	40,604
Parks	42,659
Library	11,008
Community Development	3,147
Total depreciation expense	$ 854,243

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities: Stormwater Management Fund -				
Capital assets, not being depreciated:				
Construction in progress	$ 160,207	$ 91,741	$ (160,208)	$ 91,740
Total	160,207	91,741	(160,208)	91,740
Capital assets being depreciated:				
Infrastructure	661,648	160,209	-	821,857
Vehicles	155,012	-	-	155,012
Total capital assets being depreciated	816,660	160,209	-	976,869
Less accumulated depreciation for:				
Infrastructure	36,755	20,503	-	57,258
Vehicles	64,160	17,703	-	81,863
Total capital assets being depreciated	100,915	38,206	-	139,121
Total capital assets being depreciated, ne	715,745	122,003	-	837,748
Business - Type Activities capital assets, net of depreciation	$ 875,952	$ 213,744	$ (160,208)	$ 929,488

The depreciation expense was charged to the Stormwater Management Fund.

(See Independent Auditor's Report)

9. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Actiivities					
Accrued Compensated Absences	$ 268,736	$ 364,126	$ (378,986)	$ 253,876	$ 20,000

The General Fund is typically used to liquidate long-term debt.

10. DEFERRED REVENUES

Deferred revenues as of June 30, 2011, reported in the Governmental Fund's balance sheet, consisted of the following revenue items that were either received but unearned or had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

Property taxes	$ 41,511
Grants	30,319
Confiscated assets	90,485
Total	$ 162,315

11. HOTEL / MOTEL TAX

The City is currently collecting a five percent Hotel / Motel Tax and is remitting forty percent of the amount collected to the DeKalb Convention and Visitor's Bureau. Total collections and related disbursements to the DeKalb Convention and Visitors Bureau for the year ended June 30, 2011 were as follows:

	Amount	Percent
Total Collections	$ 55,400	100%
Total Remittances	$ 22,160	40.0%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2011.

(See Independent Auditor's Report)

12. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

13. RISK MANAGEMENT

The City of Doraville is exposed to various risks of loss 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 (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), 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 risks 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' agent 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 City pays an annual premium to GIRMA for its general insurance and has coverage of $1,000,000 for the risks discussed above, except for buildings, which are covered at 100% of the value of the City's holdings. The City's coverage for worker's compensation claims is statutory.

The funds are to defend and protect the members of the funds 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 proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City continues to carry commercial insurance for all other risks of loss, employee health and accident insurance. Settled claims in the past three years have not exceeded the commercial insurance coverage.

(See Independent Auditor's Report)

14. DEFINED BENEFIT PENSION PLAN

Plan Description-

The City's defined pension plan, City of Doraville Retirement Plan (DRP), provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Council. DRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303.

Funding Policy-

DRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 14.7% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost-

For fiscal year ending June 30, 2011, the City's annual pension cost of $683,851 for DRP was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases for inflation of 3.5% per year plus age and service based merit increases. The actuarial value of DRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. DRP's unfunded actuarial accrued liability is being amortized over a 30 year period from 1982 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provision and 30 years for actuarial assumptions and cost methods as a level dollar amount. Remaining amortization period varies for the bases, with a net effective amortization period of 10 years. The amortization periods, if applicable, are closed for this plan year.

Three-Year Trend Information for DRP

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$ 683,851	100%	$ -
6/30/2010	$ 560,283	100%	$ -
6/30/2009	$ 560,283	100%	$ -

(See Independent Auditor's Report)

14. DEFINED BENEFIT PENSION PLAN – (Continued)

Funding Progress:

The following table discloses funding progress for the last three years based on actuarial valuations.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2011	$ 12,454,280	$14,277,651	$ 1,823,371	87.2%	$4,472,123	40.8%
2010	$ 11,810,894	$13,584,198	$ 1,773,304	86.9%	$4,574,234	38.8%
2009	$ 9,385,262	$14,845,085	$ 5,459,823	63.2%	$4,335,431	125.9%

Trend Information-

Annual trend information required by generally accepted accounting principles is presented on page 29 and reveals the progress made in accumulating sufficient assets to pay benefits when due.

15. OTHER POST-EMPLOYMENT BENEFITS

As authorized by City Council, the City provides post-employment benefits to all retirees who have reached age 60 and was employed by the City for 30 years. The City pays 100% of each retiree's insurance premiums. The City finances the plan on a pay-as-you-go basis. The amount paid for these benefits for the year ended June 30, 2011, was approximately $400. Nine individuals are currently eligible to receive these benefits.

During 2011 GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" came into effect. This statement required employers to have an actuarial valuation report performed on the OPEB Plan and to report various assets and liabilities, if applicable. Since the Plan's assets and liabilities would be considered by management to be immaterial to the financial statements an actuarial valuation was not performed.

16. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements to provide an overview, of certain information concerning individual funds including-

A. Deficit fund balances or retained earnings balances of individual funds – No funds reflected such balances at June 30, 2011.

(See Independent Auditor's Report)

16. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES – (Continued)

B. Excess of expenditures over appropriations in individual funds are as follows:

Material excesses (if both over 5 percent and greater than $10,000) of expenditures over appropriations at the department level (the legal level of control) are presented below:

	Final Budget	Actual	Variance
General Fund -			
General Government	$ 1,671,892	$ 1,877,292	$ (205,400)
Municipal Court	1,246,571	1,298,967	(52,396)
Public Works	1,925,168	2,067,057	(141,889)
Community Development	284,454	319,387	(34,933)

Management will closely monitor budgets for all funds in the future.

17. RECURRING FINANCIAL DEFICITS

The City has incurred significant deficits in its General Fund for the last four fiscal years as follows:

Fiscal Year Ended	Deficit	Ending Fund Balance
6/30/2008	$ 614,095	$ 6,774,493
6/30/2009	1,588,797	5,185,696
6/30/2010	2,141,494	3,044,202
6/30/2011	1,867,338	1,176,864

Management is currently considering various options in order to reverse this trend. Some of the options include increasing revenues and decreasing expenditures. Management is also reviewing the possibility of reducing or eliminating some services the City currently provides.

(See Independent Auditor's Report)

CITY OF DORAVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF PENSION PLAN FUNDING PROGRESS

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2011	$ 12,454,280	$ 14,277,651	$ 1,823,371	87.2%	$ 4,472,123	40.8%
2010	$ 11,810,894	$ 13,584,198	$ 1,773,304	86.9%	$ 4,574,234	38.8%
2009	$ 9,385,262	$ 14,845,085	$ 5,459,823	63.2%	$ 4,335,431	125.9%
2008	$ 13,225,493	$ 13,998,973	$ 773,480	94.5%	$ 4,001,672	19.3%
2007	$ 12,518,360	$ 12,841,992	$ 323,632	97.5%	$ 3,749,631	8.6%
2006	$ 11,742,096	$ 12,506,596	$ 764,500	93.9%	$ 3,300,939	23.2%
2005	$ 11,055,981	$ 11,447,377	$ 391,396	96.6%	$ 3,057,258	12.8%
2004	$ 10,434,896	$ 11,126,063	$ 691,167	93.8%	$ 3,104,899	22.3%
2003	$ 9,639,857	$ 10,589,174	$ 949,317	91.0%	$ 3,066,052	31.0%
2002	$ 8,939,081	$ 10,268,779	$ 1,329,698	87.1%	$ 3,138,846	42.4%

UNFUNDED ACTUARIAL ACCRUED LIABILITY

Changes to the unfunded actuarial accrued liability as of January 1, 2011 were as follows:

Unfunded actuarial accrued liability as of May 1, 2009	$ 1,773,304
Change due to contribution policy	(22,014)
Change due to actuarial (gains) or losses	72,081
Change in plan provisions and assumptions	-
Unfunded actuarial accrued liability as of January 1, 2010	$ 1,823,371

(See Independent Auditor's Report)

CITY OF DORAVILLE, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Hotel / Motel Tax Fund	E-911 Fund	Tree Bank Fund	Total Non-Major Governmental Funds
ASSETS				
Cash	$ -	$ -	$ 112,901	$ 112,901
Receivables -				
Taxes	2,949	-	-	2,949
Accounts	-	17,539	-	17,539
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	$ 2,949	$ 17,539	$ 112,901	$ 133,389
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	$ 2,228	$ -	$ -	$ 2,228
Accrued liabilities	-	8,546	-	8,546
Due to other funds	-	-	79,507	79,507
Deferred revenue	-	-	-	-
Total Liabilities	2,228	8,546	79,507	90,281
Fund Equity:				
Restricted	721	8,993	33,394	43,108
Unassigned	-	-	-	-
Total Fund Equity	721	8,993	33,394	43,108
Total Liabilities and Fund Equity	$ 2,949	$ 17,539	$ 112,901	$ 133,389

CITY OF DORAVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Hotel / Motel Tax Fund	E-911 Fund	Tree Bank Fund	Total Non-Major Governmental Funds
Revenues:				
Taxes	$ 55,400	$ -	$ -	$ 55,400
Charges for services	-	144,186	4,800	148,986
Forfeitures	-	-	-	-
Interest	-	-	1,296	1,296
Miscellaneous	-	-	-	-
Total Revenue	55,400	144,186	6,096	205,682
Expenditures:				
Current				
Salaries and Benefits	-	657,192	-	657,192
Contract services	-	52,011	-	52,011
Supplies	-	6,626	15,768	22,394
Payments to others	22,160	-	-	22,160
Capital Outlay	-	-	-	-
Total Expenditures	22,160	715,829	15,768	753,757
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	33,240	(571,643)	(9,672)	(548,075)
Other Sources and (Uses)				
Transfers	(37,725)	559,609	-	521,884
Total Other Sources and (Uses)	(37,725)	559,609	-	521,884
Excess of Revenues Over (Under) Expenditures and Other Uses	(4,485)	(12,034)	(9,672)	(26,191)
Fund Balance - Beginning of Year	5,206	21,027	43,066	69,299
Fund Balance - End of Year	$ 721	$ 8,993	$ 33,394	$ 43,108

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash	$ 1,832,911	$ 727,471
Investments	1,800,630	4,252,477
Receivables (net of allowance for uncollectibles)		
Taxes	89,562	56,127
Accounts	-	111,433
Interest	1,644	5,409
Other	124,487	74,482
Due from other funds	79,507	68,539
Prepaid expenses	167,004	715,631
Total Assets	$ 4,095,745	$ 6,011,569
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	595,685	1,032,499
Accrued expenses-		
Salaries	167,553	208,916
Payroll taxes and withholdings	-	-
Police bonds and court fees	745,248	513,016
Other	370,837	448,965
Deferred revenues	71,830	77,997
Due to other funds	967,728	685,974
Total Liabilities	2,918,881	2,967,367
Fund Balance:		
Nonspendable	167,004	715,631
Assigned -		
Appropriations for next year's budget	-	2,328,571
Unreserved	1,009,860	-
Total Fund Equity	1,176,864	3,044,202
Total Liabilities and Fund Equity	$ 4,095,745	$ 6,011,569

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2011			
	Final Budget	Actual	Variance	Actual June 30, 2010
Revenues:				
Taxes-				
Property	$ 1,826,357	$ 2,597,723	$ 771,366	$ 2,493,512
Motor vehicle	261,959	122,829	(139,130)	119,655
Franchise	517,524	595,124	77,600	570,262
Railroad equipment tax	6,000	5,600	(400)	5,153
Alcohol beverage	76,000	84,874	8,874	52,351
Insurance premium	570,000	530,889	(39,111)	546,780
Business occupational	1,663,000	1,690,098	27,098	1,398,641
Transfer	-	3,070	3,070	1,220
Total taxes	4,920,840	5,630,207	709,367	5,187,574
Business licenses and permits-				
Building permits	175,607	211,815	36,208	167,726
Other permits	80,875	78,082	(2,793)	63,170
Total business licenses and permits	256,482	289,897	33,415	230,896
Intergovernmental				
Police Grants	-	44,138	44,138	52,169
EECBG/GEFA Grant	-	218,156	218,156	-
CDBG Grants	-	183,679	183,679	42,000
DOT Grants	1,235,285	783,097	(452,188)	30,533
Total intergovernmental	1,235,285	1,229,070	(6,215)	124,702

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2011			
Revenues - continued:	Final Budget	Actual	Variance	Actual June 30, 2010
Charges for services -				
Election qualification fees	$ -	$ 6,300	$ 6,300	$ 3,456
Fingerprinting fees	10,000	21,946	11,946	20,115
Police housing fees	332,800	184,481	(148,319)	234,711
Recreation activity fees	50,000	73,207	23,207	78,628
Other	-	5,150	5,150	-
Total charges for services	392,800	291,084	(101,716)	336,910
Fines and forfeitures	2,800,000	2,836,348	36,348	3,182,231
Investment income	-	70,280	70,280	144,019
Rental income	31,540	32,443	903	102,785
Other -				
Reimbursements	-	86,673	86,673	50,339
Penalties and interest	16,000	14,982	(1,018)	19,386
Miscellaneous	240,350	36,829	(203,521)	32,090
Total other	256,350	138,484	(117,866)	101,815
Total Revenues	$ 9,893,297	$ 10,517,813	$ 624,516	$ 9,410,932

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2011			
	Final Budget	Actual	Variance	Actual June 30, 2010
CURRENT EXPENDITURES -				
GENERAL GOVERNMENT				
Governing Body				
Salaries and benefits	$ 168,079	$ 163,006	$ 5,073	$ 135,770
Contracted services	78,000	111,162	(33,162)	-
Supplies	1,549	492	1,057	-
Payment to other entities	-	-	-	-
General Administration -				
Salaries and benefits	531,854	468,157	63,697	444,140
Contracted services	130,000	574,496	(444,496)	640,861
Supplies	120,500	56,059	64,441	50,004
Payment to other entities	132,410	-	132,410	-
Other Building & Grounds -				
Central Ave - 911 location	-	1,443	(1,443)	8,779
Clinicare Building	-	5,272	(5,272)	8,141
Civic Center	-	10,142	(10,142)	7,551
Extension Service Building	3,500	2,721	779	6,454
Korean Community Center	-	4,874	(4,874)	1,753
Legal	226,000	210,118	15,882	222,787
Total General Government	1,391,892	1,607,942	(216,050)	1,526,240
MUNICIPAL COURT				
Salaries and benefits	440,752	441,802	(1,050)	479,629
Contracted services	70,000	65,113	4,887	68,972
Supplies	13,500	28,218	(14,718)	22,667
Payments to other entities	700,000	755,987	(55,987)	812,732
Total Municipal Court	1,224,252	1,291,120	(66,868)	1,384,000
PUBLIC SAFETY				
Police -				
Salaries and benefits	4,251,914	4,394,487	(142,573)	4,696,434
Contracted services	382,634	275,394	107,240	335,259
Supplies	448,100	474,589	(26,489)	507,628
Quality of Life				
Salaries and benefits	126,846	103,357	23,489	157,844
Contracted services	5,580	4,795	785	2,849
Supplies	7,000	2,452	4,548	12,966
Animal Control -			-	
Salaries and benefits	65,849	64,904	945	63,805
Contracted services	-	2,168	(2,168)	4,318
Supplies	5,200	5,239	(39)	14,035
Total Public Safety	5,293,123	5,327,385	(34,262)	5,795,138

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2011			
	Final Budget	Actual	Variance	Actual June 30, 2010
CURRENT EXPENDITURES - continued				
PUBLIC WORKS				
Salaries and benefits	$ 883,153	$ 752,538	$ 130,615	$ 930,213
Contracted services	19,530	56,363	(36,833)	53,538
Supplies	27,200	286,179	(258,979)	251,352
Total Public Works	929,883	1,095,080	(165,197)	1,235,103
PARKS AND RECREATIONS				
Arena	$ 308,936	$ 313,406	$ (4,470)	$ 349,740
Swimming Pool	73,475	50,417	23,058	48,080
Boxing Club	38,400	6,164	32,236	1,464
Parks	54,000	48,580	5,420	14,468
Total Parks and Recreation	474,811	418,567	56,244	413,752
LIBRARY				
Salaries and benefits	373,953	327,162	46,791	350,538
Contracted Services	10,000	17,372	(7,372)	7,078
Supplies	29,000	31,532	(2,532)	55,665
Payments to others	20,000	14,644	5,356	17,942
Total Library	432,953	390,710	42,243	431,223
COMMUNITY DEVELOPMENT				
Building Inspections				
Salaries and benefits	-	-	-	21,488
Contracted Services	69,650	65,575	4,075	74,338
Supplies	3,500	1,982	1,518	2,141
Planning				
Salaries and benefits	146,664	164,919	(18,255)	128,991
Contracted Services	41,640	71,254	(29,614)	9,851
Supplies	15,000	13,852	1,148	4,014
Total Community Development	276,454	317,582	(41,128)	240,823
TOTAL CURRENT EXPENDITURES	10,023,368	10,448,386	(425,018)	11,026,279

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2011			
	Final Budget	Actual	Variance	Actual June 30, 2010
CURRENT EXPENDITURES - continued				
CAPITAL OUTLAY -				
General Government	$ 280,000	$ 269,350	$ 10,650	$ 24,307
Municipal Court	22,319	7,847	14,472	4,421
Public Safety	72,000	96,912	(24,912)	194,460
Public Works	995,285	971,977	23,308	58,850
Parks and Recreation	272,000	28,573	243,427	122,270
Library	68,480	-	68,480	-
Community Development	8,000	1,805	6,195	14,183
Total Capital Outlay	1,718,084	1,376,464	341,620	418,491
TOTAL EXPENDITURES	$ 11,741,452	$ 11,824,850	$ (83,398)	$ 11,444,770

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash	$ 380,811	$ 609,164
Due from other funds	-	-
Due from other governments	-	-
Total Assets	$ 380,811	$ 609,164
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ -	$ -
Deferred revenues	90,485	103,895
Total Liabilities	90,485	103,895
Fund Balance:		
Restricted for police activities	290,326	505,269
Unassigned	-	-
Total Fund Equity	290,326	505,269
Total Liabilities and Fund Equity	$ 380,811	$ 609,164

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
REVENUES		
Fines and forfeitures	$ 481,709	$ 367,626
Investment income	1,204	1,464
Miscellaneous	10,867	-
Total Revenues	493,780	369,090
EXPENDITURES		
Current:		
Police services	333,901	146,118
Capital:		
Police services	374,822	424,632
Total Expenditures	708,723	570,750
Excess (Deficiency) of Revenues Over Expenditures	(214,943)	(201,660)
Other Financing Sources (Uses):		
Sale of Capital Assets	-	-
Transfers	-	-
Net Change in Fund Balances	(214,943)	(201,660)
Fund Balance -		
Beginning of year	505,269	706,929
End of year	$ 290,326	$ 505,269

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL / MOTEL TAX FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ 60,000	$ 60,000	$ 55,400	$ (4,600)
Charges for services	-	-	-	-
Forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	60,000	60,000	55,400	(4,600)
Expenditures:				
Current				
Salaries and Benefits	-	-	-	-
Contract services	-	-	-	-
Supplies	-	-	-	-
Payments to others	22,500	22,500	22,160	340
Capital Outlay	-	-	-	-
Total Expenditures	22,500	22,500	22,160	340
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	37,500	37,500	33,240	(4,260)
Other Sources and (Uses)				
Transfers	(37,500)	(37,500)	(37,725)	(225)
Total Other Sources and (Uses)	(37,500)	(37,500)	(37,725)	(225)
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	(4,485)	(4,485)
Fund Balance - Beginning of Year	5,206	5,206	5,206	-
Fund Balance - End of Year	$ 5,206	$ 5,206	$ 721	$ (4,485)

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
E-911 FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Charges for services	150,000	150,000	144,186	(5,814)
Forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	150,000	150,000	144,186	(5,814)
Expenditures:				
Current				
Salaries and Benefits	694,193	694,193	657,192	37,001
Contract services	71,750	71,750	52,011	19,739
Supplies	7,000	7,000	6,626	374
Payments to others	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	772,943	772,943	715,829	57,114
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(622,943)	(622,943)	(571,643)	51,300
Other Sources and (Uses)				
Transfers	622,943	622,943	559,609	(63,334)
Total Other Sources and (Uses)	622,943	622,943	559,609	(63,334)
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	(12,034)	(12,034)
Fund Balance - Beginning of Year	21,027	21,027	21,027	-
Fund Balance - End of Year	$ 21,027	$ 21,027	$ 8,993	$ (12,034)

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TREE BANK FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Charges for services	-	-	4,800	4,800
Forfeitures	-	-	-	-
Interest	-	-	1,296	1,296
Miscellaneous	-	-	-	-
Total Revenue	-	-	6,096	6,096
Expenditures:				
Current				
Salaries and Benefits	-	-	-	-
Contract services	-	-	-	-
Supplies	-	-	15,768	(15,768)
Payments to others	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	15,768	(15,768)
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	-	-	(9,672)	(9,672)
Other Sources and (Uses)				
Transfers	-	-	-	-
Total Other Sources and (Uses)	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	(9,672)	(9,672)
Fund Balance - Beginning of Year	-	-	43,066	43,066
Fund Balance - End of Year	$ -	$ -	$ 33,394	$ 33,394

CITY OF DORAVILLE, GEORGIA
COMPARATIVE STATEMENT OF NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2011 AND 2010

	2011	2010
ASSETS:		
CURRENT ASSETS:		
Accounts receivable (net of reserve for doubtful accounts of $160,000 in 2011 and $160,000 in 2010)	$ 7,598	$ 18,988
Total Current Assets	7,598	18,988
NONCURRENT ASSETS:		
Capital Assets	-	-
Total Noncurrent Assets	-	-
Total Assets	7,598	18,988
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	-	-
Total Current Liabilities	-	-
NONCURRENT LIABILITIES	-	-
Total Liabilities	-	-
NET ASSETS:		
Invested in capital assets	-	-
Unrestricted	7,598	18,988
Total Net Assets	$ 7,598	$ 18,988

CITY OF DORAVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
OPERATING REVENUES:		
Charges for services	$ 341,088	$ 353,107
Penalties and fifas	14,271	10,577
Miscellaneous	-	-
Total Operating Revenues	355,359	363,684
OPERATING EXPENSES:		
Contracted services	405,166	445,052
Bad debt expense	-	10,656
Total Operating Expenses	405,166	455,708
Operating Income (Loss)	(49,807)	(92,024)
NON-OPERATING INCOME (EXPENSES):	-	-
Net Income (Loss) before Operating Transfers	(49,807)	(92,024)
Transfers - in	38,417	92,554
NET INCOME	(11,390)	530
NET ASSETS - BEGINNING	18,988	18,458
NET ASSETS - ENDING	$ 7,598	$ 18,988

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 366,749	$ 352,498
Cash paid to suppliers	(405,166)	(445,052)
Cash paid to employees	-	-
Net Cash Provided by Operating Activities	(38,417)	(92,554)
Cash Flows from Investing Activities:	-	-
Cash Flows from Non-Capital Financing Activities:		
Transfers	38,417	92,554
Net Cash Provided by (Used in) Non-capital Financing Activities	38,417	92,554
Cash Flows from Capital Financing Activities:	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents - Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	$ -	$ -

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND - CONTINUED

Reconciliation of Net Income to Net Cash Provided By Operating Activities

	2011	2010
Operating income (loss)	$ (49,807)	$ (92,024)
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in receivables	11,390	(530)
Increase (decrease) in accounts payable	-	-
Total Adjustments	11,390	(530)
Net Cash Provided by Operating Activities	$ (38,417)	$ (92,554)

CITY OF DORAVILLE, GEORGIA
STATEMENT OF NET ASSETS
STORM WATER MANAGEMENT ENTERPRISE FUND
JUNE 30, 2011 AND 2010

	2011	2010
ASSETS:		
CURRENT ASSETS:		
Cash	$ 227,933	$ 234,833
Accounts receivable	34,924	26,088
Due from General Fund	967,728	685,974
Total Current Assets	1,230,585	946,895
NONCURRENT ASSETS:		
Capital Assets:		
Vehicles	155,012	155,012
Infrastructure	821,856	661,648
Construction in progress	91,740	160,207
Less accumulated depreciation	(139,120)	(100,915)
Total Capital Assets (Net of Depreciation)	929,488	875,952
Total Noncurrent Assets	929,488	875,952
Total Assets	2,160,073	1,822,847
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	53,260	40,954
Accrued liabilities	4,932	2,076
Total Current Liabilities	58,192	43,030
NONCURRENT LIABILITIES:	-	-
Total Liabilities	58,192	43,030
NET ASSETS:		
Invested in capital assets	929,488	875,952
Unrestricted	1,172,393	903,865
Total Net Assets	$ 2,101,881	$ 1,779,817

CITY OF DORAVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
STORM WATER MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
OPERATING REVENUES:		
Charges for services	$ 508,357	$ 506,669
Total Operating Revenues	508,357	506,669
OPERATING EXPENSES:		
Current -		
Salaries and benefits	62,133	74,344
Contracted services	83,231	39,324
Supplies	2,723	3,002
Depreciation	38,206	33,667
Total Operating Expenses	186,293	150,337
Operating Income (Loss)	322,064	356,332
NON-OPERATING INCOME (EXPENSES):	-	-
Net Income (Loss) before operating transfers	322,064	356,332
Transfers	-	-
NET INCOME	322,064	356,332
NET ASSETS - BEGINNING	1,779,817	1,423,485
NET ASSETS - ENDING	$ 2,101,881	$ 1,779,817

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORM WATER MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 499,521	$ 500,249
Cash paid to suppliers	(86,542)	(20,959)
Cash paid to employees	(46,383)	(53,917)
Net Cash Provided by Operating Activities	366,596	425,373
Cash Flows from Investing Activities:	-	-
Cash Flows from Non-Capital Financing Activities:		
Transfers	-	-
Change in due to/from accounts	(281,754)	(265,168)
Net Cash Provided by Non-Capital Financing Activities	(281,754)	(265,168)
Cash Flows from Capital Financing Activities:		
Purchase/construction of capital assets	(91,742)	(200,553)
Net Increase in Cash and Cash Equivalents	(6,900)	(40,348)
Cash and Cash Equivalents - Beginning of Year	234,833	275,181
Cash and Cash Equivalents - End of Year	$ 227,933	$ 234,833

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORM WATER MANAGEMENT ENTERPRISE FUND - CONTINUED

Reconciliation of Net Income to Net Cash Provided By Operating Activities

	2011	2010
Operating income (loss)	$ 322,064	$ 356,332
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	38,206	33,667
(Increase) decrease in receivables	(8,836)	(6,420)
Increase (decrease) in accounts payable	12,306	40,954
Increase (decrease) in accrued compensated absences	2,856	840
Total Adjustments	44,532	69,041
Net Cash Provided by Operating Activities	$ 366,596	$ 425,373