CITY OF DORAVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

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, 2012

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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, 2012, 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, 2012 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 14, 2012 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 32 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 14, 2012

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, 2012. 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, 2012 by $14,761,818. Of this amount unrestricted net assets of $3,330,252 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net assets increased by $1,262,104. Of this amount an increase of $924,760 was associated with governmental and an increase of $337,344 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 $2,447,807 an increase of $937,509 in comparison with the prior year. Of this amount $1,714,610 is unassigned and available for spending: $362,944 is restricted for Police Activities; $31,591 is restricted for Tree Bank Activities; $223,913 is restricted for Capital Outlay: and $114,749 is non-spendable related to prepaid expenses.

- At the end of the current year, unassigned fund balance for the general fund was $1,734,251 or 21.4 percent of total General Fund expenditures.

- The City of Doraville's total long term debt obligations consisted of accrued compensated absences of $83,114 and an accrued net pension obligation of $158,131. 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 12 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, 2012, the City's assets exceeded liabilities by $14,761,818. The City's net assets reflect its investment in capital assets (73.2 percent) less related debt, if any. As of June 30, 2012, 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 $14,761,818 only $618,448 or 4.2 percent is restricted for Police, Tree Bank and Capital Improvement Projects and $3,330,252 (22.6 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	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 4,537,545	$ 3,562,710	$ 1,338,034	$ 1,238,183	$ 5,875,579	$ 4,800,893
Capital assets	9,700,183	10,061,983	1,112,935	929,488	10,813,118	10,991,471
Total assets	14,237,728	13,624,693	2,450,969	2,167,671	16,688,697	15,792,364
Current liabilities	1,701,488	1,980,582	4,146	58,192	1,705,634	2,038,774
Long-term liabilities	221,245	253,876	-	-	221,245	253,876
Total liabilities	1,922,733	2,234,458	4,146	58,192	1,926,879	2,292,650
Net assets:						
Invested in capital assets,	9,700,183	10,061,983	1,112,935	929,488	10,813,118	10,991,471
Restricted	618,448	333,434	-	-	618,448	333,434
Unrestricted	1,996,364	994,818	1,333,888	1,179,991	3,330,252	2,174,809
Total net assets	$ 12,314,995	$ 11,390,235	$ 2,446,823	$ 2,109,479	$ 14,761,818	$ 13,499,714

A portion of the net assets (4.2 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets at June 30, 2012 ($3,330,252) 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 $337,344 and increased for governmental activities by $924,760. The City's financial position continues to be positive with an unrestricted net asset balance of $3,330,252.

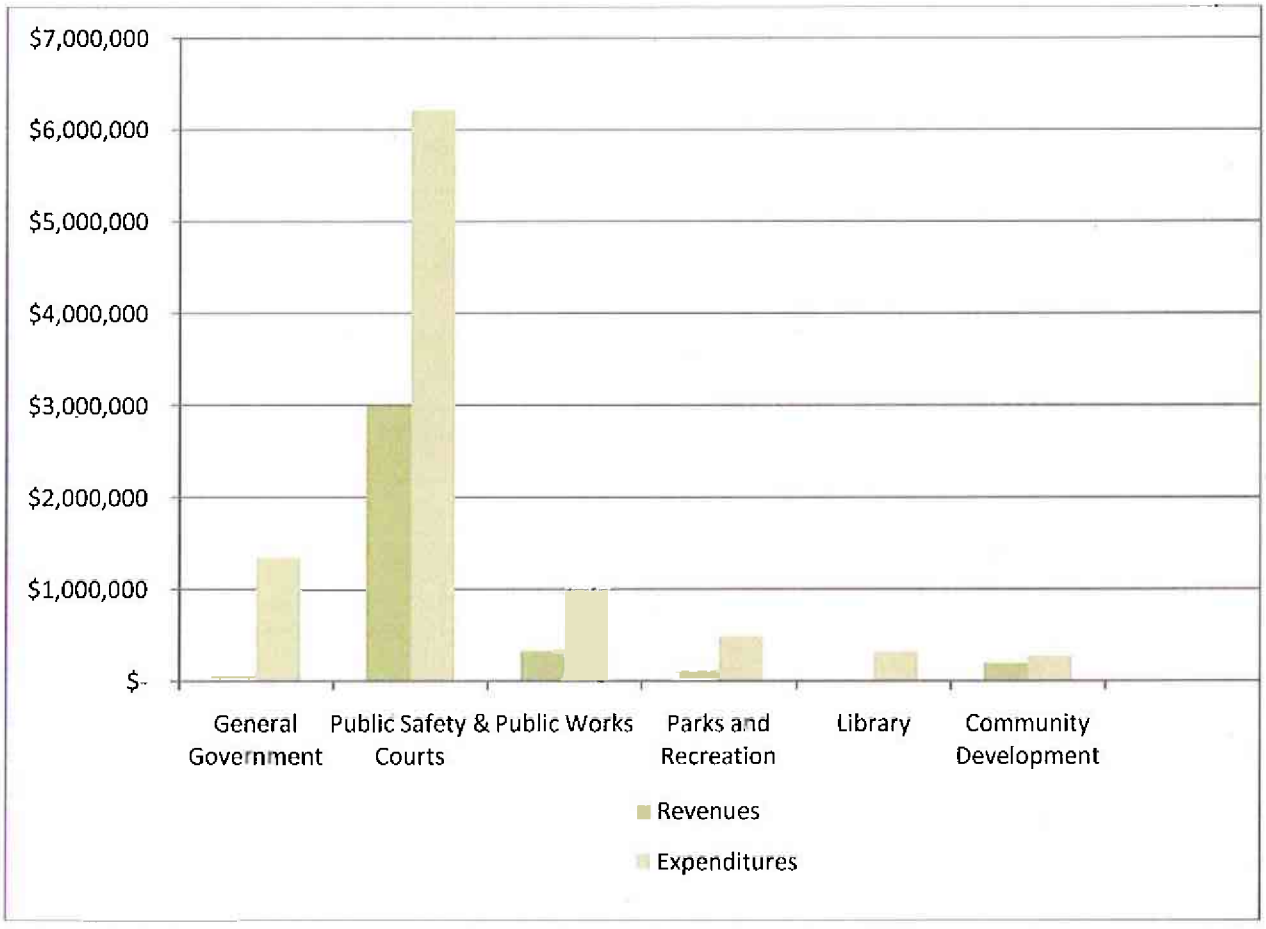
City of Doraville's Change in Net Assets
For The Years Ended June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues -						
Charges for services	$ 3,101,649	$ 4,287,891	$ 904,363	$ 863,716	$ 4,006,012	$ 5,151,607
Operating grants and contributions	148,080	59,636	-	-	148,080	59,636
Capital grants and contributions	440,726	1,149,516	-	-	440,726	1,149,516
General Revenues-						
Property taxes	2,962,729	2,740,197	-	-	2,962,729	2,740,197
Other taxes	3,762,195	2,875,541	-	-	3,762,195	2,875,541
Interest	24,767	72,880	637	-	25,404	72,880
Other	112,265	104,332	-	-	112,265	104,332
	10,552,411	11,289,993	905,000	863,716	11,457,411	12,153,709
Expenses:						
General government	1,346,793	1,851,435	-	-	1,346,793	1,851,435
Public safety and courts	6,215,500	8,430,988	-	-	6,215,500	8,430,988
Public works	983,134	1,131,649	-	-	983,134	1,131,649
Parks and recreation	488,591	468,425	-	-	488,591	468,425
Library	320,496	407,454	-	-	320,496	407,454
Community development	273,137	329,353	-	-	273,137	329,353
Solid waste	-	-	367,033	405,166	367,033	405,166
Stormwater	-	-	200,623	186,293	200,623	186,293
	9,627,651	12,619,304	567,656	591,459	10,195,307	13,210,763
Increase (decrease) in net assets before transfers	924,760	(1,329,311)	337,344	272,257	1,262,104	(1,057,054)
Transfers	-	(38,417)	-	38,417	-	-
Special items	-	-	-	-	-	-
Increase (decrease) in net assets	924,760	(1,367,728)	337,344	310,674	1,262,104	(1,057,054)
Net assets - beginning of year	11,390,235	12,757,963	2,109,479	1,798,805	13,499,714	14,556,768
Net assets - end of year	$ 12,314,995	$ 11,390,235	$ 2,446,823	$ 2,109,479	$ 14,761,818	$ 13,499,714

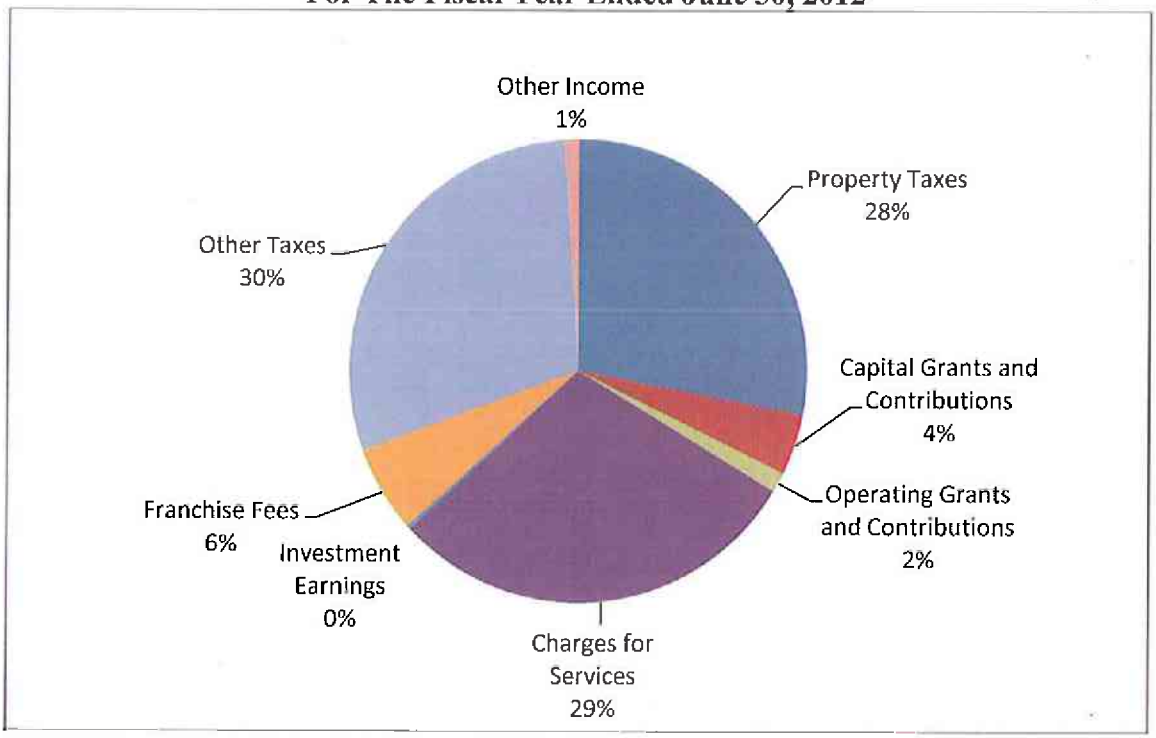
Governmental activities. Governmental activities increased the City's net assets $924,760 accounting for 73.3% of the increase in net assets for the year. Key elements of this increase are as follows:

- Expenditures related to capital outlay decreased by approximately $360,000.
- Property and other taxes increased by approximately $1,100,000
- Grants and contributions decreased by approximately $600,000
- Expenditures related to salaries and benefits decreased across the board
- Charges for services continued to decline as with prior year.

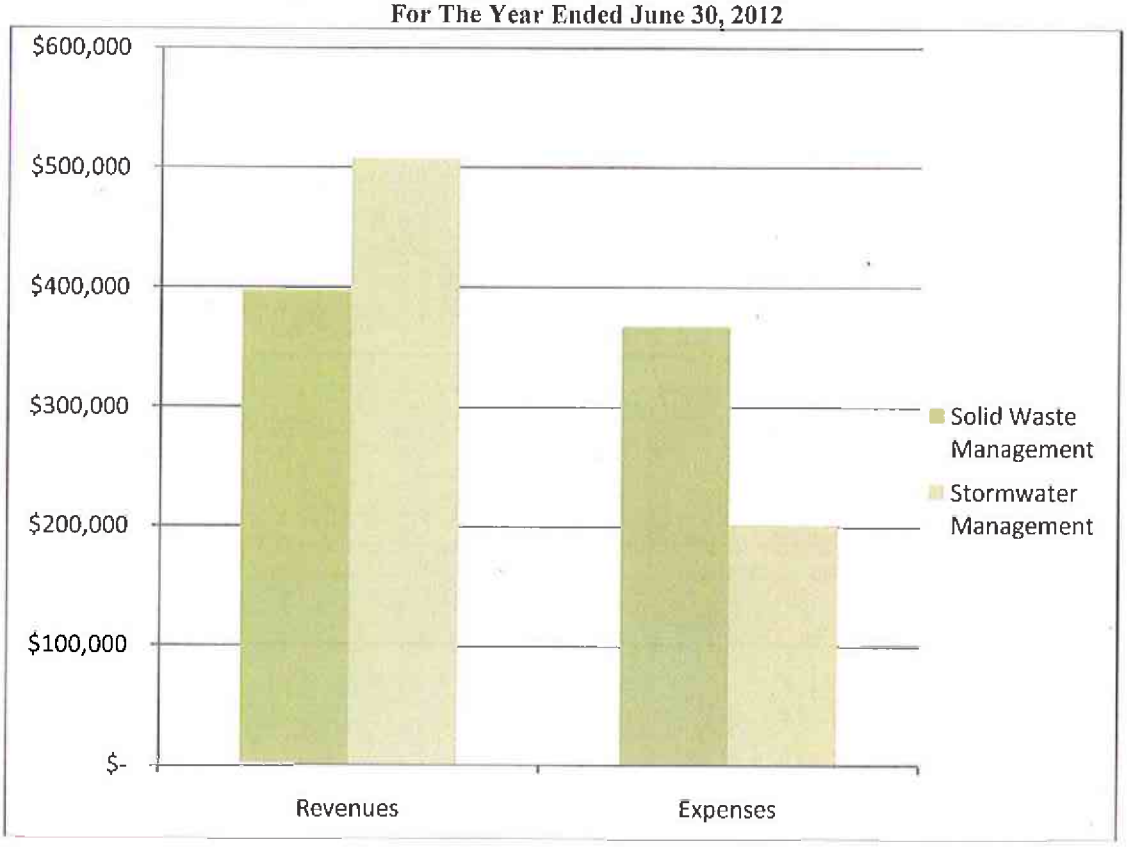
Expenses and Program Revenues-Governmental Activities
For The Fiscal Year Ended June 30, 2012



Revenue by Source-Governmental Activities
For The Fiscal Year Ended June 30, 2012



Expenses and Program Revenues-Business-Type Activities
For The Year Ended June 30, 2012



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, 2012 the city's governmental funds reported combined ending fund balances of $2,447,807. Of this amount, $1,714,610 (70.0 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 $362,944 is restricted for Police Activities, $31,591 is restricted for Tree Bank Activities, $223,913 is restricted for Capital Projects and $114,749 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 $1,734,251 while the total fund balance totaled $1,849,000. 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 21 percent of the total general fund expenditures, while total fund balance represents 22.9 percent of that same amount.

During the current fiscal year the funds balance of the City's general fund increased by $672,136. Contributing to the increase in the General Fund is the reduction in force and hiring freeze implemented early in the fiscal year.

The Confiscated Assets Fund was created by the City to account for assets confiscated during investigations into illegal drug activities. The City received $243,760 of allocations of confiscated assets from federal and state agencies during 2012. The City expended $200,875 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 $37,593. Operating revenues amounted to $397,028 while operating expenses amounted to $367,033, resulting in operating income of $29,995. 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

Unrestricted net assets of the Storm Water Management Fund amounted to $1,296,293 as of June 30, 2012. Operating revenues amounted to $507,335 while operating expenses amounted to $200,623 resulting in operating income of $306,712. 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 $8,607,201. Actual expenditures totaled $8,087,988 thus producing a positive variance of $519,213 mainly due to the reduction in force and hiring freeze implemented early in the fiscal year.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2012 amounts to $10,813,118 (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:

- $345,000 in land improvements.
- $117,000 in vehicles and other equipment
- $81,000 in building improvements.

A more detail analysis of capital asset transactions for the year can be found on page 25.

Long-term debt. At the end of the current fiscal year, the city's long term debt amounted to $241,245. Long-term debt consisted of accrued vacation and sick leave pay and accrued net pension obligations. An analysis of the City's long-term debt transactions for the year can be found on page 27.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials and management considered many factors when adopting the budget for the year ending June 30, 2013. Budget calculations were based on, but not limited to the following factors:

- The revenue projected could be lower than anticipated. Both the City and County experienced a significant drop in the value of the digest in 2012.
- The operating millage rate cap of 10.0 mills is statutorily set and cannot be changed without a referendum. The millage rate adopted was maintained at 9.0 mills to allow for the possibility of another significant drop in the digest in 2013.
- Departmental expenditures were budgeted to account for the decrease in revenue due to the drop in property value and the drop in the housing market. The City will only fill necessary positions.
- Increase in employees benefits. There is always a concern with possible increases in health care insurance costs as well as workers' compensation costs.
- Our biggest challenge is to provide good customer service to citizens by not reducing services or current staff in this economic climate.

Economic activity in Doraville during the year reflects national and regional trends. As with the rest of the nation, the City's building permits decreased during 2012 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, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 1,256,780	$ 460,420	$ 1,717,200
Investments	1,800,630	750,000	2,550,630
Receivables (net of allowance for uncollectibles)			
Taxes	429,786	-	429,786
Intergovernmental	113,857	-	113,857
Accounts	18,006	219,239	237,245
Interest	8,868	-	8,868
Other	10,179	-	10,179
Interfund Balances	91,625	(91,625)	-
Prepaid Items	118,277	-	118,277
Restricted Assets -			
Cash	689,537	-	689,537
Non-Depreciable Capital Assets	313,057	-	313,057
Depreciable Capital Assets, Net	9,387,126	1,112,935	10,500,061
Total Assets	14,237,728	2,450,969	16,688,697
Liabilities			
Accounts Payable			
Operating	535,189	424	535,613
Accrued Liabilities -			
Salaries	189,375	3,722	193,097
Police Bonds and Court Fees	-	-	-
Other	364,762	-	364,762
Due to Municipal Court Agency Fund	525,483	-	525,483
Unearned Income	66,679	-	66,679
Long-Term Liabilities -			
Due Within One Year	20,000	-	20,000
Due In More Than One Year	221,245	-	221,245
Total Liabilities	1,922,733	4,146	1,926,879
Net Assets			
Invested in Capital Assets	9,700,183	1,112,935	10,813,118
Restricted for -			
Tree Bank Activities	31,591	-	31,591
Capital Projects	223,913	-	223,913
Police Activities	362,944	-	362,944
Unrestricted	1,996,364	1,333,888	3,330,252
Total Net Assets	$ 12,314,995	$ 2,446,823	$ 14,761,818

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 1,346,793	$ 61,111	$ -	$ -
Public Safety and Courts	6,215,500	2,768,053	127,080	94,701
Public Works	983,134	342	-	329,731
Parks and Recreation	488,591	81,670	16,000	16,294
Library	320,496	-	-	-
Community Development	273,137	190,473	5,000	-
Total Governmental Activities	9,627,651	3,101,649	148,080	440,726
Business-Type Activities				
Solid Waste Management	367,033	397,028	-	-
Storm Water Management	200,623	507,335	-	-
Total Business-Type Activities	567,656	904,363	-	-
Total	$ 10,195,307	$ 4,006,012	$ 148,080	$ 440,726
General Revenues:				
Taxes:				
Property				
Franchise				
Occupational				
Insurance premium				
Alcohol beverage				
Host				
Hotel/Motel				
Investment earnings				
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
$ (1,285,682)	$ -	$ (1,285,682)
(3,225,666)	-	(3,225,666)
(653,061)	-	(653,061)
(374,627)	-	(374,627)
(320,496)	-	(320,496)
(77,664)	-	(77,664)
(5,937,196)	-	(5,937,196)
-	29,995	29,995
-	306,712	306,712
-	336,707	336,707
(5,937,196)	336,707	(5,600,489)
2,962,729	-	2,962,729
635,175	-	635,175
2,384,015	-	2,384,015
390,712	-	390,712
91,300	-	91,300
227,758	-	227,758
33,235	-	33,235
24,767	637	25,404
112,265	-	112,265
-	-	-
6,861,956	637	6,862,593
924,760	337,344	1,262,104
11,390,235	2,109,479	13,499,714
$ 12,314,995	$ 2,446,823	$ 14,761,818

CITY OF DORAVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL	CONFISCATED ASSETS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets				
Cash and Cash Equivalents	$ 1,256,780	$ -	$ -	$ 1,256,780
Investments	1,800,630	-	-	1,800,630
Receivables (net of allowance for uncollectibles)				
Taxes	425,231	-	4,555	429,786
Interest	8,868	-	-	8,868
Accounts	-	-	18,006	18,006
Intergovernmental	17,382	-	96,475	113,857
Other	10,179	-	-	10,179
Due from Other Funds	243,070	-	-	243,070
Restricted Assets - Cash	-	429,623	259,914	689,537
Prepaid Items	114,749	-	3,528	118,277
Total Assets	$ 3,876,889	$ 429,623	$ 382,478	$ 4,688,990
Liabilities				
Accounts Payable -				
Operating	$ 529,972	$ -	$ 5,217	$ 535,189
Accrued Liabilities -				
Salaries	151,595	-	37,780	189,375
Police bonds and court fees	-	-	-	-
Other	364,762	-	-	364,762
Deferred Revenues	408,250	66,679	-	474,929
Due to Other Funds	573,310	-	103,618	676,928
Total Liabilities	2,027,889	66,679	146,615	2,241,183
Fund Balances				
Nonspendable	114,749	-	-	114,749
Restricted	-	362,944	255,504	618,448
Unassigned	1,734,251	-	(19,641)	1,714,610
Total Fund Balances	1,849,000	362,944	235,863	2,447,807
Total Liabilities and Fund Balances	$ 3,876,889	$ 429,623	$ 382,478	$ 4,688,990

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, 2012

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 2,447,807
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,700,183
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	408,250
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued net pension obligation	(158,131)
Long-term portion of compensated absences	(83,114)
Net assets of governmental activities	$ 12,314,995

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, 2012

	GENERAL	CONFISCATED ASSETS FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 6,107,096	$ -	$ 260,993	$ 6,368,089
Licenses and permits	274,933	-	-	274,933
Intergovernmental	177,196	-	416,025	593,221
Charges for services	202,323	-	130,950	333,273
Fines and forfeitures	2,210,209	243,760	-	2,453,969
Investment income	23,086	1,035	648	24,769
Rental income	33,355	-	-	33,355
Miscellaneous	126,655	28,698	-	155,353
Total Revenues	9,154,853	273,493	808,616	10,236,962
EXPENDITURES				
Current:				
General Government	1,285,779	-	-	1,285,779
Municipal Court	432,696	-	-	432,696
Public Safety	4,416,733	151,944	574,119	5,142,796
Public Works	921,939	-	-	921,939
Parks and Recreation	441,937	-	-	441,937
Library	314,457	-	-	314,457
Community Development	247,993	-	20,745	268,738
Capital:	-	-	-	
General Government	-	-	-	-
Municipal Court	-	-	-	-
Public Safety	11,004	48,931	65,000	124,935
Public Works	-	-	330,587	330,587
Parks and Recreation	15,450	-	20,139	35,589
Community Development	-	-	-	-
Total Expenditures	8,087,988	200,875	1,010,590	9,299,453
Excess (Deficiency) of Revenues Over Expenditures	1,066,865	72,618	(201,974)	937,509
Other Financing Sources (Uses):				
Transfers	(394,729)	-	394,729	-
Net Change in Fund Balance	672,136	72,618	192,755	937,509
Fund Balance - Beginning of the Year	1,176,864	290,326	43,108	1,510,298
Fund Balance - End of Year	$ 1,849,000	$ 362,944	$ 235,863	$ 2,447,807

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, 2012

Net change in fund balances -- total governmental funds	$	937,509
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:		
Capital outlay		558,286
Depreciation		(852,267)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase assets.		(67,820)
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		170,763
Change in net pension obligation		(158,131)
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		336,420
Change in net assets of governmental activities	$	924,760

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, 2012

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	$ 5,865,492	$ 6,275,084	$ 6,107,096	$ (167,988)
Licenses and permits	376,240	278,651	274,933	(3,718)
Intergovernmental	-	167,309	177,196	9,887
Charges for services	129,360	197,045	202,323	5,278
Fines and forfeitures	3,100,000	2,143,000	2,210,209	67,209
Investment income	-	13,657	23,086	9,429
Rental income	27,000	31,275	33,355	2,080
Miscellaneous	300,000	64,192	126,655	62,463
Total Revenues	9,798,092	9,170,213	9,154,853	(15,360)
EXPENDITURES				
Current:				
General Government	1,260,617	1,275,367	1,285,779	(10,412)
Municipal Court	1,210,325	559,517	432,696	126,821
Public Safety	4,602,472	4,698,517	4,416,733	281,784
Public Works	948,674	964,000	921,939	42,061
Parks and Recreation	552,089	471,550	441,937	29,613
Library	378,777	342,000	314,457	27,543
Community Development	292,216	255,000	247,993	7,007
Capital:	-	-	-	
General Government	-	-	-	-
Municipal Court	-	-	-	-
Public Safety	25,800	25,800	11,004	14,796
Public Works	11,500	-	-	-
Parks and Recreation	-	15,450	15,450	-
Library	-	-		-
Community Development	-	-	-	-
Total Expenditures	9,282,470	8,607,201	8,087,988	519,213
Excess (Deficiency) of Revenues Over Expenditures	515,622	563,012	1,066,865	503,853
Other Financing Sources (Uses):				
Transfers	30,000	17,564	(394,729)	(412,293)
Net Change in Fund Balances	545,622	580,576	672,136	91,560
Fund Balance:				
Beginning of Year	1,176,864	1,176,864	1,176,864	-
End of Year	$ 1,722,486	$ 1,757,440	$ 1,849,000	$ 91,560

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, 2012

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Fines and forfeitures	$ -	$ 232,865	$ 243,760	$ 10,895
Investment income	-	738	1,035	297
Miscellaneous	-	28,170	28,698	528
Total Revenues	-	261,773	273,493	11,720
EXPENDITURES				
General law enforcement	270,240	548,814	200,875	347,939
Total Expenditures	270,240	548,814	200,875	347,939
Excess (Deficiency) of Revenues Over Expenditures	(270,240)	(287,041)	72,618	359,659
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Net Change in Fund Balances	(270,240)	(287,041)	72,618	359,659
Fund Balance:				
Beginning of year	290,326	290,326	290,326	-
End of year	$ 20,086	$ 3,285	$ 362,944	$ 359,659

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
ASSETS:			
CURRENT ASSETS			
Cash	$ -	$ 460,420	$ 460,420
Investments	-	750,000	750,000
Accounts receivable, net of reserve for doubtful accounts	177,045	42,194	219,239
Due from other funds	-	47,827	47,827
Total Current Assets	177,045	1,300,441	1,477,486
NONCURRENT ASSETS			
Captial Assets -			
Vehicles	-	155,012	155,012
Infrastructure	-	1,132,358	1,132,358
Less: accumulated depreciation	-	(174,435)	(174,435)
Total Capital Assets, net of depreciation	-	1,112,935	1,112,935
Total Noncurrent Assets	-	1,112,935	1,112,935
Total Assets	177,045	2,413,376	2,590,421
LIABILITIES:			
CURRENT LIABILITIES			
Accounts payable	-	424	424
Accrued liabilities	-	3,722	3,722
Due to other funds	139,452	-	139,452
Total Current Liabilities	139,452	4,146	143,598
NONCURRENT LIABILITIES	-	-	-
Total Liabilities	139,452	4,146	143,598
NET ASSETS:			
Invested in capital assets	-	1,112,935	1,112,935
Unrestricted	37,593	1,296,295	1,333,888
Total Net Assets	$ 37,593	$ 2,409,230	$ 2,446,823

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, 2012

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
OPERATING REVENUES:			
Charges for services	$ 368,624	$ 507,335	$ 875,959
Penalties and fifas	7,772	-	7,772
Miscellaneous	20,632	-	20,632
Total Operating Revenues	397,028	507,335	904,363
OPERATING EXPENSES:			
Current -			
Salaries and benefits	-	70,914	70,914
Contracted services	367,033	90,484	457,517
Supplies	-	3,910	3,910
Bad debt expense	-	-	-
Depreciation	-	35,315	35,315
Total Operating Expenses	367,033	200,623	567,656
Operating Income (Loss)	29,995	306,712	336,707
NON-OPERATING INCOME (EXPENSES):			
Interest income	-	637	637
Net Income (Loss) before Transfers	29,995	307,349	337,344
Transfers - in	-	-	-
NET INCOME	29,995	307,349	337,344
NET ASSETS - BEGINNING	7,598	2,101,881	2,109,479
NET ASSETS - ENDING	$ 37,593	$ 2,409,230	$ 2,446,823

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2012

	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	TOTAL
Cash flows from operating activities:			
Cash received from customers and users	$ 227,581	$ 500,065	$ 727,646
Cash paid to suppliers	(367,033)	(168,135)	(535,168)
Cash paid to employees	-	(51,219)	(51,219)
Net Cash Provided by Operating Activities	(139,452)	280,711	141,259
Cash flows from investing activities:			
Purchase of invetments	-	(750,000)	(750,000)
Interest income	-	637	637
Net Cash Provided by (Used in) Non-capital Financing Activities	-	(749,363)	(749,363)
Cash flows from non-capital financing activities:			
Change in due to/from other funds	139,452	919,901	1,059,353
Transfers	-	-	-
Net Cash Provided by (Used in) Non-capital Financing Activities	139,452	919,901	1,059,353
Cash flows from capital financing activities:			
Purchase/construction of capital assets	-	(218,762)	(218,762)
Net increase in cash and cash equivalents	-	232,487	232,487
Cash and cash equivalents - Beginning of Year	-	227,933	227,933
Cash and cash equivalents - End of Year	$ -	$ 460,420	$ 460,420

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)	$ 29,995	$ 306,712	$ 336,707
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	-	35,315	35,315
(Increase) decrease in receivables	(169,447)	(7,270)	(176,717)
Increase (decrease) in accounts payable	-	(52,836)	(52,836)
Increase (decrease) in accrued liabilities	-	(1,210)	(1,210)
Total Adjustments	(169,447)	(26,001)	(195,448)
Net Cash Provided by Operating Activities	$ (139,452)	$ 280,711	$ 141,259

See accompanying notes to the basic financial statements.

CITY OF DORAVILLE, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
MUNICIPAL COURT FUND
JUNE 30, 2012

Assets	
Cash	$ 19,678
Due from other funds	525,483
Total Assets	$ 545,161
Liabilities and Fund Equity	
Liabilities:	
Police bonds and court fees	$ 539,086
Due to other funds	6,075
Total Liabilities	$ 545,161

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) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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 all non-fiduciary 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 non-fiduciary activities. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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..

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.

Additionally, the City reports the following fund type –

The Municipal Court Agency Fund – This fund is used to account for the collections and distribution of monies by the City's municipal court on behalf of other individuals or entities.

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 and fiduciary 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 and fiduciary 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, 2012:

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, 2012 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, 2012. 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.

(See Independent Auditor's Report)

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, 2012, 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, 2012, fund balances are composed of the following:

	General Fund	Confiscated Assets Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaids	$ 114,749	$ -	$ -	$ 114,749
Restricted:				
Tree Bank Activities	-	-	31,591	31,591
Capital Outlay	-	-	223,913	223,913
Police Activities	-	362,944	-	362,944
Unassigned	1,734,251	-	(19,641)	1,714,610
Total Fund Balances	$ 1,849,000	$ 362,944	$ 235,863	$ 2,447,807

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 $618,448 of restricted net assets, of which the total amount is restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred 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, 2012, $3,913,487 of the government's bank balance of $5,071,043 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	3,913,487
Total	$ 3,913,487

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, 2012 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 2012, based upon the assessed value as of January 1, 2011, were levied in June 2011. 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	Non-Major	Total
Taxes	$ 575,231	$ 4,555	$ 579,786
Intergovernmental	17,382	96,475	113,857
Accounts	-	18,006	18,006
Interest	8,868	-	8,868
Other	10,179	-	10,179
Gross	611,660	119,036	730,696
Less: Allowance for uncollectibles	(150,000)	-	(150,000)
Net	$ 461,660	$ 119,036	$ 580,696

Proprietary Funds

	Solid Waste Management	Stormwater Management	Total
Accounts	$ 317,421	$ 42,194	$ 359,615
Less: Allowance for uncollectibles	(140,376)	-	(140,376)
Net	$ 177,045	$ 42,194	$ 219,239

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables for the year ended June 30, 2012 consist of the following:

	Revenue	Receivable
General Fund -		
U. S. Department of Justice	$ 156,866	$ 14,582
MARTA - for transporation projects	20,330	-
DeKalb County - CDBG Program	329,731	76,931
GEFA - Department of Energy	81,294	19,544
State of Georgia - Department of Natural Resources	5,000	-
Sandy Springs, Ga.	-	2,800
Total Intergovernmental Revenues	$ 593,221	$ 113,857

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivables and payable balances at June 30, 2012 were as follows:

Payable To	Payable From General	Solid Waste Management	Non Major	Total
General	$ -	$ 139,452	$ 103,618	$ 243,070
Municipal Court Agency Fund	525,483	-	-	525,483
Stormwater Management	47,827	-	-	47,827
Totals	$ 573,310	$ 139,452	$ 103,618	$ 816,380

The City's General Fund's operating bank account receives all deposits from the General Fund and most other funds of the City and in addition pays all expenditures for the General Fund and most other funds of the City. Management will at various times clear up the cumulative net amount (receipts over expenditures) by reimbursing the net amount due to or owed from other funds. The above inter-fund balances were the unreimbursed net amounts as of June 30, 2012.

Individual fund interfund transfers for the year ended June 30, 2012 were as follows:

Transfer To	Transfer From Non Major	General	Total
General	$ 20,662	$ -	$ 20,662
Non Major	-	415,391	415,391
Totals	$ 20,662	$ 415,391	$ 436,053

The General Fund transferred $414,535 to the E-911 Fund and $856 to the Multiple Grant Fund during the year ended June 30, 2012 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 in the Hotel / Motel Tax Fund are transferred to the General Fund to help finance the General Fund budgetary appropriations which amounted to $20,662 for the year ended June 30, 2012.

7. LITIGATION:

As of June 30, 2012 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, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 313,057	$ -	$ -	$ 313,057
Construction in progress	48,914	-	(48,914)	-
Total	361,971	-	(48,914)	313,057
Capital assets being depreciated:				
Land improvements	1,178,060	345,181	-	1,523,241
Buildings and improvements	7,764,657	81,294	-	7,845,951
Parks and recreation facilities	1,637,689	48,914	-	1,686,603
Furniture and office equipment	1,863,144	11,004	-	1,874,148
Vehicles	2,484,957	116,963	(116,200)	2,485,720
Other equipment	2,795,973	3,845	-	2,799,818
Total capital assets being depreciated	17,724,480	607,201	(116,200)	18,215,481
Less accumulated depreciation for:				
Land improvements	149,686	17,751	-	167,437
Buildings and improvements	2,669,693	184,138	-	2,853,831
Parks and recreation facilities	1,123,381	34,023	-	1,157,404
Furniture and office equipment	1,171,107	144,410	-	1,315,517
Vehicles	1,307,285	257,382	(48,380)	1,516,287
Other equipment	1,603,316	214,563	-	1,817,879
Total accumulated depreciation	8,024,468	852,267	(48,380)	8,828,355
Total capital assets being depreciated, ne	9,700,012	(245,066)	(67,820)	9,387,126
Governmental capital assets, net	$ 10,061,983	$ (245,066)	$ (116,734)	$ 9,700,183

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

General Government	$ 48,377
Public Safety and Courts	691,418
Public Works	59,067
Parks	43,390
Library	9,030
Community Development	985
Total depreciation expense	$ 852,267

(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	$ 91,740	$ 115,813	$ (207,553)	$ -
Total	91,740	115,813	(207,553)	-
Capital assets being depreciated:				
Infrastructure	821,857	310,502	-	1,132,359
Vehicles	155,012	-	-	155,012
Total capital assets being depreciated	976,869	310,502	-	1,287,371
Less accumulated depreciation for:				
Infrastructure	57,258	22,015	-	79,273
Vehicles	81,863	13,300	-	95,163
Total capital assets being depreciated	139,121	35,315	-	174,436
Total capital assets being depreciated, ne	837,748	275,187	-	1,112,935
Business - Type Activities capital assets, net of depreciation	$ 929,488	$ 391,000	$ (207,553)	$ 1,112,935

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, 2012:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Actiivities					
Accrued Compensated Absences	$ 253,876	$ 315,921	$ (486,683)	$ 83,114	$ 20,000
Accrued Net Pension Obligation	-	158,131	-	158,131	-
	$ 253,876	$ 474,052	$ (486,683)	$ 241,245	$ 20,000

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

10. DEFERRED REVENUES

Deferred revenues as of June 30, 2012, 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	$ 73,346
Occupational taxes	325,000
Grants	9,904
Confiscated assets	66,679
Total	$ 474,929

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, 2012 were as follows:

	Amount	Percent
Total Collections	$ 33,235	100.0%
Total Remittances	$ 13,294	40.0%

The City was in compliance with the state laws regulating hotel/motel taxes and the related expenditures as of June 30, 2012.

(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 15.6% 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, 2012, the City's annual pension cost of $549,963 for DRP was 78% of the City's required contribution. 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
6/30/2012	$ 708,094	78%	$ 158,131
6/30/2011	$ 683,851	100%	$ -
6/30/2010	$ 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)
2012	$ 13,105,502	$15,192,645	$ 2,087,143	86.3%	$4,388,116	47.6%
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%

Trend Information-

Annual trend information required by generally accepted accounting principles is presented on page 32 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, 2012, 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 net asset balances of individual funds – The City's E-911 Fund had a deficit fund balance at June 30, 2012 of $19,641. Management expects to fund the deficit through transfers from the General Fund.

(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
Multiple Grant Fund - Capital Outlay	$ 330,844	$ 411,881	$ (81,037)

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

(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)
2012	$ 13,105,502	$ 15,192,645	$ 2,087,143	86.3%	$ 4,388,116	47.6%
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, 2012 were as follows:

Unfunded actuarial accrued liability as of January 1, 2011	$ 1,823,371
Change due to contribution policy	(129,625)
Change due to actuarial (gains) or losses	393,397
Change in plan provisions and assumptions	-
Unfunded actuarial accrued liability as of January 1, 2012	$ 2,087,143

(See Independent Auditor's Report)

CITY OF DORAVILLE, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	SPECIAL REVENUE FUNDS		
	Hotel / Motel Tax Fund	E-911 Fund	Tree Bank Fund
ASSETS			
Cash	$ -	$ -	$ 32,156
Receivables -			
Taxes	4,555	-	-
Accounts	-	18,006	-
Prepaid items	-	3,528	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Total Assets	$ 4,555	$ 21,534	$ 32,156
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	1,822	3,395	-
Accrued liabilities	-	37,780	-
Due to other funds	2,733	-	565
Deferred revenue	-	-	-
Total Liabilities	4,555	41,175	565
Fund Equity:			
Restricted	-	-	31,591
Unassigned	-	(19,641)	-
Total Fund Equity	-	(19,641)	31,591
Total Liabilities and Fund Equity	$ 4,555	$ 21,534	$ 32,156

CAPITAL PROJECTS FUNDS		Total
Multiple Grants Fund	HOST Fund	Non-Major Governmental Funds
$ -	$ 227,758	$ 259,914
-	-	4,555
-	-	18,006
-	-	3,528
-	-	-
96,475	-	96,475
$ 96,475	$ 227,758	$ 382,478
-	-	5,217
-	-	37,780
96,475	3,845	103,618
-	-	-
96,475	3,845	146,615
-	223,913	255,504
-	-	(19,641)
-	223,913	235,863
$ 96,475	$ 227,758	$ 382,478

CITY OF DORAVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS		
	Hotel / Motel Tax Fund	E-911 Fund	Tree Bank Fund
Revenues:			
Taxes	$ 33,235	$ -	$ -
Intergovernmental	-	-	5,000
Charges for services	-	130,950	-
Interest	-	-	648
Miscellaneous	-	-	-
Total Revenue	33,235	130,950	5,648
Expenditures:			
Current			
Salaries and Benefits	-	487,650	-
Contract services	-	84,325	7,451
Supplies	-	2,144	-
Payments to others	13,294	-	-
Capital Outlay	-	-	-
Total Expenditures	13,294	574,119	7,451
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	19,941	(443,169)	(1,803)
Other Sources and (Uses)			
Transfers	(20,662)	414,535	-
Total Other Sources and (Uses)	(20,662)	414,535	-
Excess of Revenues Over (Under) Expenditures and Other Uses	(721)	(28,634)	(1,803)
Fund Balance - Beginning of Year	721	8,993	33,394
Fund Balance - End of Year	$ -	$ (19,641)	$ 31,591

CAPITAL PROJECTS FUNDS		Total
Multiple Grants Fund	HOST Fund	Non-Major Governmental Funds
$ -	$ 227,758	$ 260,993
411,025	-	416,025
-	-	130,950
-	-	648
-	-	-
411,025	227,758	808,616
-	-	487,650
-	-	91,776
-	-	2,144
-	-	13,294
411,881	3,845	415,726
411,881	3,845	1,010,590
(856)	223,913	(201,974)
856	-	394,729
856	-	394,729
-	223,913	192,755
-	-	43,108
$ -	$ 223,913	$ 235,863

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2012 AND 2011

	2012	2011
Assets		
Cash	$ 1,256,780	$ 1,832,911
Investments	1,800,630	1,800,630
Receivables (net of allowance for uncollectibles)		
Taxes	425,231	89,562
Intergovernmental	17,382	-
Interest	8,868	1,644
Other	10,179	124,487
Due from other funds	243,070	79,507
Prepaid expenses	114,749	167,004
Total Assets	$ 3,876,889	$ 4,095,745
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	529,972	595,685
Accrued expenses-		
Salaries	151,595	167,553
Police bonds and court fees	-	745,248
Other	364,762	370,837
Deferred revenues	408,250	71,830
Due to other funds	573,310	967,728
Total Liabilities	2,027,889	2,918,881
Fund Balance:		
Nonspendable	114,749	167,004
Assigned -		
Appropriations for next year's budget	-	-
Unassigned	1,734,251	1,009,860
Total Fund Equity	1,849,000	1,176,864
Total Liabilities and Fund Equity	$ 3,876,889	$ 4,095,745

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	June 30, 2012			
	Final Budget	Actual	Variance	Actual June 30, 2011
Revenues:				
Taxes-				
Property	$ 2,791,544	$ 2,794,696	$ 3,152	$ 2,597,723
Motor vehicle	121,873	127,956	6,083	122,829
Franchise	605,294	635,175	29,881	595,124
Railroad equipment tax	5,805	5,804	(1)	5,600
Alcohol beverage	302,586	91,300	(211,286)	84,874
Insurance premium	390,712	390,712	-	530,889
Business occupational	2,054,944	2,059,015	4,071	1,690,098
Transfer	2,326	2,438	112	3,070
Total taxes	6,275,084	6,107,096	(167,988)	5,630,207
Business licenses and permits-				
Building permits	191,040	188,847	(2,193)	211,815
Other permits	87,611	86,086	(1,525)	78,082
Total business licenses and permits	278,651	274,933	(3,718)	289,897
Intergovernmental				
Police Grants	146,979	156,866	9,887	44,138
EECBG/GEFA Grant	-	-	-	218,156
CDBG Grants	-	-	-	183,679
DOT Grants	20,330	20,330	-	783,097
Total intergovernmental	167,309	177,196	9,887	1,229,070

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	June 30, 2012			
	Final Budget	Actual	Variance	Actual June 30, 2011
Revenues - continued:				
Charges for services -				
Election qualification fees	$ 10,512	$ 10,512	$ -	$ 6,300
Police services	21,306	21,191	(115)	21,946
Police housing fees	89,157	94,492	5,335	184,481
Recreation activity fees	75,493	75,766	273	73,207
Other	577	362	(215)	5,150
Total charges for services	197,045	202,323	5,278	291,084
Fines and forfeitures	2,143,000	2,210,209	67,209	2,836,348
Investment income	13,657	23,086	9,429	70,280
Rental income	31,275	33,355	2,080	32,443
Other -				
Reimbursements	-	-	-	86,673
Penalties and interest	-	-	-	14,982
Miscellaneous	64,192	126,655	62,463	36,829
Total other	64,192	126,655	62,463	138,484
Total Revenues	$ 9,170,213	$ 9,154,853	$ (15,360)	$ 10,517,813

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	June 30, 2012			
	Final Budget	Actual	Variance	Actual June 30, 2011
CURRENT EXPENDITURES -				
GENERAL GOVERNMENT				
Governing Body				
Salaries and benefits	$ 275,509	$ 243,857	$ 31,652	$ 163,006
Contracted services	172,725	183,431	(10,706)	111,162
Supplies	6,796	7,864	(1,068)	492
Payment to other entities	11,344	11,343	1	-
General Administration -				
Salaries and benefits	299,049	299,932	(883)	468,157
Contracted services	235,965	252,747	(16,782)	574,496
Supplies	12,949	14,510	(1,561)	56,059
Payment to other entities	7,030	7,030	-	-
Other Building & Grounds -				
Contracted services	4,760	3,379	1,381	-
Supplies	19,240	20,125	(885)	24,452
Legal	230,000	241,561	(11,561)	210,118
Total General Government	1,275,367	1,285,779	(10,412)	1,607,942
MUNICIPAL COURT				
Salaries and benefits	433,142	342,024	91,118	441,802
Contracted services	112,291	75,178	37,113	65,113
Supplies	14,084	15,494	(1,410)	28,218
Payments to other entities	-	-	-	755,987
Total Municipal Court	559,517	432,696	126,821	1,291,120
PUBLIC SAFETY				
Police -				
Salaries and benefits	3,373,516	3,460,623	(87,107)	4,394,487
Contracted services	640,114	361,881	278,233	275,394
Supplies	483,887	402,221	81,666	474,589
Quality of Life				
Salaries and benefits	120,732	114,129	6,603	103,357
Contracted services	7,286	7,080	206	4,795
Supplies	2,982	3,026	(44)	2,452
Animal Control -			-	
Salaries and benefits	63,854	61,646	2,208	64,904
Contracted services	3,275	3,129	146	2,168
Supplies	2,871	2,998	(127)	5,239
Total Public Safety	4,698,517	4,416,733	281,784	5,327,385

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	June 30, 2012			
	Final Budget	Actual	Variance	Actual June 30, 2011
CURRENT EXPENDITURES - continued				
PUBLIC WORKS				
Salaries and benefits	$ 653,232	$ 616,032	$ 37,200	$ 752,538
Contracted services	45,084	44,266	818	56,363
Supplies	265,684	261,641	4,043	286,179
Total Public Works	964,000	921,939	42,061	1,095,080
PARKS AND RECREATIONS				
Recreation	$ 381,550	$ 367,232	$ 14,318	$ 368,150
Swimming Pool	90,000	74,705	15,295	50,417
Total Parks and Recreation	471,550	441,937	29,613	418,567
LIBRARY				
Salaries and benefits	296,645	267,063	29,582	327,162
Contracted Services	16,776	16,918	(142)	17,372
Supplies	26,389	27,477	(1,088)	31,532
Payments to others	2,190	2,999	(809)	14,644
Total Library	342,000	314,457	27,543	390,710
COMMUNITY DEVELOPMENT				
Salaries and benefits	215,056	209,194	5,862	164,919
Contracted Services	31,920	29,191	2,729	136,829
Supplies	8,024	9,608	(1,584)	15,834
Total Community Development	255,000	247,993	7,007	317,582
TOTAL CURRENT EXPENDITURES	8,565,951	8,061,534	504,417	10,448,386

CITY OF DORAVILLE, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	June 30, 2012			
	Final Budget	Actual	Variance	Actual June 30, 2011
CURRENT EXPENDITURES - continued				
CAPITAL OUTLAY -				
General Government	$ -	$ -	$ -	$ 269,350
Municipal Court	-	-	-	7,847
Public Safety	25,800	11,004	14,796	96,912
Public Works	-	-	-	971,977
Parks and Recreation	15,450	15,450	-	28,573
Library	-	-	-	-
Community Development	-	-	-	1,805
Total Capital Outlay	41,250	26,454	14,796	1,376,464
TOTAL EXPENDITURES	$ 8,607,201	$ 8,087,988	$ 519,213	$ 11,824,850

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND
BALANCE SHEET
JUNE 30, 2012 AND 2011

	2012	2011
Assets		
Cash	$ 429,623	$ 380,811
Due from other funds	-	-
Due from other governments	-	-
Total Assets	$ 429,623	$ 380,811
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ -	$ -
Deferred revenues	66,679	90,485
Total Liabilities	66,679	90,485
Fund Balance:		
Restricted for police activities	362,944	290,326
Unassigned	-	-
Total Fund Equity	362,944	290,326
Total Liabilities and Fund Equity	$ 429,623	$ 380,811

CITY OF DORAVILLE, GEORGIA
CONFISCATED ASSETS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
REVENUES		
Fines and forfeitures	$ 243,760	$ 481,709
Investment income	1,035	1,204
Miscellaneous	28,698	10,867
Total Revenues	273,493	493,780
EXPENDITURES		
Current:		
Police services	151,944	333,901
Capital:		
Police services	48,931	374,822
Total Expenditures	200,875	708,723
Excess (Deficiency) of Revenues Over Expenditures	72,618	(214,943)
Other Financing Sources (Uses):		
Sale of Capital Assets	-	-
Transfers	-	-
Net Change in Fund Balances	72,618	(214,943)
Fund Balance -		
Beginning of year	290,326	505,269
End of year	$ 362,944	$ 290,326

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, 2012

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ 60,000	$ 25,000	$ 33,235	$ 8,235
Miscellaneous	-	-	-	-
Total Revenue	60,000	25,000	33,235	8,235
Expenditures:				
Current				
Payments to others	30,000	10,000	13,294	(3,294)
Capital Outlay	-	-	-	-
Total Expenditures	30,000	10,000	13,294	(3,294)
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	30,000	15,000	19,941	4,941
Other Sources and (Uses)				
Transfers	(30,000)	(15,000)	(20,662)	(5,662)
Total Other Sources and (Uses)	(30,000)	(15,000)	(20,662)	(5,662)
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	(721)	(721)
Fund Balance - Beginning of Year	721	721	721	-
Fund Balance - End of Year	$ 721	$ 721	$ -	$ (721)

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, 2012

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Charges for services	150,000	114,408	130,950	16,542
Miscellaneous	-	-	-	-
Total Revenue	150,000	114,408	130,950	16,542
Expenditures:				
Current				
Salaries and Benefits	475,686	510,971	487,650	23,321
Contract services	177,094	81,690	84,325	(2,635)
Supplies	4,400	740	2,144	(1,404)
Payments to others	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	657,180	593,401	574,119	19,282
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(507,180)	(478,993)	(443,169)	35,824
Other Sources and (Uses)				
Transfers	507,180	470,000	414,535	(55,465)
Total Other Sources and (Uses)	507,180	470,000	414,535	(55,465)
Excess of Revenues Over (Under) Expenditures and Other Uses	-	(8,993)	(28,634)	(19,641)
Fund Balance - Beginning of Year	8,993	8,993	8,993	-
Fund Balance - End of Year	$ 8,993	$ -	$ (19,641)	$ (19,641)

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, 2012

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	5,000	5,000
Interest	-	629	648	19
Miscellaneous	-	-	-	-
Total Revenue	-	629	5,648	5,019
Expenditures:				
Current				
Contract services	-	10,000	7,451	2,549
Supplies	10,000	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	10,000	10,000	7,451	2,549
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(10,000)	(9,371)	(1,803)	7,568
Other Sources and (Uses)				
Transfers	-	-	-	-
Total Other Sources and (Uses)	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	(10,000)	(9,371)	(1,803)	7,568
Fund Balance - Beginning of Year	33,394	33,394	33,394	-
Fund Balance - End of Year	$ 23,394	$ 24,023	$ 31,591	$ 7,568

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MULTIPLE GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	252,800	330,844	411,025	80,181
Miscellaneous	-	-	-	-
Total Revenue	252,800	330,844	411,025	80,181
Expenditures:				
Current				
Payments to others	-	-	-	-
Capital Outlay	252,800	330,844	411,881	(81,037)
Total Expenditures	252,800	330,844	411,881	(81,037)
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	-	-	(856)	(856)
Other Sources and (Uses)				
Transfers	-	-	856	856
Total Other Sources and (Uses)	-	-	856	856
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOST FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Taxes	$ 150,000	$ 150,000	$ 227,758	$ 77,758
Charges for services	-	-	-	-
Forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	150,000	150,000	227,758	77,758
Expenditures:				
Current				
Payments to others	-	-	-	-
Capital Outlay	150,000	150,000	3,845	146,155
Total Expenditures	150,000	150,000	3,845	146,155
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	-	-	223,913	223,913
Other Sources and (Uses)				
Transfers	-	-	-	-
Total Other Sources and (Uses)	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	-	-	223,913	223,913
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 223,913	$ 223,913

CITY OF DORAVILLE, GEORGIA
COMPARATIVE STATEMENT OF NET ASSETS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
JUNE 30, 2012 AND 2011

	2012	2011
ASSETS:		
CURRENT ASSETS:		
Accounts receivable (net of reserve for doubtful accounts of $140,376 in 2012 and $160,000 in 2011)	$ 177,045	$ 7,598
Total Current Assets	177,045	7,598
NONCURRENT ASSETS:		
Capital Assets	-	-
Total Noncurrent Assets	-	-
Total Assets	177,045	7,598
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	-	-
Due to other funds	139,452	-
Total Current Liabilities	139,452	-
NONCURRENT LIABILITIES	-	-
Total Liabilities	139,452	-
NET ASSETS:		
Invested in capital assets	-	-
Unrestricted	37,593	7,598
Total Net Assets	$ 37,593	$ 7,598

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, 2012 AND 2011

	2012	2011
OPERATING REVENUES:		
Charges for services	$ 368,624	$ 341,088
Penalties and fifas	7,772	14,271
Miscellaneous	20,632	-
Total Operating Revenues	397,028	355,359
OPERATING EXPENSES:		
Contracted services	367,033	405,166
Bad debt expense	-	-
Total Operating Expenses	367,033	405,166
Operating Income (Loss)	29,995	(49,807)
NON-OPERATING INCOME (EXPENSES):	-	-
Net Income (Loss) before Operating Transfers	29,995	(49,807)
Transfers - in	-	38,417
NET INCOME	29,995	(11,390)
NET ASSETS - BEGINNING	7,598	18,988
NET ASSETS - ENDING	$ 37,593	$ 7,598

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
SOLID WASTE MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 227,581	$ 366,749
Cash paid to suppliers	(367,033)	(405,166)
Cash paid to employees	-	-
Net Cash Provided by Operating Activities	(139,452)	(38,417)
Cash Flows from Investing Activities:	-	-
Cash Flows from Non-Capital Financing Activities:		
Change in due to/from other funds	139,452	-
Transfers	-	38,417
Net Cash Provided by (Used in) Non-capital Financing Activities	139,452	38,417
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

	2012	2011
Operating income (loss)	$ 29,995	$ (49,807)
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in receivables	(169,447)	11,390
Increase (decrease) in accounts payable	-	-
Total Adjustments	(169,447)	11,390
Net Cash Provided by Operating Activities	$ (139,452)	$ (38,417)

CITY OF DORAVILLE, GEORGIA
STATEMENT OF NET ASSETS
STORM WATER MANAGEMENT ENTERPRISE FUND
JUNE 30, 2012 AND 2011

	2012	2011
ASSETS:		
CURRENT ASSETS:		
Cash	$ 460,420	$ 227,933
Investments	750,000	-
Accounts receivable	42,194	34,924
Due from General Fund	47,827	967,728
Total Current Assets	1,300,441	1,230,585
NONCURRENT ASSETS:		
Capital Assets:		
Vehicles	155,012	155,012
Infrastructure	1,132,358	821,856
Construction in progress	-	91,740
Less accumulated depreciation	(174,435)	(139,120)
Total Capital Assets (Net of Depreciation)	1,112,935	929,488
Total Noncurrent Assets	1,112,935	929,488
Total Assets	2,413,376	2,160,073
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	424	53,260
Accrued liabilities	3,722	4,932
Total Current Liabilities	4,146	58,192
NONCURRENT LIABILITIES:	-	-
Total Liabilities	4,146	58,192
NET ASSETS:		
Invested in capital assets	1,112,935	929,488
Unrestricted	1,296,295	1,172,393
Total Net Assets	$ 2,409,230	$ 2,101,881

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, 2012 AND 2011

	2012	2011
OPERATING REVENUES:		
Charges for services	$ 507,335	$ 508,357
Total Operating Revenues	507,335	508,357
OPERATING EXPENSES:		
Current -		
Salaries and benefits	70,914	62,133
Contracted services	90,484	83,231
Supplies	3,910	2,723
Depreciation	35,315	38,206
Total Operating Expenses	200,623	186,293
Operating Income (Loss)	306,712	322,064
NON-OPERATING INCOME (EXPENSES):		
Interest income	637	-
Net Income (Loss) before operating transfers	307,349	322,064
Transfers	-	-
NET INCOME	307,349	322,064
NET ASSETS - BEGINNING	2,101,881	1,779,817
NET ASSETS - ENDING	$ 2,409,230	$ 2,101,881

CITY OF DORAVILLE, GEORGIA
STATEMENT OF CASH FLOWS
STORM WATER MANAGEMENT ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 500,065	$ 499,521
Cash paid to suppliers	(168,135)	(86,542)
Cash paid to employees	(51,219)	(46,383)
Net Cash Provided by Operating Activities	280,711	366,596
Cash Flows from Investing Activities:		
Purchase of investments	(750,000)	-
Interest income	637	-
Net Cash Provided by Investing Activities	(749,363)	-
Cash Flows from Non-Capital Financing Activities:		
Transfers	-	-
Change in due to/from accounts	919,901	(281,754)
Net Cash Provided by Non-Capital Financing Activities	919,901	(281,754)
Cash Flows from Capital Financing Activities:		
Purchase/construction of capital assets	(218,762)	(91,742)
Net Increase in Cash and Cash Equivalents	232,487	(6,900)
Cash and Cash Equivalents - Beginning of Year	227,933	234,833
Cash and Cash Equivalents - End of Year	$ 460,420	$ 227,933

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

	2012	2011
Operating income (loss)	$ 306,712	$ 322,064
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	35,315	38,206
(Increase) decrease in receivables	(7,270)	(8,836)
Increase (decrease) in accounts payable	(52,836)	12,306
Increase (decrease) in accrued compensated absences	(1,210)	2,856
Total Adjustments	(26,001)	44,532
Net Cash Provided by Operating Activities	$ 280,711	$ 366,596

CITY OF DORAVILLE, GEORGIA

REQUIRED REPORTS

IN ACCORDANCE WITH

GOVERNMENT AUDITING STANDARDS

FOR THE YEAR ENDED JUNE 30, 2012

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF DORAVILLE, GEORGIA
REQUIRED REPORTS IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Doraville, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Doraville's basic financial statements and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described as items 08.3B through 12.2B in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Doraville, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 07.1B.

Doraville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Doraville's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, City Council, and other federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

James L. Whitaker, P.C.

Snellville, Georgia
December 14, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited City of Doraville, Georgia's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on City of Doraville's major federal program for the year ended June 30, 2012. City of Doraville, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of City Doraville, Georgia's management. Our responsibility is to express an opinion on City of Doraville, Georgia's compliance based on our audit.

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

In our opinion City of Doraville, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

Doraville's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Doraville's response and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Doraville, Georgia as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Doraville's basic financial statements. The accompanying schedule of expenditures of federal awards as required by OMB Circular A-133 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of management, the Mayor, Members of City Council, Chief of Police, U.S. Department of Justice and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James L. Whitaker, P.C.

Snellville, Georgia
December 14, 2012

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
U.S. Department of Justice - Direct Programs			
Forfeiture Program - Equitable Sharing of Federal Forfeited Property	16.001	GA0440600	$ 144,050
Vest Grant Program	16.607	2010BUBX10053109	2,250
2010 Edward Byrne Memorial Assistance Grant - LLESGP	16.738	2010-DJ-BX-0362	9,904
Community Oriented Policing Services - Hiring Program	16.710	2010UMWX0081	86,709
Total U.S. Department of Justice direct programs			242,913
U. S. Department of Homeland Security -			
Pass through from Georgia Bureau of Investigation - Automated Fingerprint Identification System	97.067	2010-SS-TO-0034	$ 19,005
U.S. Department of Housing and Urban Development			
Pass-through from DeKalb County - Community Development Block Grant	14.218	11-902302	329,731
U.S. Department of Energy -			
Pass-through from the Georgia Environmental Finance Administration - (ARRA) Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000806	81,294
Total Expenditurres of Federal Awards			$ 672,943

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles.

CITY OF DORAVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. SUMMARY OF AUDIT FINDINGS

1 The auditor's report expresses an unqualified opinion on the basic financial statements of Doraville, Georgia.

2 Four deficiencies disclosed during the audit of the basic financial statements are reported in this Schedule. The deficiencies are considered to be material weaknesses.

3 There is one instance of noncompliance material to the basic financial statements disclosed in this Schedule.

4 There were no deficiencies disclosed during the audit of the major federal award program.

5 The auditor's report on compliance for the major federal award program for City of Doraville, Georgia expresses an unqualified opinion.

6 There were no audit findings relative to the major federal award program for City of Doraville, Georgia that were required to be reported.

7 The programs tested as a major program included:

U. S. Department of Housing and Urban Development
Community Development Block Grant
CFDA Number: 14.218

U. S. Department of Energy
(ARRA) Energy Efficiency and Conservation Block Grant
CFDA Number: 81.128

8 The threshold for distinguishing Type A and B programs was $300,000.

9 City of Doraville, Georgia was not determined to be a low-risk auditee.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

QUESTIONED COST

07.1B BUDGET VARIANCES - Repeat Finding

Condition:	Several of the City's departmental expenditures exceeded their respective appropriations.	N/A
Criteria:	The actual expenditures of any department within any City fund should remain within the appropriations approved by the City Council during the budget process according to state law.	
Effect:	The City has violated a state law.	
Cause:	Management did not accurately anticipate the amount of expenditures for the year for several of the City's departments.	
Recommendation:	Management should monitor the budget of each City department on at least a monthly basis to identify variances that may require budget amendments.	

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will closely monitor the budget in a timely manner to identify variances that may require budget amendments and will seek approval of the City Council to make such amendments.

08.3B LACK OF SEGREGATION OF DUTIES - Repeat Finding

Condition:	The same office clerk that collects occupational taxes also records the collections, prepares the billing statements, makes adjustments to the individual accounts, prepares the deposit and answers customer questions regarding the corresponding accounts.	N/A
Criteria:	The office clerk that collects such fees should not be the same clerk who is responsible for billing, making adjustments to individual accounts, preparing deposits or answering customer questions.	
Effect:	Errors or fraud could occur without being detected in a timely manner by employees performing their regular duties.	
Cause:	Management was unaware that these duties should be performed by separate employees.	
Recommendation:	Management should segregate the duties over occupational taxes so that the clerk that is collecting payments is separate from the clerk that prepares the billings statement, makes individual account adjustments and answers customer questions.	

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will review the current accounting system over occupational taxes and will implement improvements into the system so that segregation of duties will be achieved.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT - Continued

COST

08.5B RECONCILIATION OF RECEIVABLES - Repeat Finding

Condition:	The City is currently not reconciling the general ledger account balance or a control ledger balance for property taxes, stormwater fees or prisoner housing and warrant receivables.	N/A
Criteria:	Reconciliation procedures are vital to the safeguarding of the City's assets from errors or fraud. The reconciliation procedures should be performed in a timely manner at the end of each month.	
Effect:	Errors or fraud could be occurring and not be detected in a timely manner by employees in the normal performance of their duties.	
Cause:	City personnel were unaware of the need to reconcile these receivables since these items are collected by outside sources and remitted to the City.	
Recommendation:	Management should require the reconciliation of property taxes and stormwater fees receivable on a monthly basis.	

View of responsible officials and planned corrective action:

Management agrees with the finding . Management will require appropriate accounting personnel to reconcile these receivables with the general ledger or at a minimum a control ledger.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT - Continued

12.1B ACCRUAL OF PERSONAL TIME OFF

Condition:	The City accrued a liability for personal time off earned but not taken as of June 30, 2012 and in addition did not reverse 2012 accrued payroll amounts.	N/A
Criteria:	The liability for accrued personal time off earned but not taken as of the end of the fiscal year is considered a long-term liability and is to be recorded at the government-wide statements and proprietary fund levels when the accrual basis of accounting is used. In addition the accrued payroll liability accounts should be reconciled with the actual detail listing of accrued payroll at the end of the year.	
Effect:	The financial statements included payroll expenditures that were overstated by approximately $293,000.	
Cause:	The City's accounting personnel considered the liability for personal time off as a current liability. In addition, the accrued payroll accounts were not reconciled to the backup documentation.	
Recommendation:	The liability for accrued personal time off should be recorded only in proprietary funds and at the government-wide statement levels. In addition, the accrued payroll liability accounts should be reconciled to the detail listing of accrued payroll.	

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will provide training to the accounting personnel to insure accrued payrolls are properly recorded in the future.

12.2B RECONCILIATION OF ACCOUNTS PAYABLE

Condition:	The City is currently not reconciling the general ledger account balance for accounts payable with a detail listing of unpaid bills or other supporting documentation.	N/A
Criteria:	Reconciliation procedures are vital to the safeguarding of the City's assets from errors or fraud. The reconciliation of accounts payable should be performed in a timely manner at the end of each month.	
Effect:	Errors or fraud could be occurring and not be detected in a timely manner by employees in the normal course of performing their duties.	
Cause:	City personnel were unable to identify the discrepancies in accounts payable from the recordings of previous City personnel.	
Recommendation:	Accounts payable balances recorded in the City's general ledger should be reconciled to a detail listing of unpaid invoices at the end of each month.	

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will emphasize to the accounting personnel the importance of reconciling general ledger accounts to a detail of supporting documentation. Management will monitor this situation to insure reconciliations are performed on a monthly basis and in a timely manner.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

COST

U.S. Department of Housing and Urban Development

None noted.

U. S. Department of Energy

None noted

CITY OF DORAVILLE, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
RELATIVE TO FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012

None Reported

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INDEPENDENT AUDITOR'S REPORT

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

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about City of Doraville, Georgia's compliance during the fiscal year ended June 30, 2012 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for City of Doraville, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about City of Doraville, Georgia's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about City of Doraville, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on City of Doraville, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that City of Doraville, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.

James L. Whitaker, P.C.

Snellville, Georgia
December 14, 2012

CITY OF DORAVILLE, GEORGIA
ANNUAL REPORT OF 9-1-1 COLLECTIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

Line No.		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):			
	__x__ Special Revenue Fund _____ Enterprise Fund			
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)	$ 1.50	
3	Total revenue from exchange access facility subscribers:			$ 36,885
4	Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)			
	__x__ Yes _____ No			
5	If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)			
	__x__ System provides location of base station or cell site	46-5-134(a)(2)(A)		
	_____ System provides automatic location identification	46-5-134(a)(2)(B)		
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)	$ 1.50	
7	Total revenue from wireless telecommunications connection subscribers:			$ 94,065
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ 130,950
9	Additional revenue sources:			
9a	Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
9b	State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
9c	Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____
9d	Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ _____
	_____			$ _____

CITY OF DORAVILLE, GEORGIA
ANNUAL REPORT OF 9-1-1 COLLECTIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

10	Investment Income (UCOA Revenue Source 36.1000 through 36.3000)		$
11	Other revenue sources not included above. Identify each source individually. Transfers from other funds of the local government should be reported on Line 25 and not included here.		
	_____		$
	_____		$
	_____		$
	_____		$
	_____		$
	_____		$
	_____		$
	_____		$
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ 130,950
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$
	_____		$
	_____		$
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$
14b	Purchase costs	46-5-134(f)(1)	$ -
14c	Maintenance costs	46-5-134(f)(1)	$
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time 8 Part time 0		
16a	Salaries and wages	46-5-134(f)(3)	$ 343,750
16b	Employee benefits	46-5-134(f)(3)	$ 143,900

CITY OF DORAVILLE, GEORGIA
ANNUAL REPORT OF 9-1-1 COLLECTIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ -
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ 2,144
19a	Building used as a public safety answering point:		
19a1	Lease costs	46-5-134(f)(5)	$
19a2	Purchase costs	46-5-134(f)(5)	$
19b	Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	$
	_x_ Yes _____ No		
20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:		
20a	Lease costs	46-5-134(f)(6)	$ 46,665
20b	Purchase costs	46-5-134(f)(6)	$
20c	Maintenance costs	46-5-134(f)(6)	$
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	$
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a	Lease costs	46-5-134(f)(8)	$
22b	Purchase costs	46-5-134(f)(8)	$ -
22c	Maintenance costs	46-5-134(f)(8)	$
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
	Insurance		$ 36,975
	Pre-employment screening		$ 300
			$
	Miscellaneous		$ 385
			$
			$
			$
			$
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 574,119

CITY OF DORAVILLE, GEORGIA
ANNUAL REPORT OF 9-1-1 COLLECTIONS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

25	Transfers From Other Funds (identify by fund)	
	General Fund	$ 414,535
		$
26	Transfers To Other Funds (identify by fund)	
		$
		$
27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)	
		$
		$
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)	$ (28,634)
29	Fund Balance - Beginning of Year	$ 8,993
30	Fund Balance - End of Year	$ (19,641)

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

__x__ Yes _____ No (See Attached Schedule)

31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official Donna Pittman Date 12/13/12

Print Name of Chief Elected Official Donna P. Pittman

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer Lisa C Ferguson Date 12-13-2012

Print Name of Chief Financial Officer Lisa C. Ferguson

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REPORT ON SCHEDULE OF PROJECT COST
COMMUNITY DEVELOPMENT BLOCK GRANT

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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of City of Doraville, Georgia as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Doraville, Georgia's basic financial statements taken as a whole. The accompanying schedule of project cost is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of management, State of Georgia – Department of Community Development and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James L. Whitaker, P.C.

Snellville, Georgia
December 14, 2012

CITY OF DORAVILLE, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
GRANT NUMBER 11-902302
SCHEDULE OF PROJECT COST
FOR THE YEAR ENDED JUNE 30, 2012

Program Activity	Activity Number	Latest Approved Budget	Accumulated Expenditures To Date	Questioned Cost
Construction	E-17B-00	330,000	329,731	-
		$ 330,000	$ 329,731	$ -

CITY OF DORAVILLE

December 14, 2012

Georgia Department of Audits and Accounts
Local Government Audit Section
270 Washington Street, SW
Room 1-156
Atlanta, Georgia 30334-8400

The following is management's response to the findings noted in the auditor's report for the year ended June 30, 2012 dated December 14, 2012 for the City of Doraville, Georgia.

During the last two fiscal years the City has had significant internal control findings during the annual audit. In an overall response to these findings the City has hired a well qualified and knowledgeable finance director that has been given the responsibility of overcoming these audit findings. She was hired around March 2012 and has implemented a considerable amount of good internal controls over the accounting system. Management believes that in future years the City will have a more positive report from the auditors over the internal control system.

FINDING:
BUDGET VARIANCES

Several of the City's departmental expenditures exceeded their respective appropriations.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will closely monitor the budget in a timely manner to identify variances that may require budget amendments and will seek approval of the City Council to make such amendments. The City's finance director will be responsible for identifying budget variances and bringing them to the attention of the Mayor.

FINDING:
LACK OF SEGREGATION OF DUTIES

The same office clerk that collects occupational taxes also records the collections, prepares the billing statements, makes adjustments to the individual accounts, prepares the deposit and answers customer questions regarding the corresponding accounts.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will review the current accounting system over occupational taxes and will implement improvements into the system so that segregation of duties will be achieved. The City's accounting supervisor will be responsible for reviewing the system and implementing changes to achieve the desired results. This should be accomplished prior to the end of the City's fiscal year end of June 30, 2013.

FINDING:
RECONCILIATION OF RECEIVABLES

The City is currently not reconciling the general ledger balance or a control ledger balance for property taxes, stormwater fees or prisoner housing and warrant receivables.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will require accounting personnel to reconcile these receivables with the general ledger or at a minimum a control ledger. The City's accounting supervisor will be responsible for overseeing the implementation of this reconciliation procedure. The procedure will be implemented in f/y 2013. The accounting personnel are already working with DeKalb County to supply the documentation necessary to reconcile the property taxes and storm water fees.

FINDING:
ACCRUAL OF PERSONAL TIME OFF

The City accrued a liability for personal time off earned but not taken as of June 30, 2012 and in addition did not reverse 2012 accrued payroll amounts.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will provide training to the accounting personnel to insure accrued payrolls are properly recorded in the future.

FINDING:
RECONCILIATION OF ACCOUNTS PAYABLE

The City is not currently reconciling the general ledger account balance for accounts payable with a detail listing of unpaid bills or other documentation.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will emphasize to the accounting personnel the importance of reconciling general ledger accounts to a detail of supporting documentation. Management will monitor this situation to insure reconciliations are performed on a monthly basis and in a timely manner. The accounting personnel have already implemented a monthly reconciliation process to address this issue.

Should you have any additional questions or comments please contact me at your earliest convenience.

Sincerely,

Donna Pittman, Mayor
City of Doraville, Georgia