# CITY OF DUBLIN, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED

## JUNE 30, 2010

# CITY OF DUBLIN, GEORGIA

# COMPREHENSIVE

# ANNUAL FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED

# JUNE 30, 2010

**Prepared by:**
**Department of Finance**

**CITY OF DUBLIN, GEORGIA**
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# I. INTRODUCTORY SECTION (Unaudited)

- **LETTER OF TRANSMITTAL**
- **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**
- **LIST OF ELECTED AND APPOINTED OFFICIALS**
- **ORGANIZATIONAL CHART**

CITY OF DUBLIN GEORGIA

P.O. BOX 690 - DUBLIN, GEORGIA 31040 - 478-272-1620

December 17, 2010

To the Citizens of the City of Dublin;

Honorable Phil Best, Mayor; and

Distinguished Members of City Council

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Dublin, Georgia for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City of Dublin, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Dublin, Georgia has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Dublin, Georgia's financial statements in conformity with GAAP. The City's management is responsible for establishing a system of internal controls to: safeguard City assets from loss or unauthorized use or disposal, provide reliable financial records for preparing internal and external financial reports and for maintaining accountability over City assets and to ensure compliance with applicable Federal and State laws and regulations related to programs for which the City receives assistance. No system of internal control can be perfect. Therefore internal controls are meant to provide "reasonable assurance". Reasonable assurance means: the cost of internal controls should not exceed the benefits likely to be derived from that control and the costs and benefits of internal controls are subject to estimates and judgments by management. We believe the City's internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported and ensure compliance with Federal and State laws and regulations. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Dublin, Georgia's financial statements have been audited by Nichols, Cauley and Associates, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Dublin, Georgia for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Dublin, Georgia's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Dublin, Georgia's MD&A can be found immediately following the report of the independent auditors.

**Profile of the Government**

The City of Dublin, Georgia was incorporated in 1812 under provisions of an act of the General Assembly of Georgia. The City operates under a mayor-council form of government and provides the full range of services contemplated by statute or charter. Policy-making and legislative authority are vested in the governing council consisting of the mayor and seven other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager and attorney. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with an election held every two years. The mayor is also elected to serve a four-year term. Four of the council members are elected by district. The mayor and the three remaining council members are elected at large. The City Clerk is appointed by the mayor and council, and is also the Finance Director and Election Superintendent. The mayor and council also appoint the City Judge and City Attorney.

The City of Dublin, Georgia provides a full range of services. These include police and fire protection, construction and maintenance of highways and streets, sanitation services, public infrastructure improvements, planning and zoning, general administrative services, water and sewer systems, a natural gas system, telecommunications services and parks and recreation services.

The annual budget serves as the foundation for the City of Dublin, Georgia's financial planning and control. All departments of the City are to submit requests for appropriation to the government's manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 15, the proposed budget is presented to the governing council for review. The governing council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City manager or the revenue estimates must be changed by an affirmative vote of a majority of the governing council.

**Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

***LOCAL ECONOMY.*** The City of Dublin, Georgia currently enjoys a favorable economic environment. With positive equity balances in all fund types, as well as stable property taxes, steady retail sales growth and investment grade bond ratings, the City of Dublin remains financially sound, well run and efficient.

The level of services provided by the City of Dublin in the community is among the highest in the State of Georgia. The millage rate at 5.327 mills remains one of the lowest among municipalities in Georgia even as the demands for services continue to grow.

The City of Dublin is committed to redevelopment of the inner city and to providing services for the expansion and protection of investments that have been made in the past and maintaining the cost of City services at the lowest possible rate.

Dublin has embraced the opening of the new Kroger Store and shopping center. The store is a proto-type for nine other Georgia stores that follow a "one stop shop" concept. The 75,000 square foot store includes a pharmacy, a deli, expanded floral shop and a Starbucks Coffee Shop. There is also an outside fuel center. The store has over 210 employees, which is an increase of 120 over the old smaller store. The shopping center has spaces for (15) fifteen retail businesses, most of which have been occupied, by retail stores and restaurants.

The City of Dublin is a continuously expanding regional shopping center. There are new restaurants, motels and retail developments. The new Wal-Mart Super Center, on Highway 80 near its intersection with the Highway 441 bypass, employs a total of 450 employees and replaced the old smaller Wal-Mart store. Retail activities continue to increase purchasing power in our area and provide more economic thrust, in addition to the actual number of jobs created.

The $7.2 million dollar Dubose Porter Regional Business and Industry Training Center, located at the Heart of Georgia Technical College, seats up to 1000 people at tables and up to 1400 in row seating. The YKK lecture auditorium utilizes the latest technology available for presentations. The City of Dublin has extended water and sewer service to the Heart of Georgia Technical College. The Heart of Georgia Technical College has completed construction of a new $13.7 million, 88,000 square feet Allied Health Facility building. This new facility enables the college to expand its health care training and includes a library, laboratories and classrooms for cosmetology, physical and life sciences and veterinary technology. It allows the college to expand course offerings to include new programs such as surgical technology and additional LPN classes. This facility is another great asset to our academic community.

The City of Dublin has financed and constructed a fiber optic telecommunications ring around Dublin at a cost in excess of $3,000,000. The network is a one Gigabit Ethernet solution with a 96 fiber redundant ring designed to connect various government, education and business facilities to the World Wide Web. This enhances economic development potential by providing Dublin with state of the art communication availability through high-speed internet connectivity. All government and educational facilities have been connected and the service is being offered to the business community on a limited scale. The City of Dublin has acquired the necessary Certificates of Authority through the Georgia Public Service Commission to allow the use of other technology for future enhancements.

The City of Dublin was awarded grant funding through the Georgia Technology Authority's "Wireless Communities Georgia" program. Dublin received funds in the amount of $478,000, which includes the city's match. The program was designed to provide wireless broadband access to areas of Georgia. Of the six cities awarded funds in the first phase of the project, Dublin was one of two that decided to provide the wireless free of charge wherever connection is possible by utilizing the City's fiber optic network and bandwidth capabilities already in place. Other cities had to partner with a bandwidth or telecommunications provider and thus charge for the service. Dublin's goal is to get 45% coverage of the city limits, focusing on main thru-fares and public areas in the city limits. City employees and services utilize the wireless service for public safety and time saving measures in their day-to-day responsibilities.

The City of Dublin continues its role as a regional medical center with on-going improvements in the quantity and quality of medical care. The Carl Vinson Medical Center has a new outpatient clinic. The Medical Center has added to its existing medical office building. A cancer treatment center provides the latest technological advances in the treatment of various forms of cancer. Fairview Park Hospital has an Angio Suite to house the state-of-the-art technology for diagnosis and therapy of vascular disease. The VA Center recently completed an Alzheimer's Ward. Our Public Health Department has become more active in community events and projects. A new Public Health Department facility is being planned to better serve our citizens.

Dublin Internal Medicine has begun expansion with the construction of the Dublin Diagnostic Center. This will be Dublin's first comprehensive diagnostic care center. This 10,000 square foot, 2 story multimillion dollar building will house a full array of diagnostic services such as, magnetic resonance imaging, cardiac echo, and general nuclear medicine, all in one central location. Up to five (5) additional physicians will be added to the staff. The second phase of this expansion will be a gastroenterology and endoscopy center on an adjoining site.

A new multi-million dollar "lifestyle" community, Moore Station Village, has been completed. This new development offers single-family homes and a community activity clubhouse and many recreational facilities. Townhouses and apartments are also planned. An assisted living facility has also been built nearby. Because of the excellent medical facilities and medical care available, Dublin has become a desirable retirement community. There have been new assisted living and long term care centers planned and completed recently. These new residents and their support groups further enhance our growing retail and commercial and residential growth.

***LONG-TERM FINANCIAL PLANNING.*** Highway 80 (Veteran's Blvd), our western gateway, has been expanded to five-lanes to the Old Macon Road. Annexation and growth along this corridor have created a demand for the extension of city utilities. The City has extended water and sewer infrastructure west to the airport. Our Development Authority has acquired 96 acres of land adjoining the airport to be utilized as an airport industrial park which is also along the new 441 perimeter road allowing for better transportation access along with the excellent access to the airport property.

Highway 80 West will benefit from the 441 by-pass road, which the Department of Transportation began work on in 2007 and completed this year. There has been increased development at the five-lane US 80 and four lane 441 by-pass areas. We are serving this development with water, sewer and natural gas, in order to meet the anticipated demand. Completion of the 441 by-pass took 3 years to complete. There are new residential and commercial developments being constructed in these areas.

The Department of Transportation has realigned the I-16 and 441 South interchange to enhance its use. New lighting has been installed to entice more travelers to visit Dublin. The Dublin Laurens County Recreation Authority now operates a Tourist Welcome Center in this area and is successfully promoting Dublin's industry and services to travelers. Since opening, over 90,000 tourists have visited the center which is open Monday through Saturday. New development in this area includes a 3-story motel, a national steak house restaurant and other retail businesses.

YKK AP America has completed an $80 million Phase I 350,000 square foot expansion of their operations, which doubled their production capacity and added 54 new jobs. YKK held a groundbreaking for Phase 2 of this continued expansion. The 198,000 square foot building contains a third nine inch extension press and the second electrostatic paint system as well as a packing and shipping area to support growth in customer service. The next three phases will be completed in the coming years which should add new employees and long term job possibilities. YKK AP's highly automated, state of the art Dublin plant manufactures doors, windows and curtain wall systems which are shipped worldwide.

Flexsteel Industries, a manufacturer of recliners and motion furniture, completed a new green initiative designed to increase energy efficiency and was awarded several honors for their efforts. This was a significant investment of time and capital by Flexsteel to make their plant more environmentally friendly and saving energy costs and waste. In addition, several new lines have been located in Dublin by the company and the Dublin location is now the largest plant in the Flexsteel locations.

New Holland Manufacturing Company has restructured the assembly facility in order to accommodate the assembly of a larger model tractor and has completed an expansion to store all completed tractors on site. The company has assembled over 100,000 tractors at the Dublin facility. The "Boomer" is built only in Dublin and sold internationally. In addition, the company has added a new niche model to its line of products constructed in Dublin helping to increase their market share.

Farmers Furniture has expanded their distribution warehouse located on U.S. 441 South. Farmers Furniture is headquartered in Dublin and has over 140 stores across the southeastern United States. The current warehouse has over 200,000 feet of racked storage. With this expansion, there are now 100 employees at the distribution center.

The Dublin-Laurens County Development Authority acquired 250 acres of industrial property adjacent to Highway 257 and Interstate 16. The Authority has done site work, constructed an access road for industrial use and made other improvements to aide in marketing the site to manufacturing and distribution companies.

Best Buy, Inc. continues to be a great employer for the City of Dublin. Best Buy, a leading retailer of home electronics and appliances, built a 700,000 square foot distribution center at a cost of over $40,000,000. This center distributes to sixty Best Buy stores in Georgia, Florida, North Carolina, South Carolina, and Tennessee. In addition, the facility has begun shipping product to Puerto Rico. They currently have over 200 employees. As a result of the Best Buy project, the Georgia Department of Transportation has widened Highway 257 from Interstate Highway 16 to Industrial Boulevard from a two-lane to a five-lane highway to facilitate even more growth in this corridor. The second phase of this project was the construction of a new interchange at I-16 and Highway 257 including wider ramps and a new bridge over the interstate. This $14 million new construction created another major business corridor. The expansion of Highway 257 allows the roadway to accommodate the increased traffic along the highway as new industries are attracted to the Dublin area.

Since constructing a new $30 million, 600,000 square foot distribution center in Dublin on a 136 acre site on Highway 257 near the present Best Buy facility, Fred's Distribution Center has created over 200 jobs which may increase to as many as 400. The new center serves stores in Alabama, Georgia, Florida and North and South Carolina from its strategic location in Dublin. It can be expanded as growth dictates to about 1 million square feet. The City has extended water and sewer infrastructure to accommodate the new facility and the Highway 257/I-16 interchange. In addition, Georgia Highways 257 and 19 have been annexed by the City to the south side of the I-16 interchange. Love's Travel Stops and Country Stores, Inc. opened at the 257 interchange.

MAGE SOLAR, a leading producer of solar panels, announced their first North American location to be the City of Dublin. The company will invest $30,000,000 and create 350 jobs over the next 5 years. The facility in Dublin will be home to its North American Headquarters, Training Center, and Manufacturing location. This location has also brought 10-15 new residents from outside of Georgia to Dublin.

Hi-Tek Rations, an international supplier of pet food, has expanded its facility in Dublin with the investment of nearly $2 million dollars and the creation of 35 new jobs. The company is constantly growing and has the opportunity for new expansion in the coming years.

A new building for our current Big Lots Store was constructed so a Home Depot Store could be constructed on Veterans Boulevard. The Home Depot Store is 133,000 square feet and cost approximately $10,000,000. Since opening, this store has added to our constantly growing retail strength and helps to maintain our reputation as a regional retail center.

The City of Dublin and Laurens County continue to sponsor the Main Street Dublin-Downtown Development Authority, under the guidance of a full time director. The Main Street Program has proven of great benefit to our downtown business and professional district. Many events take place during the year with the participation of our merchants. Revitalization of the historic structures in the downtown area is ongoing and the area exhibits new vitality through recent construction projects and renovations of existing structures. The City of Dublin has implemented the renovation of the major portion of one block in the downtown area for various public purposes. The City, with public funds and private contributions, renovated the former Martin Theater building as a community and performing arts center renamed Theatre Dublin. Adjacent to this facility is the Fred Roberts Hotel Building, which is being renovated as an apartment building.

Morris Bank built a new bank on Jackson Street to replace their old building. The two-story 40,000 square foot bank has become the focal point in downtown Dublin. The bank has constructed a park on the former bank site beside the new bank.

The City continues the Southside revitalization effort to bring new development and economic vitality to this area of Dublin. A Southside Police Precinct Station in the Katie Dudley Housing area has improved Police presence and community policing efforts on the Southside. The new Police Department facility will enhance their presence. A Southside Revitalization Committee is operating and more projects are forthcoming from their efforts.

The City received a $500,000 Community Development Block Grant, which was used to improve fire protection and renovate water lines in the Scottsville area of the City. These improvements serve a predominately low to moderate income neighborhood and enhance our continuing efforts to improve our entire city.

The City purchased the old Mindis Recycling site from the Downtown Development Authority and has constructed a new $2,700,000 Police Department and Courtroom facility on the property. The Police Department and City Court has moved from the City Hall. This has resulted in more efficient use of both buildings as well as increased parking facilities and better citizen access to these buildings.

The Special Purpose Local Option Sales Tax (SPLOST) has provided funding for a Farmers Market directly behind the Theater Dublin to further enhance our downtown and Southside development. Various resurfacing and road and intersection improvements are also being completed with the SPLOST funds. A new $1.3 million dollar Georgia State Patrol headquarters building on Southern Pines Road beside the Law Enforcement Center was built and funded with S.P.L.O.S.T. A new Department of Drivers Services facility was constructed to replace the old Driver's License Issuing facility. Having these facilities in our community serves as a destination point for people seeking these state services and brings more people to our community to boost our local economy.

An $871,362 Transportation Enhancement Activity (TEA) grant received from the Department of Transportation has funded the Emerald Pathways project, which integrates aesthetic and safety improvements for the downtown area and encourages and accommodates pedestrian and non-vehicular traffic. This project enhances the appeal of downtown to the local citizens, business owners and tourists. Improvements include the construction of improved sidewalks and crosswalks, extensive landscaping, benches, trash receptacles, bicycle

racks, a beautiful fountain, a street clock, and the installation of appropriate signage. The construction and designation of bicycle and pedestrian pathways and a downtown streetscape along Jackson and Jefferson Streets which included the relocating of overhead electric wires to underground completed this project. These improvements have sparked a new interest in downtown improvements by both the public and private sectors.

During the past several years, there has been a retail and residential revitalization in the downtown commercial district. A local entrepreneur purchased and remodeled several vacant buildings and opened new restaurants, shops and created loft apartments on the second floor above the retail spaces.

Because of all of the new development, the City and the Downtown Development Authority purchased a parcel of land on Madison Street for a parking lot. Two buildings were demolished, and after resurfacing was completed, a total of 54 new parking spaces were added to better serve downtown business customers.

The Laurens County Board of Commissioners purchased most of a city block of land on the north side of the Courthouse and built a Courthouse Annex at a cost of $2,000,000. The new building houses the Tax Commissioners' and Tax Assessors' and Board of Registrars' Offices and eliminates the crowded conditions in the Courthouse. The demolition of the old structures and completion of the new annex provides additional parking and further enhances the downtown area and makes government services more convenient to the public.

The Department of Natural Resources Historic Preservation Division has named the commercial district of Downtown Dublin to the National Register of Historic Places and downtown is known as the "Dublin National Register Historic District." The Stubbs Park/Stonewall Street neighborhood has also been listed. There has been a renewed interest in renovations of structures in the neighborhoods since receiving these designations. There is a very active neighborhood association.

The City, at the request of the Georgia Department of Transportation, has extended water and sewer lines to the rest areas on I-16. The Department of Transportation reimbursed the City for 100 percent of construction and engineering costs of the project which extended the water distribution and wastewater collection system to serve the rest areas along Interstate 16 west of Dublin. This expansion allows the City to extend services south of the Interstate at the Highway 257 Interchange, which opened up both sides of the interchange for commercial development. This project was completed in 2010.

Southern Pines Regional Recreation Complex has expanded to include a new Agricultural Expo Center. This million dollar open air multiuse arena will be a venue for a variety of events, including animal and livestock shows, rodeos, car shows and concerts. In addition, a "Splash Pad" is being constructed at a cost of over $240,000 on the complex site. This water park facility should be completed for use before the end of July 2010 and will attract more visitors to the Dublin area.

***RELEVANT FINANCIAL POLICIES.*** The City of Dublin financial policy concerning the budgeting of one time revenue resources such as grants and S.P.L.O.S.T. revenues is to not budget them for reoccurring operating purposes. These funds must be spent only for capital items and capital improvements. In March 2006, voters approved a continuation of the current S.P.L.O.S.T. to be used for one-time capital improvement projects. These projects include areas of transportation and drainage, the water and sewer system, city facilities, capital equipment purchases, and gas system improvements. Approximately $16 million of estimated revenue will be collected over the six-year period.

***CASH MANAGEMENT POLICIES AND PRACTICES.*** Cash temporarily idle during the year was invested in demand deposits, time deposits and the state investment pool. The state investment pool contained approximately ***32.15%*** of the City's cash at June 30, 2010. The average yield on maturing investments during the year was approximately ***0.49*** % Excess cash is also used for interfund financing. The amount of interest earned was ***$168,119***, which includes ***$26,351*** of interfund financing interest.

***RISK MANAGEMENT.*** During fiscal year 2010, the City continued its safety program to control and reduce the number of claims submitted under its workers' compensation insurance. Several control related procedures minimize work related accidents. Among these are safety committees made up of department heads, supervisors, and employees to educate and train all employees in the various aspects of accident prevention and safety related activities. Each department participates in a yearly safety contest, the winner of which receives a plaque and individual awards of "Safety Jackets". Accident free departments award each employee with eight hours of additional annual leave. Third-party coverage is currently maintained for workers' compensation claims and all other potential losses. Additional information on the City of Dublin, Georgia's risk management activities can be found in Note V.A of the notes to financial statements.

***PENSION BENEFITS.*** The City and its component units contribute to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as an investment and administrative agent for cities and municipalities in Georgia. The City has the right to establish and amend the benefit provisions of the plan. These amendments become effective once approved by the Board of Trustees of GMEBS. The system also provides death and disability benefits. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. Additional information on the City of Dublin, Georgia's pension arrangements can be found in Note V.E of the notes to financial statements.

***AWARDS AND ACKNOWLEDGEMENTS.*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dublin, Georgia for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-second consecutive year that the City of Dublin has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report on a timely basis has been accomplished with the efficient and dedicated services of the entire staff of the Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

George P. Roussel
City Manager

Joe M. Kinard, III
City Clerk/Finance Director

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Dublin

## Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.




President

Executive Director

**CITY OF DUBLIN, GEORGIA**

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**June 30, 2010**

## MAYOR

**Phil Best, Sr.**

## CITY COUNCIL

**Julie Driger (Mayor Pro-Tem)**

**Gary Johnson (Chairman of Council)**

**Bill Brown III**

**Phil Thacker**

**Ed Touchberry**

**Gerald Smith**

**Jerry Davis**

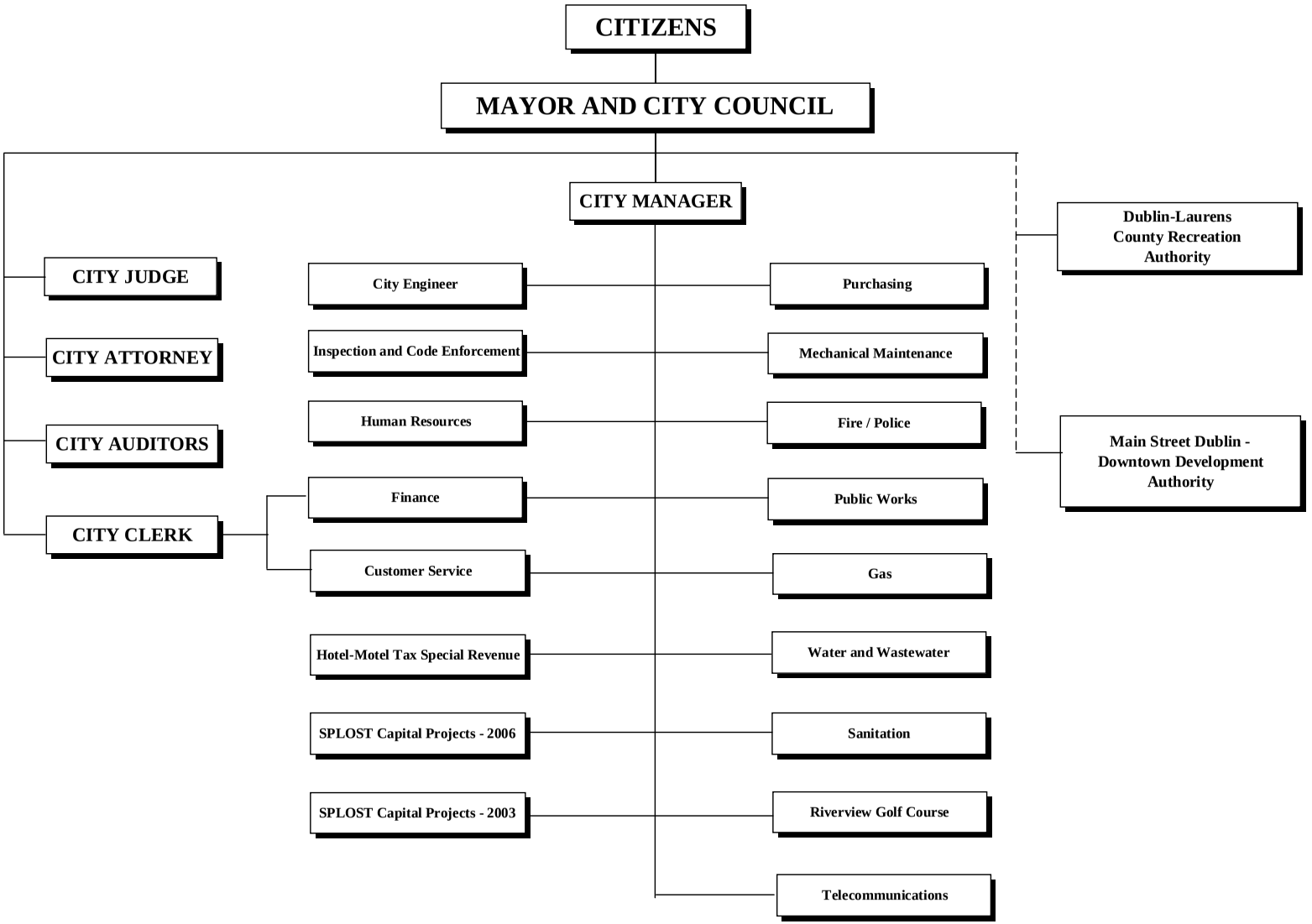
## CITY MANAGER

**George P. Roussel**

| CITY CLERK | CITY JUDGE | CITY ATTORNEY |
|---|---|---|
| Joe M. Kinard III | Harold D. McLendon | Lance Jones |

# CITY OF DUBLIN, GEORGIA

# ORGANIZATIONAL CHART



# II. FINANCIAL SECTION

- **INDEPENDENT AUDITOR'S REPORT**
- **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**
- **BASIC FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council
City of Dublin, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Dublin, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, and proprietary funds presented in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of the City of Dublin Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dublin-Laurens County Recreation Authority, which represents 94 percent and 95 percent, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dublin-Laurens County Recreation Authority, is based on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Dublin, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and notes to required supplementary information for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, proprietary fund, and fiduciary fund of the City of Dublin, Georgia as of June 30, 2010, the respective changes in financial position and cash flows, where applicable, thereof, and the statement of changes in fiduciary assets and liabilities, the schedules of expenditure by function for the General Fund, the budgetary comparison of the Hotel-Motel Tax fund, and the schedules of expenditures of SPLOST 2003 and SPLOST 2006 proceeds for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the City of Dublin, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 25, the schedule of funding progress for the Georgia Municipal Employees Benefit System on page 66, and the budgetary comparison information on pages 67 through 68, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dublin, Georgia's financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on page 120 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects in relation to the financial statements taken as a whole. The accompanying introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Nichols, Cauley & Associates, LLC

Dublin, Georgia

December 17, 2010

Management of the City of Dublin, Georgia (City) provides this Management's Discussion and Analysis of the City's Comprehensive Annual Financial Report (CAFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City of Dublin, Georgia is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements which follow.

## FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

### Government-Wide Highlights:

Net Assets - The assets of the City exceeded its liabilities at fiscal year ending June 30, 2010 by $67,957,272 (presented as "net assets"). Of this amount, $24,102,609 was reported as "unrestricted net assets". Unrestricted net assets represent the amount available to be used to meet the City's ongoing obligations to citizens and creditors.

Changes in Net Assets -The City's total net assets increased by $4,459,674 (a 7.0% increase) in fiscal year 2010. Net assets of governmental activities increased by $2,431,071 (an 8.4% increase) while net assets of the business-type activities showed an increase of $2,028,603 (a 5.9% increase).

### Fund Highlights:

Governmental Funds - Fund Balances - As of the close of fiscal year 2010, the City's governmental funds reported a combined ending fund balance of $13,881,031, a decrease of $1,956,994 in comparison with the prior year. Of this total amount, $13,462,254 represents the "unreserved fund balances". This $13,462,254 is approximately 74% of the total governmental fund expenditures for the year. The primary difference in the $2,431,071 increase in net assets of governmental activities compared to the $1,956,994 decrease in fund balance of governmental funds relates to capital improvement expenditures of $1,800,098, net of depreciation and the payment of debt for the special assessment bonds in the amount of $2,250,000.

### Long-term Debt:

The City's total long-term debt obligations decreased by $3,329,071 (19.0%) during the current fiscal year. The key factor in this decrease was the principal payment of $2,250,000 related to the special assessment bonds of which $5,750,000 constituted long-term debt at June 30, 2010.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dublin, Georgia's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining financial statements) in addition to the basic financial statements themselves. These components are described below:

### Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the City - the government-wide financial statements and the fund financial statements. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

## Government- Wide Financial Statements

The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the City's economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This basically means they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

The **Statement of Net Assets** presents all of the government's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the City's 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 not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the above financial statements have separate sections for three different types of City programs or activities. These three types of activities are:

**Governmental Activities** - The activities in this section are mostly supported by taxes and intergovernmental revenues. Most services normally associated with City government fall into this category, including education, general government, legal and judiciary services, recreation, natural resources, public safety and defense, regulatory services and social services.

**Business-type Activities** - These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the City include the operations of the Water and Sewerage System Fund, Natural Gas System Fund, Sanitation Fund, Telecommunications Fund, and Riverview Golf Course Fund. All of these programs operate with minimal assistance from the governmental activities of the City.

**Discretely Presented Component Units** - These are operations for which the City has financial accountability but they have certain independent qualities as well. For the most part, these entities operate similar to private sector businesses and the business-type activities described above.

The City's two discretely presented major component units are:

Dublin-Laurens County Recreation Authority
Main Street Dublin-Downtown Development Authority

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the City's component units are presented in the notes to the financial statements.

The government-wide financial statements can be found immediately following this discussion and analysis.

## Fund Financial Statements and Major Component Unit 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 city and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three categories of funds are:

**Governmental Funds Financial Statements** - Most of the basic services provided by the City are financed through 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following the governmental fund financial statement.

The City has four governmental funds. The major funds are presented in a separate column, while the nonmajor funds are combined in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The City's major governmental funds are - the General Fund and the SPLOST Capital Projects - 2006 Fund. The City's nonmajor governmental funds are the SPLOST Capital Projects - 2003 and Hotel/Motel Tax Fund.

The basic governmental funds financial statements can be found immediately following the government-wide statements.

**Proprietary Funds Financial Statements** - These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The City has five enterprise funds with the major funds presented in a separate column in the proprietary funds statement of net assets and in the proprietary funds statement of revenues, expenditures, and changes in fund net assets. The City's major proprietary funds are - the Water and Sewerage System Fund, Natural Gas System Fund and Sanitation Fund. The City's nonmajor proprietary funds are the Riverview Golf Course Fund and Telecommunications Fund.

The basic proprietary funds financial statements can be found immediately following the governmental fund financial statements.

**Fiduciary Fund** - This fund is used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. They use the accrual basis of accounting.

The City's fiduciary fund is the Dublin Board of Education Agency Fund (which accounts for the assets held for distribution by the City as an agent for the Dublin Board of Education).

The basic fiduciary fund's financial statement can be found immediately following the proprietary fund financial statements.

**Component Units Financial Statements** - As mentioned above, these are operations for which the City has financial accountability but they have certain independent qualities as well, and they operate similar to private-sector businesses. The government-wide financial statements present information for the component units in separate columns in the statement of net assets and the statement of changes in net assets.

**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 the fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

**Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. It also includes a budget and actual（non-GAAP budget basis) schedule of revenues, expenditures and changes in fund balances for the General Fund.

**Supplementary Schedules**

This section includes the schedule of expenditures of special purpose local option sales tax proceeds - 2006 and special purpose local option sales tax proceeds - 2003.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled $67,957,272 at the end of 2010, compared to $63,497,598 at the end of the previous year.

The largest portion of the City's net assets (61.9%) reflects its investment in capital assets such as land, buildings and plant, machinery and equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding. The City uses its capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (2.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net assets of the City's (governmental and business-type) activities decreased $648,838 or 2.6% from the prior year. Internally imposed designations of resources are not presented as restricted net assets.

**City of Dublin, Georgia – Net Assets**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current assets | $ 14,926,856 | $ 16,811,865 | $ 14,538,333 | $ 12,577,603 | $ 29,465,189 | $ 29,389,468 |
| Capital assets | 23,352,757 | 21,743,044 | 31,605,879 | 32,708,456 | 54,958,636 | 54,451,500 |
| Other assets | -- | 115,444 | -- | 186,740 | -- | 302,184 |
| Total assets | 38,279,613 | 38,670,353 | 46,144,212 | 45,472,799 | 84,423,825 | 84,143,152 |
| Noncurrent liabilities | 6,577,471 | 8,818,602 | 7,833,107 | 8,992,038 | 14,410,578 | 17,810,640 |
| Other liabilities | 446,173 | 1,026,853 | 1,609,802 | 1,808,061 | 2,055,975 | 2,834,914 |
| Total liabilities | 7,023,644 | 9,845,455 | 9,442,909 | 10,800,099 | 16,466,553 | 20,645,554 |
| Invested in capital assets, net of related debt | 18,451,166 | 13,297,712 | 23,594,788 | 23,548,434 | 42,045,954 | 36,846,146 |
| Restricted | 5,549 | 185,635 | 1,803,160 | 1,714,370 | 1,808,709 | 1,900,005 |
| Unrestricted | 12,799,254 | 15,341,551 | 11,303,355 | 9,409,896 | 24,102,609 | 24,751,447 |
| Total net assets | $ 31,255,969 | $ 28,824,898 | $ 36,701,303 | $ 34,672,700 | $ 67,957,272 | $ 63,497,598 |

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## Changes in Net Assets

The City's net assets increased by $4,459,674 or 7.0%. $2,431,071 of this increase was from governmental activities while business activities increased $2,028,603. Historically, and in fiscal year 2010, transfers are made from the Natural Gas System Fund to the General Fund to provide funds to carry out the services provided by the General Fund. Net transfers between the governmental and business type activities for fiscal year 2010 were $562,499 which included $462,499 from the Natural Gas Fund and $100,000 from the Telecommunications Fund. Approximately 35.2 percent of the City's total revenue came from taxes, while 2.0 percent resulted from grants and contributions (including federal aid). Charges for various goods and services, investment earnings, and intragovernmental items provided 62.8 percent of the total revenues.

The City's expenses cover a range of services. The largest expenses were for public safety, water and sewer services, gas services, general government, and sanitation services. In 2010, governmental activity program revenues exceeded expenses, resulting in the use of $12,446,915 in general revenues which were comprised of $11,728,909 (taxes), $562,499 (transfers), $95,891 (unrestricted investment earnings), and $59,616 from a gain on sale of capital assets. Total program and general revenues from business-type activities exceeded net expenses, excluding transfers out, in 2010 by $2,591,102.

Governmental activities increased the City's net assets by $2,341,071. The key elements in this change were an increase in property tax revenue, a large transfer from the Gas Fund to the General Fund, continued collection in the local option sales tax and the special purpose local option sales tax proceeds, and capital grants. Business-type activities increased the City's net assets by $2,028,603. The key elements in this change were the increase in water and sewer and sanitation rates, stabilization of gas prices and capital grants received. Other key elements of these changes are as follows:

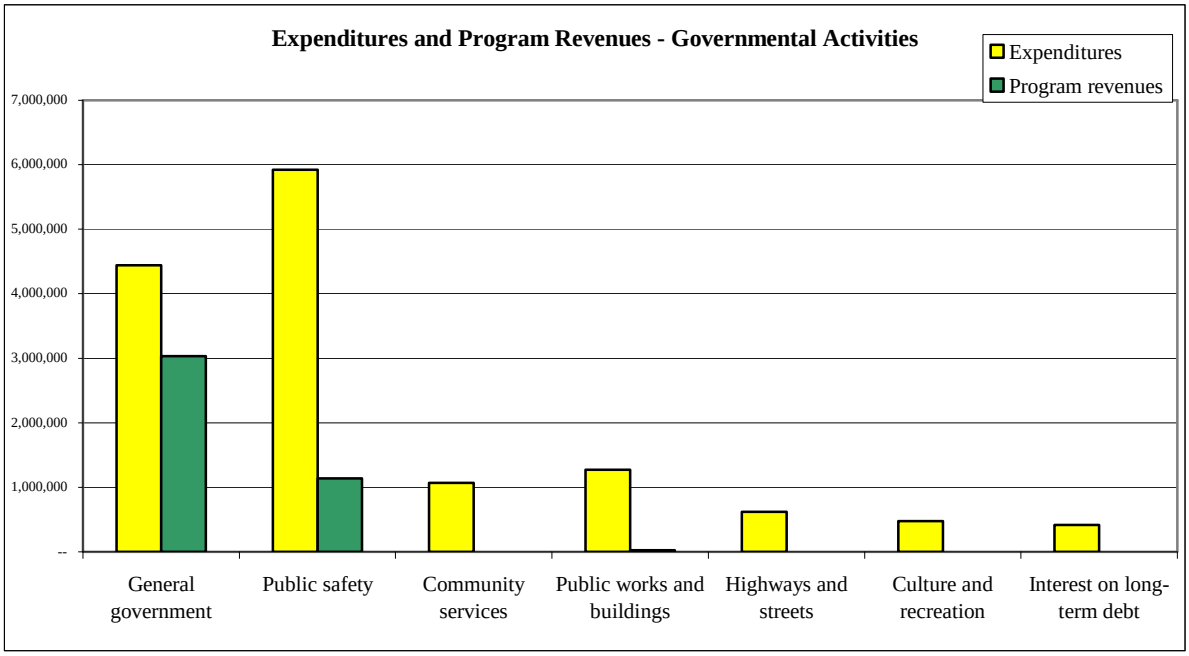
## City of Dublin, Georgia – Changes in Net Assets

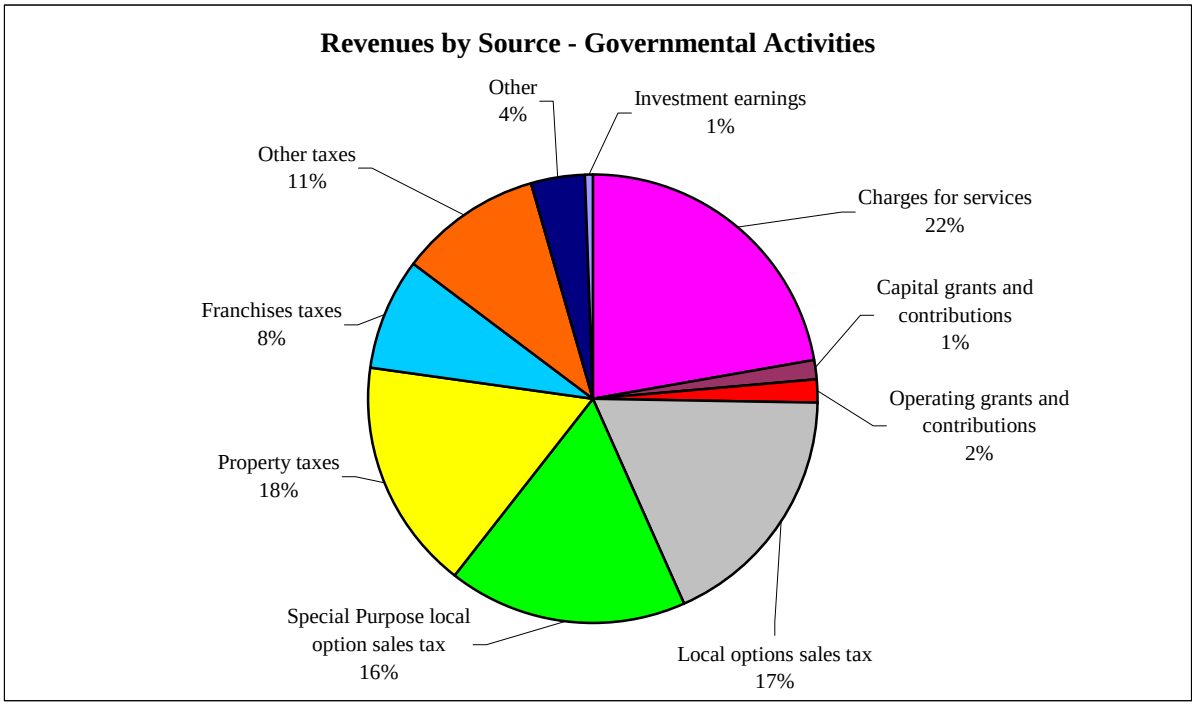
| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **Revenues:** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 3,708,132 | $ 3,395,771 | $ 16,985,107 | $ 18,384,562 | $ 20,693,239 | $ 21,780,333 |
| Operating grants and contributions | 214,015 | -- | -- | -- | 214,015 | -- |
| Capital grants and contributions | 273,188 | 360,069 | 173,715 | 313,322 | 446,903 | 673,391 |
| General revenues: | | | | | | |
| Property taxes | 3,023,125 | 2,648,656 | -- | -- | 3,023,125 | 2,648,656 |
| Local option sales tax | 2,880,391 | 2,943,746 | -- | -- | 2,880,391 | 2,943,746 |
| Special purpose local option sales tax 2006 | 2,742,771 | 2,681,311 | -- | -- | 2,742,771 | 2,681,311 |
| Franchise taxes | 1,327,766 | 1,391,186 | -- | -- | 1,327,766 | 1,391,186 |
| Other taxes | 1,754,856 | 1,804,508 | -- | -- | 1,754,856 | 1,804,508 |
| Investment earnings | 95,891 | 404,947 | 72,228 | 68,089 | 168,119 | 473,036 |
| Gain on sale of capital assets | 59,616 | -- | -- | -- | 59,616 | -- |
| Total revenues | 16,079,751 | 15,630,194 | 17,231,050 | 18,765,973 | 33,310,081 | 34,396,167 |
| **Expenses:** | | | | | | |
| General government | 4,442,311 | 4,541,634 | -- | -- | 4,442,311 | 4,541,634 |
| Public safety | 5,919,997 | 5,739,116 | -- | -- | 5,919,997 | 5,739,116 |
| Community services | 1,068,978 | 1,005,107 | -- | -- | 1,068,978 | 1,005,107 |
| Public works and buildings | 1,271,004 | 1,657,001 | -- | -- | 1,271,004 | 1,657,001 |
| Highways and streets | 618,639 | 225,694 | -- | -- | 618,639 | 225,694 |
| Culture and recreation | 475,326 | 495,566 | -- | -- | 475,326 | 495,566 |
| Interest on long-term debt | 414,924 | 508,001 | -- | -- | 414,924 | 508,001 |
| Water and sewer | -- | -- | 5,087,924 | 5,228,079 | 5,087,924 | 5,228,079 |
| Gas | -- | -- | 6,344,200 | 8,917,877 | 6,344,200 | 8,917,877 |
| Sanitation | -- | -- | 2,216,536 | 2,212,891 | 2,216,536 | 2,212,891 |
| Riverview Golf Course | -- | -- | 391,218 | 450,072 | 391,218 | 450,072 |
| Telecommunications | -- | -- | 600,070 | 704,563 | 600,070 | 704,563 |
| Total expenses | 14,211,179 | 14,172,119 | 14,639,948 | 17,513,482 | 28,851,127 | 31,685,601 |
| Increase in net assets before transfers | 1,868,572 | 1,458,075 | 2,591,102 | 1,252,491 | 4,459,674 | 2,710,566 |
| Transfers | 562,499 | 650,000 | (562,499) | (650,000) | -- | -- |
| Intra-governmental | -- | -- | -- | -- | -- | -- |
| Change in net assets | 2,431,071 | 2,108,075 | 2,028,603 | 602,491 | 4,459,674 | 2,710,566 |
| Net assets, beginning of year | 28,824,898 | 26,716,823 | 34,672,700 | 34,070,209 | 63,497,598 | 60,787,032 |
| Net assets, ending | $ 31,255,969 | $ 28,824,898 | $ 36,701,303 | $ 34,672,700 | $ 67,957,272 | $ 63,497,598 |

## Governmental Activities

The following graphs present the cost of each of the City's governmental functions programs - general government, public safety, community services, public works and buildings, and culture and recreation - as well as the program revenues generated by these activities.

- The cost of all governmental activities this year was $14,211,179.
- However, the amount that our taxpayers paid for these activities through City taxes was $11,728,909. Some of the cost was paid by:
  - Those who directly benefited from the programs ($3,708,132)
  - Other governments and organizations that subsidized certain programs with grants and contributions ($487,203).
  - Net transfers to the General Fund of $562,499 from the Proprietary Funds.
- Public safety required the largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was $5,919,997 in fiscal year 2010. Public safety comprised 41.7% of total expenditures in 2010.
- Community services comprised 7.5% of total expenditures in fiscal year 2010.
- Public works and buildings comprised 8.9% of total expenditures in fiscal year 2010.
- Highways and streets comprised 4.3% of total expenditures in fiscal year 2010.
- Culture and recreation comprised 3.3% of total expenditures in fiscal year 2010.
- Interest on long-term debt comprised 2.9% of total expenditures in fiscal year 2010.
- General government comprised 31.3% of total expenditures and reflected a decrease of $99,323 over the prior year. For every one dollar of general government expenditures in fiscal year 2010, 62 cents came from charges for services to pay for the expenditures and increases in interest rates.

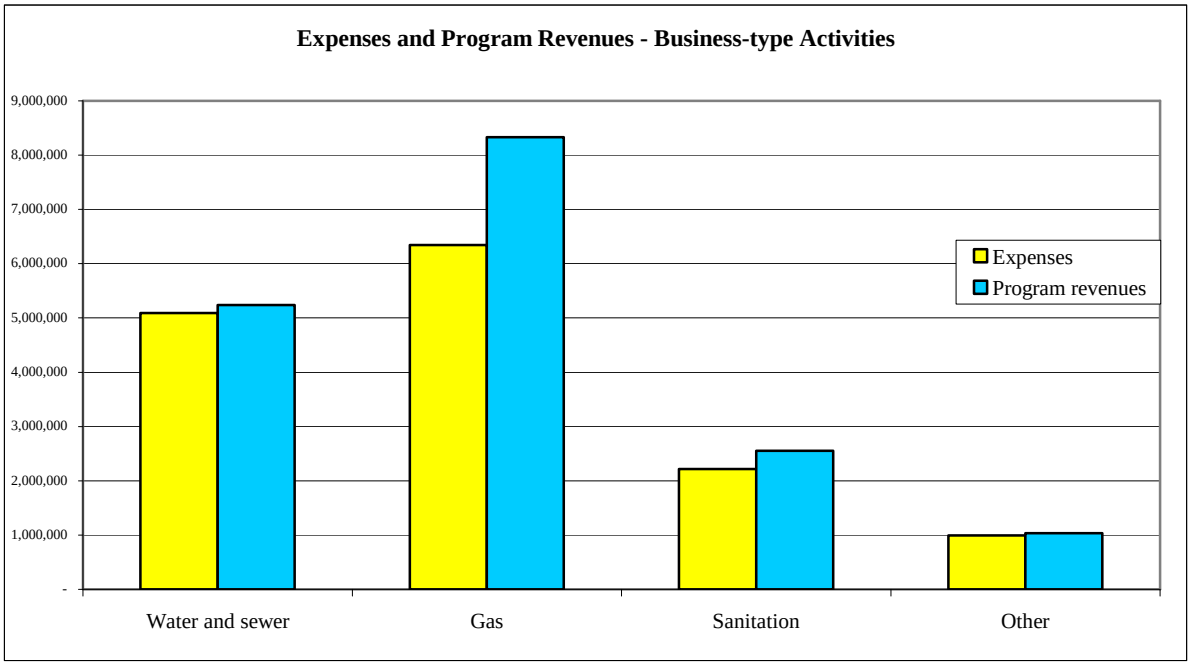


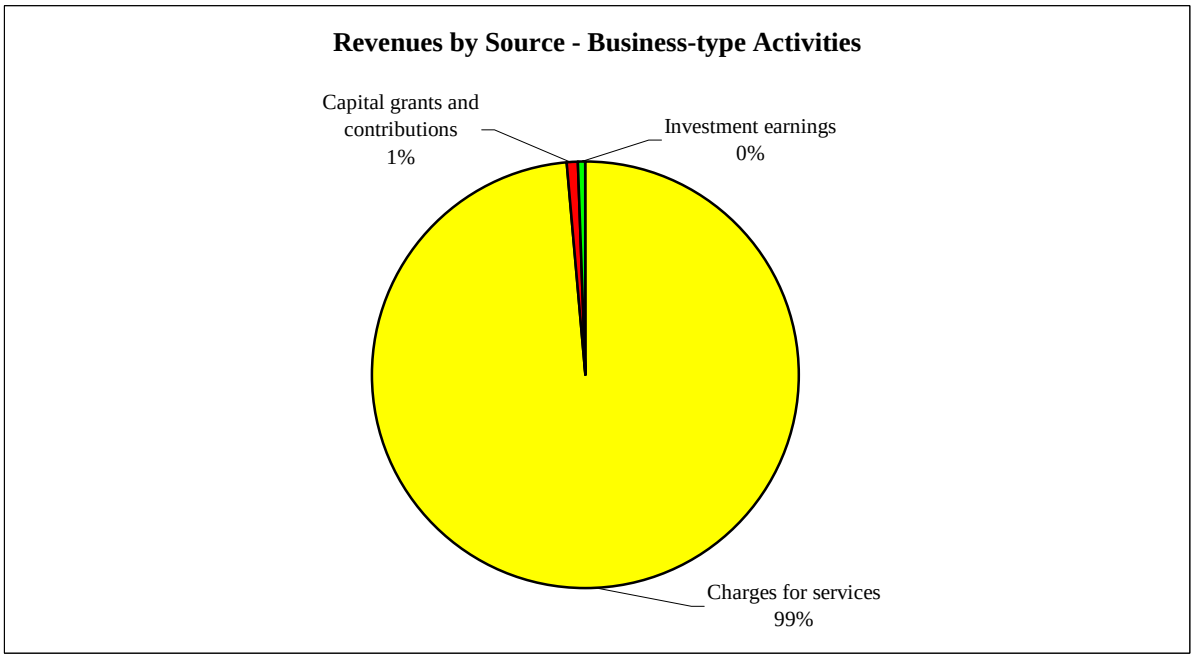



## Business-Type Activities

The following graphs present the cost of each of the City's business-type activities – water and sewer, gas, sanitation, and other – as well as the program revenues generated by these activities.

- The cost of all business-type activities this year was $14,639,948.
- Revenues generated by the gas function comprised 48.6% of program revenues for business-type activities. Water and sewer, sanitation and other comprised 30.5%, 14.9%, and 6.0%, respectively.
- Investment earnings increased by approximately $4,139 from the prior year due to an overall average stabilization in the interest rates earned on investments.




## FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $13,881,031 a decrease of $1,956,994 in comparison with the prior year. $13,462,254 or 97.0% of this total amount constitutes unreserved fund balance, which is available for spending in the coming year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes ($413,228) and for debt service payments ($5,549).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was $6,967,183 while the total fund balance reached $7,380,411. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 59.1% of total general fund expenditures, while total fund balance represents 62.6% of that same amount.

The fund balance of the City's General Fund increased by $780,551 during the current fiscal year. This is an 11.8% increase from the prior year. This increase is primarily attributable to an increase in cash as a result of current year operations and a transfer from proprietary funds. At June 30, 2010, the fund balance of the City's General Fund represented 53.2% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2006 fund decreased by $2,311,493, during the current fiscal year. This decrease is primarily attributable to the repayment of principal and interest relating to the special assessment bonds issued in FY 2008 and spending on approved capital projects. At June 30, 2010, the fund balance of the City's SPLOST Capital Projects - 2006 fund represented 44.5% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2003 fund decreased by $426,052 during the current fiscal year. This is a 56.5% decrease from the prior year. This decrease is attributable to the SPLOST 2003 revenue ending in FY 2007, and the City government continuing to spend money for ongoing projects. At June 30, 2010, the fund balance of the City's SPLOST Capital Projects - 2003 fund represented 2.4% of the total governmental fund balance.

## Proprietary Funds

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

As discussed in the business-type activities above, the City's net assets increased by $2,028,603 as a result of operations in the proprietary funds. This resulted primarily from a $336,706 increase in net assets by the Sanitation Fund, and a $1,553,786 increase in net assets of the Gas Fund after transferring $462,499 to the City's General Fund. The increases in the Sanitation and Gas Funds were due mostly in part to increases in charges for services and stabilization of gas prices.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted expenditures increased by 9.5 % from the prior year. Actual expenditures decreased approximately 0.4% from prior year. The actual excess of revenues over expenditures was funded through supplemental appropriations from available fund balance.

Large variances in the General Fund's revenues and expenditures verses budget amounts are as follows. For revenues, Federal Housing Authority – payment in lieu of taxes was 55.5% over budget due to a slightly larger payment than was expected. Other income was 54.2% under budget due mainly in part to large anticipated grant revenues that were to be spent on capital projects that were not received. Interest income was 46.8% under budget due to continued decrease in interest rates on the City's cash and investments throughout the year. Miscellaneous income was 41.8% under budget as this was used for balancing the budget. For expenditures, non-departmental expenditures were 48.7% under budget. This stemmed from the City budgeting for two large capital projects that were to be funded from anticipated grant revenue that was not received. The police department C.I.D. expenditures were 22.1% under budget because of an employee transferring to another section of the police department.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to $119,993,000, net of accumulated depreciation of $65,034,364 leaving a net book value of $54,958,636. This investment in capital assets includes land, construction in progress, buildings and plant, improvements other than buildings, machinery and equipment, and infrastructure.

The total increase in the City's investment in capital assets for the current fiscal year was about 0.03% in terms of net book value. However, actual expenditures to purchase or construct capital assets were $7,747,103 for the year. Most of this amount was used to move and construct water and gas lines as part of highway widening projects and extension of services as well as road and other capital improvements designated by the SPLOST Capital Projects - 2003 and 2006 funds. Depreciation charges for the year totaled $3,336,476. Additional information on the City's capital assets can be found in Note IV. H. of the notes to the financial statements of this report.

### Debt Administration

At the end of the current fiscal year, the City had total bonded debt outstanding of $12,645,000. This debt is secured solely by specified revenue sources (i.e., revenue bonds). The City's bonded debt decreased by $2,615,000 as a result of current year principal payments. The City also had $1,657,954 of debt from capital leases and notes payable, excluding interfund notes payable. This is a $149,352 decrease over the prior year as a result of current year principal payments. Additional information relating to the City's long-term debt can be found in Note IV.K. of the notes to financial statements of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the City is currently 10.9%, which is an increase from a rate of 7.1% a year ago.
- Inflationary trends in the region compare favorably to national indices.
- The City is expecting the national economy to impact next years budget significantly.

These factors are considered by legislative leaders and management in preparing the City's budget for future years.

The City continues to have positive equity balances in all fund types, as well as stable property taxes and investment grade bond ratings, the City of Dublin remains financially sound. The City's tax rates remain low in comparison with other municipalities. The millage rate is at 5.327 mills and has remained low even though the demands for services continue to grow.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dublin, Georgia's finances for all of the City's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: City of Dublin, Georgia, Department of Finance, P.O. Box 690, Dublin, Georgia 31040.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF NET ASSETS
# JUNE 30, 2010

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Dublin-Laurens County Recreation Authority | Main Street Dublin Downtown Development Authority |
| ASSETS: | | | | | |
| Equity in pooled cash | $ 88,552 | $ 6,647,671 | $ 6,736,223 | $ -- | $ -- |
| Equity in investment pool | 8,609,303 | 198,852 | 8,808,155 | -- | -- |
| Cash | 5,736,271 | 406,679 | 6,142,950 | 1,002,169 | 40,318 |
| Certificates of deposit | 2,530,727 | 161,369 | 2,692,096 | -- | -- |
| Taxes receivable, net | 266,674 | -- | 266,674 | -- | -- |
| Accounts receivable, net | -- | 805,064 | 805,064 | 54,016 | -- |
| Other receivables, net | 110,453 | 21,794 | 132,247 | -- | 52,500 |
| Accrued interest receivable | 7,752 | 15,915 | 23,667 | -- | -- |
| Due from other governments | 218,961 | -- | 218,961 | -- | -- |
| Due from component units | 46,470 | -- | 46,470 | -- | -- |
| Internal balances | (3,015,925) | 3,015,925 | -- | -- | -- |
| Inventories, at cost | 158,966 | 14,603 | 173,569 | -- | -- |
| Prepaid items | 163,103 | 56,461 | 219,564 | 24,918 | -- |
| Restricted assets: | | | | | |
| Equity in investment pool | -- | 393,392 | 393,392 | -- | -- |
| Cash | 5,549 | 500,078 | 505,627 | -- | -- |
| Certificates of deposits | -- | 2,300,530 | 2,300,530 | -- | -- |
| Capital assets not being depreciated: | | | | | |
| Land | 1,336,192 | 565,757 | 1,901,949 | -- | 126,150 |
| Capital assets, net of accumulated depreciation: | | | | | |
| Buildings and plant | 5,295,191 | 30,217,277 | 35,512,468 | 5,846,393 | 295,898 |
| Improvements other than buildings | 1,871,771 | 3,928 | 1,875,699 | 219,042 | -- |
| Machinery and equipment | 1,533,489 | 818,917 | 2,352,406 | 297,511 | -- |
| Infrastructure | 13,316,114 | -- | 13,316,114 | -- | -- |
| Total assets | $ 38,279,613 | $ 46,144,212 | $ 84,423,825 | $ 7,444,049 | $ 514,866 |

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Dublin-Laurens County Recreation Authority | Main Street Dublin Downtown Development Authority |
| LIABILITIES: | | | | | |
| Accounts payable and accrued costs | $ 428,173 | $ 204,897 | $ 633,070 | $ 102,291 | $ -- |
| Due to primary government | -- | -- | -- | -- | 46,256 |
| Accrued interest payable | -- | 14,065 | 14,065 | -- | -- |
| Deposits and bonds | 18,000 | -- | 18,000 | -- | -- |
| Payables from restricted assets: | | | | | |
| Customer deposits | -- | 1,015,840 | 1,015,840 | -- | -- |
| Revenue bonds payable - current | -- | 375,000 | 375,000 | -- | -- |
| Noncurrent liabilities: | | | | | |
| Due within one year: | | | | | |
| Capital leases payable | 87,468 | -- | 87,468 | -- | -- |
| Compensated absences | 28,000 | 18,000 | 46,000 | 39,894 | -- |
| Note payable - other | -- | 67,545 | 67,545 | 168,914 | -- |
| Due in more than one year: | | | | | |
| Capital leases payable | 280,104 | -- | 280,104 | -- | -- |
| Compensated absences | 368,767 | 179,016 | 547,783 | -- | -- |
| Note payable - other | -- | 1,222,837 | 1,222,837 | 606,244 | -- |
| Revenue bonds payable | 5,813,132 | 6,345,709 | 12,158,841 | -- | -- |
| Total liabilities | 7,023,644 | 9,442,909 | 16,466,553 | 917,343 | 46,256 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 18,451,166 | 23,594,788 | 42,045,954 | 5,587,788 | 295,898 |
| Restricted assets: | | | | | |
| Restricted for debt service | 5,549 | 1,803,160 | 1,808,709 | -- | -- |
| Unrestricted | 12,799,254 | 11,303,355 | 24,102,609 | 938,918 | 172,712 |
| Total net assets | 31,255,969 | 36,701,303 | 67,957,272 | 6,526,706 | 468,610 |
| Total liabilities and net assets | $ 38,279,613 | $ 46,144,212 | $ 84,423,825 | $ 7,444,049 | $ 514,866 |

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN
# STATEMENT OF ACTIVITIES
# FOR THE YEAR ENDED JUNE 30, 2010

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions |
|---|---|---|---|
| Primary government: | | | |
| Governmental activities: | | | |
| General government | $ 4,442,311 | $ 2,757,271 | $ -- |
| Public safety | 5,919,997 | 925,861 | 214,015 |
| Community services | 1,068,978 | -- | -- |
| Public works and buildings | 1,271,004 | 25,000 | -- |
| Highways and streets | 618,639 | -- | -- |
| Culture and recreation | 475,326 | -- | -- |
| Interest on long-term debt | 414,924 | -- | -- |
| Total governmental activities | 14,211,179 | 3,708,132 | 214,015 |
| Business-type activities: | | | |
| Water and Sewer | 5,087,924 | 5,066,965 | -- |
| Gas | 6,344,200 | 8,331,392 | -- |
| Sanitation | 2,216,536 | 2,553,242 | -- |
| Riverview Golf Course | 391,218 | 337,981 | -- |
| Telecommunications | 600,070 | 695,527 | -- |
| Total business-type activities | 14,639,948 | 16,985,107 | -- |
| Total primary government | 28,851,127 | 20,693,239 | 214,015 |
| Component units: | | | |
| Dublin-Laurens County Recreation Authority | 1,991,106 | 214,859 | 1,358,980 |
| Main Street Dublin Downtown Development Authority | 99,517 | -- | -- |
| Total component units | $ 2,090,623 | $ 214,859 | $ 1,358,980 |
| General revenues: | | | |
| Property taxes | | | |
| Local option sales tax | | | |
| Hotel/Motel tax | | | |
| Special purpose local option sales tax 2006 | | | |
| Alcoholic beverage taxes | | | |
| Franchise taxes | | | |
| Insurance premium tax | | | |
| Miscellaneous | | | |
| Unrestricted investment earnings | | | |
| Gain on sale of capital assets | | | |
| Intra-governmental | | | |
| Transfers | | | |
| Total general revenues, intra-governmental, and transfers | | | |
| Change in net assets | | | |
| Net assets - beginning | | | |
| Net assets - ending | | | |

| Program Revenues | Net (Expense) Revenue and Changes in Net Assets | | | | |
|---|---|---|---|---|---|
| | Primary Government | | | Component Units | |
| Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Dublin-Laurens County Recreation Authority | Main Street Dublin Downtown Development Authority |
| $ 273,188 | $ (1,411,852) | $ -- | $ (1,411,852) | | |
| -- | (4,780,121) | -- | (4,780,121) | | |
| -- | (1,068,978) | -- | (1,068,978) | | |
| -- | (1,246,004) | -- | (1,246,004) | | |
| -- | (618,639) | -- | (618,639) | | |
| -- | (475,326) | -- | (475,326) | | |
| -- | (414,924) | -- | (414,924) | | |
| 273,188 | (10,015,844) | -- | (10,015,844) | | |
| 173,715 | -- | 152,756 | 152,756 | | |
| -- | -- | 1,987,192 | 1,987,192 | | |
| -- | -- | 336,706 | 336,706 | | |
| -- | -- | (53,237) | (53,237) | | |
| -- | -- | 95,457 | 95,457 | | |
| 173,715 | -- | 2,518,874 | 2,518,874 | | |
| 446,903 | (10,015,844) | 2,518,874 | (7,496,970) | | |
| 32,628 | | | | $ (384,639) | $ -- |
| -- | | | | -- | (99,517) |
| $ 32,628 | | | | (384,639) | (99,517) |
| | 3,023,125 | -- | 3,023,125 | -- | -- |
| | 2,880,391 | -- | 2,880,391 | -- | -- |
| | 472,296 | -- | 472,296 | 122,926 | -- |
| | 2,742,771 | -- | 2,742,771 | 197,401 | -- |
| | 403,398 | -- | 403,398 | -- | -- |
| | 1,327,766 | -- | 1,327,766 | -- | -- |
| | 879,162 | -- | 879,162 | -- | -- |
| | -- | -- | -- | 149,667 | -- |
| | 95,891 | 72,228 | 168,119 | 2,609 | 246 |
| | 59,616 | -- | 59,616 | -- | -- |
| | -- | -- | -- | -- | 114,706 |
| | 562,499 | (562,499) | -- | -- | -- |
| | 12,446,915 | (490,271) | 11,956,644 | 472,603 | 114,952 |
| | 2,431,071 | 2,028,603 | 4,459,674 | 87,964 | 15,435 |
| | 28,824,898 | 34,672,700 | 63,497,598 | 6,438,742 | 453,175 |
| | $ 31,255,969 | $ 36,701,303 | $ 67,957,272 | $ 6,526,706 | $ 468,610 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**JUNE 30, 2010**

| | General | SPLOST Capital Projects - 2006 | Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|
| ASSETS | | | | |
| Equity in pooled cash | $ -- | $ -- | $ 88,552 | $ 88,552 |
| Equity in investment pool | 8,609,303 | -- | -- | 8,609,303 |
| Cash | 683,053 | 4,674,472 | 378,746 | 5,736,271 |
| Certificates of deposit | -- | 2,530,727 | -- | 2,530,727 |
| Cash - restricted for bond debt service | -- | 5,549 | -- | 5,549 |
| Taxes receivable, net | 266,674 | -- | -- | 266,674 |
| Other receivables, net | 110,453 | -- | -- | 110,453 |
| Accrued interest receivable | 1,411 | 6,341 | -- | 7,752 |
| Due from other governments - | | | | |
| State of Georgia - | | | | |
| local option sales tax | 218,961 | -- | -- | 218,961 |
| Due from component units: | | | | |
| Main Street Dublin Downton | | | | |
| Development Authority | 46,256 | -- | -- | 46,256 |
| Dublin-Laurens County | | | | |
| Recreation Authority | 214 | -- | -- | 214 |
| Due from other funds | 28,583 | -- | 50,604 | 79,187 |
| Inventories, at cost | 158,966 | -- | -- | 158,966 |
| Prepaid items | 163,103 | -- | -- | 163,103 |
| Total assets | $10,286,977 | $ 7,217,089 | $ 517,902 | $ 18,021,968 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable and accrued costs | $ 194,722 | $ 71,770 | $ 161,681 | $ 428,173 |
| Deferred revenue | 599,652 | -- | -- | 599,652 |
| Due to other funds | 2,094,192 | 972,337 | 28,583 | 3,095,112 |
| Distilled spirits bond deposits | 18,000 | -- | -- | 18,000 |
| Total liabilities | 2,906,566 | 1,044,107 | 190,264 | 4,140,937 |
| FUND BALANCES | | | | |
| Reserved for encumbrances | 91,159 | -- | -- | 91,159 |
| Reserved for inventories | 158,966 | -- | -- | 158,966 |
| Reserved for prepaid items | 163,103 | -- | -- | 163,103 |
| Reserved for debt service | -- | 5,549 | -- | 5,549 |
| Unreserved, reported in: | | | | |
| General fund | 6,967,183 | -- | -- | 6,967,183 |
| Capital projects funds | -- | 6,167,433 | 327,638 | 6,495,071 |
| Total fund balances | 7,380,411 | 6,172,982 | 327,638 | 13,881,031 |
| Total liabilities and fund balances | $10,286,977 | $ 7,217,089 | $ 517,902 | $ 18,021,968 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**
**JUNE 30, 2010**

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Total governmental fund balance (page 28) | $13,881,031 |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. | 23,352,757 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 599,652 |
| Long-term liabilities, such as compensated absences, capital leases, and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds. | (6,577,471) |
| Net assets of governmental activities (page 26) | $31,255,969 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | General | SPLOST Capital Projects - 2006 | Nonmajor Funds | Total Governmental Funds |
|---|---|---|---|---|
| REVENUES: | | | | |
| General property taxes | $ 2,580,602 | $ -- | $ -- | $ 2,580,602 |
| Other taxes | 5,667,418 | -- | 472,296 | 6,139,714 |
| Licenses and permits | 556,122 | -- | -- | 556,122 |
| Fines and forfeitures | 813,986 | -- | -- | 813,986 |
| Intergovernmental | 759,177 | 2,742,771 | -- | 3,501,948 |
| Interest on investments | 18,611 | 77,633 | -- | 96,244 |
| Miscellaneous income | 1,364,683 | 61,984 | 392,281 | 1,818,948 |
| Total revenues | 11,760,599 | 2,882,388 | 864,577 | 15,507,564 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 3,733,819 | -- | -- | 3,733,819 |
| Public safety | 5,807,783 | -- | -- | 5,807,783 |
| Community services | 1,068,978 | -- | -- | 1,068,978 |
| Public works and buildings | 1,181,967 | -- | -- | 1,181,967 |
| Culture and recreation | -- | -- | 472,296 | 472,296 |
| Debt Service: | | | | |
| Principal | -- | 2,334,673 | -- | 2,334,673 |
| Interest | -- | 414,924 | -- | 414,924 |
| Bond issuance costs | -- | 500 | -- | 500 |
| Capital Outlay: | | | | |
| Highways and streets | -- | 371,962 | 818,333 | 1,190,295 |
| Special assessments | -- | 2,071,822 | -- | 2,071,822 |
| Total expenditures | 11,792,547 | 5,193,881 | 1,290,629 | 18,277,057 |
| EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES | (31,948) | (2,311,493) | (426,052) | (2,769,493) |
| OTHER FINANCING SOURCES: | | | | |
| Sale of capital assets | 250,000 | -- | -- | 250,000 |
| Transfer in | 562,499 | -- | -- | 562,499 |
| Total other financing sources | 812,499 | -- | -- | 812,499 |
| NET CHANGE IN FUND BALANCES | 780,551 | (2,311,493) | (426,052) | (1,956,994) |
| FUND BALANCES, Beginning | 6,599,860 | 8,484,475 | 753,690 | 15,838,025 |
| FUND BALANCES, Ending | $ 7,380,411 | $ 6,172,982 | $ 327,638 | $ 13,881,031 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | |
|---|---|
| Amounts reported for governmental activities in the statement of activities (page 27) are different because: | |
| Net change in fund balances - total governmental funds (page 30) | $ (1,956,994) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 1,800,098 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease capital assets. | (190,384) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 442,523 |
| The issuance of long-term debt (e.g. bonds, leases), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 2,366,239 |
| In the statement of activities, certain operating expenses - compensated absences (vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). During this year, compensated absences increased by $30,411. | (30,411) |
| Change in net assets of governmental activities (page 27) | $ 2,431,071 |

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF NET ASSETS
# PROPRIETARY FUNDS
# JUNE 30, 2010

| | Business-type Activities - Enterprise Funds | |
|---|---|---|
| | Water and Sewerage System Fund | Natural Gas System Fund |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Equity in pooled cash | $ 1,346,003 | $ 2,386,348 |
| Equity in investment pool | -- | 15,834 |
| Cash | 405,379 | 300 |
| Certificate of deposit | -- | 161,369 |
| Notes receivable from Water and Sewerage System Fund - current | -- | 41,576 |
| Accounts receivable, net | 179,907 | 314,968 |
| Other receivables, net | 21,794 | -- |
| Accrued interest receivable | 15,881 | 3 |
| Due from other funds | -- | 3,032,778 |
| Inventories, at cost | -- | -- |
| Prepaid items | 12,715 | 28,528 |
| Restricted assets: | | |
| Customer deposits - certificate of deposit | -- | 220,486 |
| Customer deposits - equity in investment pool | 385,551 | -- |
| Customer deposits | -- | 409,803 |
| Revenue bond debt service: | | |
| Cash - sinking fund | 90,275 | -- |
| Cash - reserve account - certificate of deposit | 2,080,044 | -- |
| Revenue bond contingency (renewal and extension): | | |
| Equity in investment pool | 7,841 | -- |
| Total current assets | 4,545,390 | 6,611,993 |
| NONCURRENT ASSETS: | | |
| CAPITAL ASSETS: | | |
| Land | 151,381 | 324,914 |
| Buildings and plant | 36,949,785 | 14,506,048 |
| Improvements other than buildings | -- | -- |
| Machinery and equipment | 2,184,731 | 869,931 |
| Less - accumulated depreciation | (17,687,773) | (8,233,389) |
| Capital assets - net | 21,598,124 | 7,467,504 |
| OTHER ASSETS: | | |
| Note receivable - water and sewerage system fund - long-term portion | -- | 463,834 |
| Total other assets | -- | 463,834 |
| Total non-current assets | 21,598,124 | 7,931,338 |
| Total assets | $ 26,143,514 | $ 14,543,331 |

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation System Fund | Nonmajor Funds | Total |
| | | | |
| $ | 2,220,999 | $ 694,321 | $ 6,647,671 |
| | 183,018 | -- | 198,852 |
| | 300 | 700 | 406,679 |
| | -- | -- | 161,369 |
| | -- | -- | 41,576 |
| | 113,927 | 196,262 | 805,064 |
| | -- | -- | 21,794 |
| | 31 | -- | 15,915 |
| | -- | -- | 3,032,778 |
| | -- | 14,603 | 14,603 |
| | 13,476 | 1,742 | 56,461 |
| | | | |
| | -- | -- | 220,486 |
| | -- | -- | 385,551 |
| | -- | -- | 409,803 |
| | | | |
| | -- | -- | 90,275 |
| | -- | -- | 2,080,044 |
| | | | |
| | -- | -- | 7,841 |
| | 2,531,751 | 907,628 | 14,596,762 |
| | | | |
| | 89,462 | -- | 565,757 |
| | -- | 3,522,985 | 54,978,818 |
| | -- | 197,027 | 197,027 |
| | 2,777,691 | 1,137,992 | 6,970,345 |
| | (2,508,388) | (2,676,518) | (31,106,068) |
| | 358,765 | 2,181,486 | 31,605,879 |
| | | | |
| | -- | -- | 463,834 |
| | -- | -- | 463,834 |
| | 358,765 | 2,181,486 | 32,069,713 |
| $ | 2,890,516 | $ 3,089,114 | $ 46,666,475 |

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF NET ASSETS
# PROPRIETARY FUNDS
# JUNE 30, 2010

| | Business-type Activities - Enterprise Funds | |
|---|---|---|
| | Water and Sewerage System Fund | Natural Gas System Fund |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 4,246 | $ 147,509 |
| Accrued expenses | 9,943 | 25,547 |
| Note payable to natural gas system fund - current portion | 41,576 | -- |
| Note payable GEFA - current portion | 67,545 | -- |
| Due to other funds | -- | -- |
| Accrued interest payable | 14,065 | -- |
| Payable from restricted assets: | | |
| Customer deposits | 385,551 | 630,289 |
| Revenue bonds payable- current portion | 375,000 | -- |
| Total current liabilities | 897,926 | 803,345 |
| LONG TERM LIABILITIES: | | |
| Compensated absences payable | 75,945 | 43,432 |
| Note payable - natural gas system fund - long-term portion | 463,834 | -- |
| Note payable - GEFA - long-term portion | 1,222,837 | -- |
| Revenue bonds payable - long-term portion | 6,345,709 | -- |
| Total long-term liabilities | 8,108,325 | 43,432 |
| Total liabilities | 9,006,251 | 846,777 |
| NET ASSETS: | | |
| Invested in capital assets, net of related debt | 13,587,033 | 7,467,504 |
| Restricted assets - | | |
| Restricted for debt service | 1,803,160 | -- |
| Unrestricted | 1,747,070 | 6,229,050 |
| Total net assets | 17,137,263 | 13,696,554 |
| Total liabilities and net assets | $ 26,143,514 | $ 14,543,331 |

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation System Fund | Nonmajor Funds | Total |
| | | | |
| | $ 5,378 | $ -- | $ 157,133 |
| | 8,416 | 3,858 | 47,764 |
| | -- | -- | 41,576 |
| | -- | -- | 67,545 |
| | -- | 16,853 | 16,853 |
| | -- | -- | 14,065 |
| | -- | -- | 1,015,840 |
| | -- | -- | 375,000 |
| | 13,794 | 20,711 | 1,735,776 |
| | 60,842 | 16,797 | 197,016 |
| | -- | -- | 463,834 |
| | -- | -- | 1,222,837 |
| | -- | -- | 6,345,709 |
| | 60,842 | 16,797 | 8,229,396 |
| | 74,636 | 37,508 | 9,965,172 |
| | 358,765 | 2,181,486 | 23,594,788 |
| | -- | -- | 1,803,160 |
| | 2,457,115 | 870,120 | 11,303,355 |
| | 2,815,880 | 3,051,606 | 36,701,303 |
| | $ 2,890,516 | $ 3,089,114 | $ 46,666,475 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**
**TO THE STATEMENT OF NET ASSETS**
**JUNE 30, 2010**

Total assets reported for business-type activities in the Statement of Net Assets are different because:

| | |
|---|---|
| Total assets for Statement of Net Assets - Proprietary Funds (page 32) | $ 46,666,475 |
| Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds | (16,853) |
| Elimination of interfund note receivable - water and sewerage system fund | (505,410) |
| Total assets for Statement of Net Assets - Business-type Activities (page 26) | $ 46,144,212 |

Total liabilities reported for business-type activities in the Statement of Net Assets are different because:

| | |
|---|---|
| Total liabilities for Statement of Net Assets - Proprietary Funds (page 33) | $ 9,965,172 |
| Elimination of interfund payables relating to cash overdrafts reflected as due to other funds | (16,853) |
| Elimination of interfund note payable - water and sewerage system fund | (505,410) |
| Total liabilities for Statement of Net Assets - Business-type Activities (page 26) | $ 9,442,909 |

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
# FOR THE YEAR ENDED JUNE 30, 2010

| | Business-type Activities - Enterprise Funds | |
|---|---|---|
| | Water and Sewerage System Fund | Natural Gas System Fund |
| OPERATING REVENUES: | | |
| Sales / charges for services | $ 4,620,790 | $ 7,471,074 |
| Administrative expense reimbursement | 107,195 | 127,930 |
| Connection and installation | 60,529 | 793 |
| Penalties and cut-on fees | 141,575 | 79,185 |
| Other revenue | -- | -- |
| Total operating revenues | 4,930,089 | 7,678,982 |
| OPERATING EXPENSES: | | |
| Purchases | -- | 3,756,841 |
| Personnel services | 1,102,546 | 585,156 |
| Employee benefits | 182,048 | 93,488 |
| Repairs and maintenance | 147,541 | 44,133 |
| Gas transportation | -- | 52,218 |
| Amortization of bond issue cost | 12,449 | -- |
| Depreciation | 943,580 | 434,549 |
| Other operating | 1,459,247 | 753,067 |
| General and administrative | 853,598 | 624,748 |
| Total operating expenses | 4,701,009 | 6,344,200 |
| OPERATING INCOME | 229,080 | 1,334,782 |
| NON-OPERATING REVENUES (EXPENSES): | | |
| Interest expense | (386,915) | -- |
| Interest income | 43,135 | 29,093 |
| Miscellaneous | 310,591 | 652,410 |
| Total non-operating revenues, net | (33,189) | 681,503 |
| NET INCOME BEFORE TRANSFERS | 195,891 | 2,016,285 |
| TRANSFERS OUT | -- | (462,499) |
| Total transfers and contributions | -- | (462,499) |
| CHANGE IN NET ASSETS | 195,891 | 1,553,786 |
| NET ASSETS, Beginning | 16,941,372 | 12,142,768 |
| NET ASSETS, Ending | $ 17,137,263 | $ 13,696,554 |

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation System Fund | Nonmajor Funds | Total |
| | | | |
| $ | 2,501,567 | $ 914,224 | $ 15,507,655 |
| | -- | -- | 235,125 |
| | -- | -- | 61,322 |
| | 46,526 | 1,438 | 268,724 |
| | -- | 117,846 | 117,846 |
| | 2,548,093 | 1,033,508 | 16,190,672 |
| | | | |
| | -- | -- | 3,756,841 |
| | 757,513 | 195,252 | 2,640,467 |
| | 127,707 | 29,877 | 433,120 |
| | 128,017 | 10,230 | 329,921 |
| | -- | -- | 52,218 |
| | -- | -- | 12,449 |
| | 100,414 | 238,389 | 1,716,932 |
| | 985,988 | 517,540 | 3,715,842 |
| | 116,897 | -- | 1,595,243 |
| | 2,216,536 | 991,288 | 14,253,033 |
| | | | |
| | 331,557 | 42,220 | 1,937,639 |
| | | | |
| | -- | -- | (386,915) |
| | -- | -- | 72,228 |
| | 5,149 | -- | 968,150 |
| | 5,149 | -- | 653,463 |
| | 336,706 | 42,220 | 2,591,102 |
| | | | |
| | -- | (100,000) | (562,499) |
| | -- | (100,000) | (562,499) |
| | | | |
| | 336,706 | (57,780) | 2,028,603 |
| | 2,479,174 | 3,109,386 | 34,672,700 |
| | | | |
| $ | 2,815,880 | $ 3,051,606 | $ 36,701,303 |

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF CASH FLOWS
# PROPRIETARY FUNDS
# FOR THE YEAR ENDED JUNE 30, 2010

| | Business-type Activities - Enterprise Funds | |
|---|---|---|
| | Water and Sewerage System Fund | Natural Gas System Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | $ 4,938,393 | $ 8,116,838 |
| Cash received for administrative expense reimbursement | -- | 127,930 |
| Cash paid to suppliers for goods and services | (1,635,949) | (5,114,176) |
| Cash received from other funds for meter readers | 107,195 | -- |
| Cash paid to other funds for meter readers | -- | (107,195) |
| Cash paid to other governments | -- | 300 |
| Cash paid to employees for services | (1,103,354) | (585,156) |
| Cash paid for employee taxes and benefits | (448,882) | (225,369) |
| Cash paid for administrative expense reimbursements | (572,770) | -- |
| Cash received from (paid to) other funds | -- | (3,032,778) |
| Other non-operating revenue | 310,591 | 652,410 |
| Net cash provided (used) by operating activities | 1,595,224 | (167,196) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Transfers out | -- | (462,499) |
| Net cash used by noncapital financing activities | -- | (462,499) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition and construction of capital assets | (198,743) | (327,454) |
| Interest income on note receivable from water and sewerage system fund | -- | 26,351 |
| Proceeds from principal reduction on note receivable from water and sewerage system fund | -- | 39,552 |
| Principal paid on note payable - natural gas system fund | (39,552) | -- |
| Principal paid on GEFA loan | (64,678) | -- |
| Interest and fees paid on revenue bonds, notes and capital lease payables | (387,620) | -- |
| Principal paid on revenue bond maturities | (365,000) | -- |
| Net cash used for capital and related financing activities | (1,055,593) | (261,551) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest income on investments | 31,621 | 2,744 |
| Redemption of certificates of deposit | 777,976 | 372,823 |
| Purchase of certificates of deposit | (2,080,044) | (381,855) |
| Net cash provided (used) by investing activities | (1,270,447) | (6,288) |
| NET INCREASE (DECREASE) IN CASH | (730,816) | (897,534) |
| CASH, Beginning | 2,965,865 | 3,709,819 |
| CASH, Ending | $ 2,235,049 | $ 2,812,285 |

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation System Fund | Nonmajor Funds | Total |
| | | | |
| $ | 2,550,856 | $ 857,777 | $ 16,463,864 |
| | -- | -- | 127,930 |
| | (865,904) | (520,359) | (8,136,388) |
| | -- | -- | 107,195 |
| | -- | -- | (107,195) |
| | -- | -- | 300 |
| | (757,513) | (195,588) | (2,641,611) |
| | (368,014) | (62,219) | (1,104,484) |
| | (119,772) | -- | (692,542) |
| | -- | 16,853 | (3,015,925) |
| | 5,149 | -- | 968,150 |
| | 444,802 | 96,464 | 1,969,294 |
| | | | |
| | -- | (100,000) | (562,499) |
| | -- | (100,000) | (562,499) |
| | | | |
| | (27,396) | (60,762) | (614,355) |
| | -- | -- | 26,351 |
| | | | |
| | -- | -- | 39,552 |
| | -- | -- | (39,552) |
| | -- | -- | (64,678) |
| | -- | -- | (387,620) |
| | -- | -- | (365,000) |
| | (27,396) | (60,762) | (1,405,302) |
| | | | |
| | 28 | -- | 34,393 |
| | | | 1,150,799 |
| | -- | -- | (2,461,899) |
| | 28 | -- | (1,276,707) |
| | | | |
| | 417,434 | (64,298) | (1,275,214) |
| | 1,986,883 | 759,319 | 9,421,886 |
| $ | 2,404,317 | $ 695,021 | $ 8,146,672 |

(continued on the following page)

The accompanying Notes to Financial Statements are an integral part of these statements.

# CITY OF DUBLIN, GEORGIA
# STATEMENT OF CASH FLOWS
# PROPRIETARY FUNDS
# FOR THE YEAR ENDED JUNE 30, 2010

| | Business-type Activities - Enterprise Funds | |
|---|---|---|
| | Water and Sewerage System Fund | Natural Gas System Fund |
| RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET: | | |
| Cash, beginning | | |
| Current | $ 1,296,948 | $ 3,709,819 |
| Restricted | 1,668,917 | -- |
| Total | 2,965,865 | 3,709,819 |
| Net increase (decrease) | | |
| Current | 454,434 | (1,307,337) |
| Restricted | (1,185,250) | 409,803 |
| Total | (730,816) | (897,534) |
| Cash, ending | | |
| Current | 1,751,382 | 2,402,482 |
| Restricted | 483,667 | 409,803 |
| Total | $ 2,235,049 | $ 2,812,285 |
| RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Net operating income | $ 229,080 | $ 1,334,782 |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | |
| Depreciation | 943,580 | 434,549 |
| Amortization of bond issue cost | 12,449 | -- |
| Other non-operating revenue | 310,591 | 652,410 |
| Decrease (increase) in assets: | | |
| Accounts receivable - trade | 97,471 | 150,843 |
| Due from other funds | -- | (3,032,778) |
| Accounts receivable - miscellaneous | -- | -- |
| Inventory | -- | 299,125 |
| Prepaid expenses | 52,572 | 67,972 |
| (Decrease) increase in liabilities: | | |
| Accounts payable | (67,739) | (477,992) |
| Due to (from) other funds | -- | -- |
| Due to other governments | -- | 300 |
| Accrued expenses | (808) | (11,350) |
| Customer deposits | 18,028 | 414,943 |
| Total adjustments | 1,366,144 | (1,501,978) |
| Net cash provided (used) by operating activities | $ 1,595,224 | $ (167,196) |

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation System Fund | Nonmajor Funds | Total |
| | | | |
| | $ 1,986,883 | $ 759,319 | $ 7,752,969 |
| | -- | -- | 1,668,917 |
| | 1,986,883 | 759,319 | 9,421,886 |
| | | | |
| | 417,434 | (64,298) | (499,767) |
| | -- | -- | (775,447) |
| | 417,434 | (64,298) | (1,275,214) |
| | | | |
| | 2,404,317 | 695,021 | 7,253,202 |
| | -- | -- | 893,470 |
| | $ 2,404,317 | $ 695,021 | $ 8,146,672 |
| | | | |
| | $ 331,557 | $ 42,220 | $ 1,937,639 |
| | | | |
| | 100,414 | 238,389 | 1,716,932 |
| | -- | -- | 12,449 |
| | 5,149 | -- | 968,150 |
| | | | |
| | 1,099 | (175,731) | 73,682 |
| | -- | -- | (3,032,778) |
| | 1,664 | -- | 1,664 |
| | -- | (336) | 298,789 |
| | 55,720 | 7,204 | 183,468 |
| | | | |
| | (50,801) | (31,798) | (628,330) |
| | -- | 16,853 | 16,853 |
| | -- | -- | 300 |
| | -- | (337) | (12,495) |
| | -- | -- | 432,971 |
| | 113,245 | 54,244 | 31,655 |
| | $ 444,802 | $ 96,464 | $ 1,969,294 |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF DUBLIN, GEORGIA**
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**
**DUBLIN BOARD OF EDUCATION AGENCY FUND**
**JUNE 30, 2010**

| | |
|---|---|
| ASSET | |
| Equity (deficit) in pooled cash | $ (53,548) |
| Total assets | $ (53,548) |
| LIABILITY | |
| Due to (from) Dublin Board of Education | $ (53,548) |
| Total liabilities | $ (53,548) |

The accompanying Notes to Financial Statements are an integral part of these statements.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Dublin, Georgia (City) was incorporated in 1812 under the provisions of an act of the General Assembly of Georgia. The City operates under a mayor-council form of government and provides the following services as authorized by its charter; public safety (police and fire), highways and streets, sanitation, public infrastructure improvements, planning and zoning, general administrative services, water and sewer systems, a natural gas system and parks and recreation services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board ("FASB") issued after November 30, 1989 are not applied in the preparation of the financial statements of the business-type activities and enterprise funds in accordance with an election made by the City under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.* The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

### A. Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The component units are discretely presented.

Brief descriptions of discretely presented component units follow:

**Dublin-Laurens County Recreation Authority** - This Authority provides parks and recreation services, parkways, athletic areas and recreation facilities to the Dublin-Laurens County area. The governing board consists of seven members, three appointed by the City, three appointed by Laurens County and one jointly. The Authority is fiscally dependent upon the City because the City provides the majority of the General Fund revenues as well as the governing board members. These members approve the Authority's budget and their approval is required for the Authority to issue debt.

**Main Street Dublin-Downtown Development Authority** - The combination of this Authority and the organization established under the Georgia Main Street Program is to provide the financial mechanism necessary to promote the improvement and revitalization of the downtown development area. The governing board is appointed by the City Council. The Authority is fiscally dependent upon the City because the City provides the majority of the General Fund revenues.

**Component Unit Financial Statements** - A complete financial statement of the Dublin-Laurens Recreation Authority can be obtained from its administrative office at the following address:

Dublin Parks and Recreation Board
930 Academy Avenue
Dublin, Georgia 31021

The Main Street Dublin-Downtown Development Authority does not issue separate component unit financial Statements.

**Related Organizations -** The City's officials are also responsible for appointing the members of the Dublin Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments. The City is also involved with the Laurens County Public Facilities Authority through an Intergovernmental Contract agreement regarding the 2007 Revenue Bond Issuance; however, the seven members of the Authority are not appointed by the City of Dublin, Georgia, and the City's accountability does not extend beyond those issues relating to the bond.

Governmental accounting standards require reasonable separation between the Primary Government and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

## B. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an on-going financial responsibility. The City participates in the following joint venture:

Altamaha Regional Commission – Under Georgia law, the City, in conjunction with other cities and counties in the region, is a member of the Heart of Georgia, Altamaha Regional Commission (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2010, the City paid $17,263 in such dues. Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC of Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from:

Altamaha Regional Commission
5045 Oak Street
Eastman, Georgia 31023

## C. Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. Fiduciary funds and component units that are fiduciary in nature are not included in the government-wide financial statements. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property and other taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, service assessments, and charges for services. The operating grants include operating - specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property or other taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the pre GASB-34 model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following the statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The City's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (Dublin Board of Education) and cannot be used to finance activities or obligations of the City, these funds are not incorporated into the government-wide statements.

## D. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major governmental funds:

**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.

**SPLOST Capital Projects - 2006 Fund** accounts for 1% sales tax proceeds required to be used for capital outlay for infrastructure enhancement purposes as authorized by local referendum.

The City reports the following major proprietary funds:

**Water and Sewerage System Fund** was established for the control of the operating revenue and expenses of the water distribution system and sewerage processing plants.

**Natural Gas System Fund** was established for control of the operating revenue and expenses of the natural gas distribution and transmission system. During FY 2010, sales to four major customers represented approximately 46.65% of total sales by the gas fund.

**Sanitation System Fund** was established for control of the operating revenues and expenses relating to garbage pickup and disposal.

Additionally, the City reports the following nonmajor governmental funds:

**SPLOST Capital Projects - 2003 Fund** accounts for 1% sales tax proceeds required to be used for capital outlay for infrastructure enhancement purposes as authorized by local referendum.

**Hotel/Motel Tax Fund** accounts for the revenues and expenditures relating to the 8% hotel/motel tax levied by the City. This 8% tax provides funds for the promotion of tourism, theater facilities, and recreational purposes as required by O.C.G.A. 48-13-51.

Additionally, the City reports the following nonmajor proprietary funds:

**Riverview Golf Course** was established for control of the operating revenues and expenses of the City's 18-hole golf course and pro shop.

**Telecommunications Fund** was established for control of the operating revenues and expenses relating to the City's fiber optic network. The Georgia Public Service Commission (the Commission) granted the City an interim certificate of authority to provide competitive local exchange telecommunications services in the State of Georgia. This interim certificate is subject to the rules, regulations and conditions established by the Commission. As of June 30, 2010, the City has not begun performing such services.

**Fiduciary Funds –**

**Agency funds** are used to report resources held by the City in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations or other governments. The **Dublin Board of Education Agency Fund** is used to account for the collection of property tax revenues for the Dublin Board of Education.

**Non-Current Governmental Assets/Liabilities:**

GASB Statement No. 34 *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments,* eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

**Internal Activity**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer functions, gas functions, and telecommunications functions with various other functions of the government. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

## E. 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.

The government-wide financial statements, the proprietary fund financial statements, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become available when cash is received by the City and are recognized as revenue at that time.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other requirements have been met.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

Propriety funds employ the economic resources measurement focus. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## F. Assets, Liabilities, and Net Assets

1. ***Cash and Cash Equivalents*** - include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Additionally, in accordance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds*, each fund's equity in the City's investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

   State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the City's investment pool.

   Investments are reflected following the guidance for investment valuations provided by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in non-negotiable certificates of deposit are stated using a cost-based measure. The City invests in "Georgia Fund 1" which was created by O.C.G.A. 36-83-8. The fund is a stable net asset value investment pool that follows Standard and Poor's criteria for AAAm rated money market funds. However, "Georgia Fund 1" operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Accordingly, the City's investment in the pool has been determined based on the pool's share price. The pool is not registered with the SEC as an investment company. "Georgia Fund 1" is the combined state general fund and local government investment pool and is managed by the Office of Treasury and Fiscal Services. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Investments in "Georgia Fund 1" are directed toward short-term instruments such as U.S. Treasury obligations, securities issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, banker's acceptances and repurchase agreements. The weighted average maturity of "Georgia Fund 1" may not exceed 60 days.

   The City also has certain investments in Certificates of Deposit. These investments carry a fixed interest rate and have maturities of 13 months or less.

2. ***Short-term Interfund Receivables/Payables*** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The purpose of the interfund balances is to account for those transactions that have not been settled as of the financial statement date. These receivables and payables are classified as "due from other funds" or "due to other funds" on the respective fund's balance sheet and as internal balances on the statement of net assets. All interfund balances shown are expected to be settled within one year.

3. ***Accounts Receivable and Taxes Receivable*** **-** Accounts receivable and taxes receivable, are shown net of an allowance for uncollectible accounts. The allowance for general government accounts receivable is derived from the age of the individual receivable with age categories ranging from 30 days past due to five years past due, and applicable uncollectible percentages ranging from 3% to 100% of the accounts receivable in that category.

   Utility service accounts receivable reported in the enterprise funds is reported net of an allowance for uncollectible amounts. The uncollectible amounts are based on collection experience and a review of the status of existing receivables.

4. ***Interfund Transactions*** - The City has two types of interfund transactions:

   - Services rendered transactions are accounted for as revenues and expenditures in the funds involved.

   - Operating appropriations/subsidies are accounted for as transfers in the funds involved.

   Intrafund transfers, except interfund services provided and used and reimbursements, are reported as transfers in or out in the funds involved as other financing sources. However, as a general rule recorded intrafund revenues and expenditures have been eliminated in the GAAP-basis government wide financial statements.

5. ***Prepaid Items*** - Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items.

6. ***Unbilled Receivables*** - The City uses cyclical cut-off periods for utility services in the Enterprise Funds. Utility services consumed by customers between the fiscal year cut-off date and the billing date result in unbilled accounts receivable. These unbilled receivables are not recorded at June 30, 2010. Such treatment is consistent with industry practices.

7. ***Inventories*** - Inventories are valued at cost, which approximates market, using the first in/first out method. The consumption method is used to account for inventories of the City. Natural gas inventories are valued at the lower of weighted average costs or market.

8. ***Restricted Assets*** - Restricted assets are amounts in governmental funds as provided for by special revenue bond resolutions and in enterprise funds as provided for by water and sewer bond resolutions.

9. ***Capital Assets*** - Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized in the government-wide financial statements to the extent the City's capitalization threshold of $5,000 is met. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the estimated useful lives of the respective assets as follows:

| | |
|---|---|
| Buildings and plant | 15 - 50 years |
| Improvements other than buildings | 30 - 50 years |
| Machinery and equipment | 5 - 10 years |
| Infrastructure | 30 years |

10. ***Compensated Absences*** - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-side and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

11. ***Long-term Obligations*** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

    In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financings sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt services expenditures.

12. ***Net Assets:*** - The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

    - **Investment in Capital Assets (net of related debt)** - is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding capital asset related debt.

    - **Restricted Net Assets** - represent funds for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

    - **Unrestricted Net Assets -** represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

    When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

13. ***Management Estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between *net changes in fund balances - total governmental fund* and *changes in net assets of governmental activities*. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation in the current period." The details of this difference are as follows:

| | |
|---|---|
| Capital outlay | $ 7,105,749 |
| Depreciation expense | (1,619,544) |
| Decreases in construction in progress accounts | (3,686,107) |
| Net adjustment to decrease *net changes in fund balance – total governmental funds*, to arrive at changes in *net assets of governmental activities* | $ 1,800,098 |

### B. Explanation of certain differences between the governmental fund balance sheet, and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $6,577,471 difference are as follows:

| | |
|---|---|
| Bonds payable (net of bond premiums and issuance costs) | $ 5,813,132 |
| Capital leases payable | 367,572 |
| Compensated absences | 396,767 |
| Net adjustment to reduce *fund balance – total governmental funds* to arrive at changes in *net assets of governmental activities* | $ 6,577,471 |

## III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budget Policy

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the SPLOST Capital Projects -2003 fund and the SPLOST Capital Projects - 2006 fund, which adopt a project-length budget. On or before the last Friday in February of each year, the departments of the City's General Fund submit requests for appropriation to the City's manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 15, the proposed budget is presented to the City's council for review. The City's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's manager or the revenue estimates must be changed by an affirmative vote of a majority of the City's council. The original appropriations were not amended during the year ended June 30, 2010.

### B. Component Units

The Dublin Parks and Recreation Board is required by the City's code to prepare an annual operating budget for all governmental fund types. The budget is prepared and submitted by the Administrator to the Board for approval. The approved budget is then submitted to the Mayor and Council for their consideration prior to the commencement of the ensuing fiscal year.

The budget of the Dublin Parks and Recreation Board is prepared on a generally accepted accounting principles basis. Budgets for the year ended June 30, 2010 were not prepared for the Main Street Dublin-Downtown Development Authority.

### C. Excess of Expenditures Over Appropriations in Individual Funds

The individual departments which had expenditures in excess of appropriations are as follows:

In the current year, the City of Dublin had no individual departments which had expenditures in excess of appropriations.

The City incurred no material excess of expenditures over appropriations in individual funds.

### D. Deficit Fund Equity

The Riverview Golf Course Fund had a deficit fund balance of $1,943 as of June 30, 2010. The fund incurred more other operating expense than anticipated. Should the budgeted revenue for the upcoming fiscal year fall short of anticipated expenses, the City plans to transfer funds from the general fund to cover the expenses.

## IV. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

A summary of the City's deposits and investments at June 30, 2010 follows:

| | Account Balances |
|---|---|
| Petty Cash | $ 2,605 |
| Demand deposits | 14,424,682 |
| Certificates of deposit | 4,992,626 |
| Investments | 9,201,547 |
| | $ 28,621,460 |

| | Ownership of Funds |
|---|---|
| Primary Government | |
| Governmental funds: | |
| Equity in pooled cash | $ 88,552 |
| Equity in investment pool | 8,609,303 |
| Cash | 5,736,271 |
| Certificates of deposit | 2,530,727 |
| Restricted cash | 5,549 |
| | 16,970,402 |
| Proprietary funds: | |
| Equity in pooled cash | 6,647,671 |
| Equity in investment pool | 198,852 |
| Cash | 406,679 |
| Certificates of deposit | 161,369 |
| Restricted equity in investment pool | 393,392 |
| Restricted cash | 500,078 |
| Restricted certificates of deposit | 2,300,530 |
| | 10,608,571 |
| Component Units | |
| Cash and cash equivalents | 1,042,487 |
| Total reporting entity | $ 28,621,460 |

At June 30, 2010, the City had the following investments:

| Investment | Maturities | Fair Value |
|---|---|---|
| Georgia Fund 1 (investment pool) | 28 days | $ 9,201,547 |
| Certificate of Deposit – SPLOST 2006 | 12 months | 2,530,727 |
| Certificate of Deposit – Gas Fund | 13 months | 381,855 |
| Certificate of Deposit water reserve account | 12 months | 2,080,044 |

***Deposits**:*

The City's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the City's custodial banks in the City's name.

**Custodial Credit Risk** is the risk that in the event of a bank failure, the City's deposits (in excess of FDIC insurance) may not be returned to us. The City has no custodial credit risk policy.

***Investments:***

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices from those authorized and listed in Note A. As of June 30, 2010 the City's investments in Georgia Fund 1 were rated AAA by Standard and Poor's.

## B. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City and City School System taxes are levied on July 1 and payable in two installments on August 15 and December 15. The City bills and collects its own property taxes and also taxes for the City School system. City property tax revenues are recognized when received unless collection is made within 60 days of year-end, in which case the subsequent collections are recognized at year-end. For calendar year 2009, the City levied a tax of five and 327/1000 (5.327) mills on the value of all taxable property in the City. The City School System levied a tax of sixteen and 77/100 (16.77) mills. The net digest assessed value for 2009 was $511,931,258 on property in the City including mobile homes and vehicles.

Sources of the calendar year 2009 tax levy are as follows:

| | Digest Assessed Value | Tax Levy, net of exemptions and allowances | City School System's Portion | City's Portion |
|---|---|---|---|---|
| General property | $ 461,076,778 | $ 10,188,414 | $ 7,732,258 | $ 2,456,156 |
| Public utilities | 10,869,399 | 240,181 | 182,280 | 57,901 |
| Motor vehicles | 39,985,081 | 883,550 | 670,550 | 213,000 |
| Total | $ 511,931,258 | $ 11,312,145 | $ 8,585,088 | $ 2,727,057 |

## C. Receivables

As of June 30, 2010 receivables consisted of taxes and charges for City services. These receivables are trade related and no specific collateral is provided for them.

Receivables consisted of the following at June 30, 2010:

| | General | Proprietary | Total |
|---|---|---|---|
| Receivables: | | | |
| Taxes | $ 286,674 | $ -- | $ 286,674 |
| Less allowance for uncollectible accounts | 20,000 | -- | 20,000 |
| Net taxes receivable | $ 266,674 | $ -- | $ 266,674 |
| Accounts and other | $ 110,453 | $ 918,246 | $ 1,028,699 |
| Less allowance for uncollectible accounts | -- | 91,388 | 91,388 |
| Net accounts receivable | $ 110,453 | $ 826,858 | $ 937.311 |

## D. Receivables from Other Governments

General Fund receivables from other governments as of June 30, 2010, are as follows:

| | |
|---|---|
| State of Georgia - local option sales tax | $ 218,961 |

## E. Local Option Sales Tax

On January 9, 1978, the citizens of Laurens County approved, by referendum vote, a 1% local option sales tax to be effective on April 1, 1978, and to be collected by the State of Georgia and remitted to the local government divisions. Under the laws of the State of Georgia, any jurisdiction imposing the 1% local option sales tax is required to roll back advalorem taxes each year by an amount equal to the actual sales tax received over a 12-month period. Local option sales tax for the year ended June 30, 2010, was $2,880,391.

## F. Interfund Receivables, Payables, and Transfers

A summary of individual interfund receivable and payable balances at June 30, 2010, and a summary of fund transfers for the year then ended follows:

| | Payable to | | |
|---|---|---|---|
| Payable from: | General Fund | SPLOST Capital Projects 2003 | Gas Fund |
| Governmental funds: | | | |
| General | $ -- | $ -- | $ 2,094,192 |
| Hotel/Motel Tax Fund | 28,583 | -- | -- |
| SPLOST Capital Projects 2006 | -- | 50,604 | 921,733 |
| Riverview Golf Course | -- | -- | 16,853 |
| Total Primary Government | $ 28,583 | $ 50,604 | $ 3,032,778 |

The amount payable from the Hotel/Motel Tax Fund to the General Fund represents the General Fund's receivable for its portion of the Hotel/Motel tax receipts collected as of June 30, 2010, but not yet disbursed. The amount payable from the SPLOST Capital Projects 2006 fund to the SPLOST Capital Projects 2003 fund relates to amounts spent which were classified as SPLOST Capital Projects 2006 expenditures that were expenditures approved by the SPLOST 2003 referendum. Amounts owed from one SPLOST fund to the other were repaid shortly after year end. All interfund receivables and payables are expected to be repaid within one year.

| | Transfers in |
|---|---|
| Transfers out: | General Fund |
| Proprietary Funds: | |
| Natural Gas System Fund | $ 462,499 |
| Telecommunications Fund | 100,000 |
| Total Primary Government | $ 562,499 |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other fund in accordance with budgetary authorizations; and to segregate money for anticipated capital projects.

## G. Restricted Assets

Restricted assets reported in the governmental funds are comprised of the following:

| | |
|---|---|
| Revenue bonds contingency | $ 5,549 |

Restricted assets reported in the enterprise funds are comprised of the following:

| | |
|---|---|
| Customer deposits | $ 1,015,840 |
| Revenue bonds debt service | 2,170,319 |
| Revenue bonds contingency (renewal and extension) | 7,841 |
| | $ 3,194,000 |

## H. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

***Primary Government***

| | Balance July 1, 2009 | Increases | Decreases | Balance June 30, 2010 |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated - | | | | |
| Land | $ 1,380,911 | $ -- | $ 44,719 | $ 1,336,192 |
| Construction in progress | 2,980,793 | 705,314 | 3,686,107 | -- |
| Total capital assets not being depreciated | 4,361,704 | 705,314 | 3,730,826 | 1,336,192 |
| Capital assets, being depreciated: | | | | |
| Buildings and plant | 6,838,689 | 3,818,649 | 421,851 | 10,235,487 |
| Improvements other than buildings | 9,736,149 | 41,157 | 164,330 | 9,612,976 |
| Machinery and equipment | 7,397,314 | 387,939 | -- | 7,785,253 |
| Infrastructure | 26,158,455 | 2,152,690 | -- | 28,311,145 |
| Total capital assets being depreciated | 50,130,607 | 6,400,435 | 586,181 | 55,944,861 |
| Less accumulated depreciation for: | | | | |
| Buildings and plant | 5,089,487 | 172,946 | 322,137 | 4,940,296 |
| Improvements other than buildings | 7,659,653 | 199,930 | 118,378 | 7,741,205 |
| Machinery and equipment | 5,857,835 | 393,929 | -- | 6,251,764 |
| Infrastructure | 14,142,292 | 852,739 | -- | 14,995,031 |
| Total accumulated depreciation | 32,749,267 | 1,619,544 | 440,515 | 33,928,296 |
| Total capital assets, being depreciated, net | 17,381,340 | 4,780,891 | 145,666 | 22,016,565 |
| Governmental activities capital assets, net | $ 21,743,044 | $ 5,486,205 | $ 3,876,492 | $ 23,352,757 |

| | Balance July 1, 2009 | Increases | Decreases | Balance June 30, 2010 |
|---|---|---|---|---|
| **Business-type activities::** | | | | |
| Capital assets, not being depreciated - | | | | |
| Land | $ 565,757 | $ -- | $ -- | $ 565,757 |
| Total capital assets not being depreciated | 565,757 | -- | -- | 565,757 |
| Capital assets, being depreciated: | | | | |
| Buildings and plant | 54,476,065 | 502,753 | -- | 54,978,818 |
| Improvements other than buildings | 197,027 | -- | -- | 197,027 |
| Machinery and equipment | 6,858,743 | 111,602 | -- | 6,970,345 |
| Total capital assets being depreciated | 61,531,835 | 614,355 | -- | 62,146,190 |
| Less accumulated depreciation for: | | | | |
| Buildings and plant | 23,358,288 | 1,403,253 | -- | 24,761,541 |
| Improvements other than buildings | 192,141 | 958 | -- | 193,099 |
| Machinery and equipment | 5,838,707 | 312,721 | -- | 6,151,428 |
| Total accumulated depreciation | 29,389,136 | 1,716,932 | -- | 31,106,068 |
| Total capital assets, being depreciated, net | 32,142,699 | (1,102,577) | -- | 31,040,122 |
| Business-type activities capital assets, net | $ 32,708,456 | $ (1,102,577) | $ -- | $ 31,605,879 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 967,476 |
| Public safety | 135,375 |
| Public works and buildings | 266,986 |
| Highways and streets | 246,677 |
| Culture and recreation | 3,030 |
| Total depreciation expense – governmental activities | $ 1,619,544 |
| Business-type activities: | |
| Water and sewer | $ 943,580 |
| Gas | 434,549 |
| Sanitation | 100,414 |
| Riverview Golf Course | 15,479 |
| Telecommunications | 222,910 |
| Total depreciation expense – business-type activities | $ 1,716,932 |

***Discretely Presented Component Units***

Activity for **Dublin-Laurens County Recreation Authority** for the year ended June 30, 2010 was as follows:

| | Balance July 1, 2009 | Increases | Decreases | Balance June 30, 2010 |
|---|---|---|---|---|
| Capital assets, being depreciated: | | | | |
| Buildings and plant | $ 6,498,294 | $ 546,738 | $ -- | $ 7,045,032 |
| Improvements other than buildings | 462,552 | 29,765 | -- | 492,317 |
| Machinery and equipment | 840,386 | 22,482 | -- | 862,868 |
| Total capital assets being depreciated | 7,801,232 | 598,985 | -- | 8,400,217 |
| Less accumulated depreciation for: | | | | |
| Buildings and plant | 950,556 | 248,083 | -- | 1,198,639 |
| Improvements other than buildings | 226,692 | 46,583 | -- | 273,275 |
| Machinery and equipment | 501,528 | 63,829 | -- | 565,357 |
| Total accumulated depreciation | 1,678,776 | 358,495 | -- | 2,037,271 |
| Total capital assets, being depreciated, net | $ 6,122,456 | $ 240,490 | $ -- | $ 6,362,946 |
| Dublin-Laurens County Recreation Authority, capital assets, net | $ 6,122,456 | $ 240,490 | $ -- | $ 6,362,946 |

Activity for **Main Street Dublin-Downtown Development Authority** for the year ended June 30, 2010 was as follows:

| | Balance July 1, 2009 | Increases | Decreases | Balance June 30, 2010 |
|---|---|---|---|---|
| Capital assets, not being depreciated - | | | | |
| Land | $ -- | $ 126,150 | $ -- | $ 126,150 |
| Total capital assets not being depreciated | -- | 126,150 | -- | 126,150 |
| Capital assets, being depreciated: | | | | |
| Buildings and plant | $ 351,144 | $ -- | $ -- | $ 351,144 |
| Machinery and equipment | 1,957 | -- | -- | 1,957 |
| Total capital assets being depreciated | 353,101 | -- | -- | 353,101 |
| Less accumulated depreciation for: | | | | |
| Buildings and plant | 43,218 | 12,028 | -- | 55,246 |
| Machinery and equipment | 1,957 | -- | -- | 1,957 |
| Total accumulated depreciation | 45,175 | 12,028 | -- | 57,203 |
| Total capital assets, being depreciated, net | $ 307,926 | $ (12,028) | $ -- | $ 295,898 |
| Main Street Dublin – Downtown Development Authority capital assets, net | $ 307,926 | $ 114,122 | $ -- | $ 422,048 |

## I. Capital Leases

### Capital Lease Payable – Branch Bank & Trust

During fiscal year 2008, the City entered into a capital lease agreement with the Georgia Municipal Association, Inc. for the purchase of a 2007 Crimson Gladiator Ladder Truck with an original amount of $630,000. Shortly after the initial agreement, the lease was assigned and transferred to Branch Bank & Trust. Annual payments are $99,597 beginning June 1, 2008 and ending June 1, 2014 at an interest rate of 3.30%. The current portion of the lease due in FY 2011 is $87,468.

The annual requirements to amortize the remaining balance of $367,572 as of June 30, 2010, including interest payments of $30,814 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | $ 87,468 | $ 12,129 | $ 99,597 |
| 2012 | 90,353 | 9,244 | 99,597 |
| 2013 | 93,335 | 6,262 | 99,597 |
| 2014 | 96,416 | 3,181 | 99,597 |
| Total | $ 367,572 | $ 30,816 | $ 398,388 |

The assets acquired through these capital leases are as follows:

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Machinery and equipment | $ 630,000 | $ -- |
| Less accumulated depreciation | 73,500 | -- |
| Total | $ 556,500 | $ -- |

## J. Note Payable (Receivable) - Other Fund

Pursuant to a resolution adopted during the year ended June 30, 1985, Council authorized the City's Natural Gas System Fund to loan up to $800,000 to the City's Water and Sewerage System Fund for improvements to the City's water and sewerage system. The loan agreement, which was renewed in February 2005 calls for amortization of the loan to begin in July 2005, and to continue through February 2020 with monthly payments of $5,492, including interest at the rate of 5%.

As of June 30, 1989, the authorized amount of $800,000 had been loaned to the Water and Sewerage Fund. There was no interest accrued as of June 30, 2010. The annual requirements to amortize the remaining balance of $505,410 to maturity, including interest of $133,348 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | $ 41,576 | $ 24,326 | $ 65,902 |
| 2012 | 43,703 | 22,199 | 65,902 |
| 2013 | 45,939 | 19,963 | 65,902 |
| 2014 | 48,289 | 17,613 | 65,902 |
| 2015 | 50,760 | 15,142 | 65,902 |
| 2016-2020 | 275,143 | 34,105 | 309,248 |
| Total | $ 505,410 | $ 133,348 | $ 638,758 |

## K. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2010:

***Primary Government***

| | Beginning Balance | Additions | Payments/ Retirements | Ending Balance | Current Portion | Long-term Portion |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| Revenue bonds payable: | $ 8,000,000 | $ -- | $ (2,250,000) | $ 5,750,000 | $ -- | $ 5,750,000 |
| Less deferred amounts: | | | | | | |
| For bond premiums | 210,142 | -- | (70,048) | 140,094 | -- | 140,094 |
| For issuance discounts | (115,444) | -- | 38,482 | (76,962) | -- | (76,962) |
| Total bonds payable | 8,094,698 | -- | (2,281,566) | 5,813,132 | -- | 5,813,132 |
| Compensated absences payable | 366,356 | 30,411 | (--) | 396,767 | 28,000 | 368,767 |
| Capital Lease Payable Ladder Truck – BBT | 452,246 | -- | (84,674) | 367,572 | 87,468 | 280,104 |
| Governmental activity - long-term liabilities | $ 8,913,300 | $ 30,411 | $ (2,366,240) | $ 6,577,471 | $ 115,468 | $ 6,462,003 |

**Business-type activities:**

| | Beginning Balance | Additions | Payments/ Retirements | Ending Balance | Current Portion | Long-term Portion |
|---|---|---|---|---|---|---|
| Revenue bonds payable | $ 7,260,000 | $ -- | $ (365,000) | $ 6,895,000 | $ 375,000 | $ 6,520,000 |
| Less deferred amounts: | | | | | | |
| For bond issuance discounts | (186,740) | -- | 12,449 | (174,291) | -- | (174,291) |
| Total bonds payable | 7,073,260 | -- | (352,551) | 6,720,709 | 375,000 | 6,345,709 |
| Compensated absences payable | 197,016 | -- | (--) | 197,016 | 18,000 | 179,016 |
| Note Payable – GEFA | 1,355,060 | -- | (64,678) | 1,290,382 | 67,545 | 1,222,837 |
| Notes payable - Natural Gas System | 544,962 | -- | (39,552) | 505,410 | 41,576 | 463,834 |
| Business-type activity - long-term liabilities | $ 9,170,298 | $ -- | $ (456,781) | $ 8,713,517 | $ 502,121 | $8,211,396 |

Compensated absences for governmental activities are generally liquidated by the General Fund.

The notes payable – natural gas system loan is an internal loan between two business type-funds and is eliminated on the statement of net assets.

**Revenue Bonds Payable**

**Laurens County Public Facilities Authority Revenue Bonds (City of Dublin Projects), Series 2007 -** On July 1, 2007, the Laurens County Public Facilities Authority under authority of an Intergovernmental Contract with the City of Dublin, Georgia issued $12,000,000 in variable rate revenue bonds to provide funds to pay the costs of acquiring, constructing, and equipping capital outlay projects for the City and pay the necessary costs of issuing the bonds. Repayment of the Bonds will be made by the City through the use of special purpose local option sales tax proceeds. The promise of the City to make such payments pursuant to the contract constitutes a general obligation for which its full faith, credit, and taxing power are pledged.

The bonds will bear interest at the rates per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on July 1 in the years and principal amounts, set forth below. Interest shall be payable on January 1 and July 1 of each years, beginning January 1, 2008. Principal is payable each year on July 1 beginning on July 1, 2009.

Series 2007 revenue bonds payable at June 30, 2010, are comprised of the following individual issue:

$12,000,000 bonds due in annual installments of $2,000,000 to $3,000,000 through December 31, 2012; interest at 4.25% to 5.00%.

| | |
|---|---|
| Outstanding balance at June 30, 2010 | $ 5,750,000 |
| Current portion | -- |
| Long-term portion | $ 5,750,000 |

The FY 2010 principal and interest payment due on July 1, 2010 was made by the City on June 30, 2010; therefore no amount is shown as current portion due in FY 2010 as the payment was reflected as being paid in FY 2010.

The annual requirements to amortize outstanding revenue bonds as of June 30, 2010, including interest payments of $437,500 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | -- | -- | -- |
| 2012 | 2,750,000 | 287,500 | 3,037,500 |
| 2013 | 3,000,000 | 150,000 | 3,150,000 |
| Total | $ 5,750,000 | $ 437,500 | $ 6,187,500 |

**Water and Sewer Revenue Refunding and Improvement Bonds, Series 2004 -** On June 1, 2004, the City issued $8,760,000 in fixed rate revenue bonds to provide funds to currently refund and redeem all outstanding water and sewer revenue bonds of the City to acquire, construct, and equip extensions of and additions and improvements to the City's water and sewer system, fully fund the Debt Service Reserve Account, and pay the necessary costs of issuing the bonds. The revenues of the Water and Sewerage System Fund are pledged to secure these outstanding bonds

Provisions of the revenue bonds require:

(1) monthly sinking fund contributions of the prorata share of principal and interest
(2) a reserve account which has on deposit the highest debt service requirement in any current or future sinking fund year
(3) a renewal and extension fund in which on January 1 of each year all but enough cash to fund two months of operating expenses will be transferred from the operating fund to the renewal and extension fund.

Series 2004 revenue bonds payable at June 30, 2010, are comprised of the following individual issue:

$8,760,000 water and sewer bonds due in annual installments of $315,000 to $640,000 through January 1, 2024; interest at 4.00% to 4.7%.

| | |
|---|---|
| Outstanding balance at June 30, 2010 | $ 6,895,000 |
| Current portion | 375,000 |
| Long-term portion | $ 6,520,000 |

The annual requirements to amortize outstanding revenue bonds as of June 30, 2010, including interest payments of $2,501,347 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | $ 375,000 | $ 296,850 | $ 671,850 |
| 2012 | 390,000 | 282,788 | 672,788 |
| 2013 | 405,000 | 267,187 | 672,187 |
| 2014 | 420,000 | 250,988 | 670,988 |
| 2015 | 440,000 | 234,187 | 674,187 |
| 2016-2020 | 2,465,000 | 884,215 | 3,349,215 |
| 2021-2024 | 2,400,000 | 285,132 | 2,685,132 |
| Total | $ 6,895,000 | $ 2,501,347 | $ 9,396,347 |

**Note Payable – Georgia Environmental Facilities Authority (GEFA)**

During fiscal year 2003 the City was awarded a "construction period loan" from the Georgia Environmental Facilities Authority (GEFA) for the purpose of making water and wastewater system improvements. Under the terms of the loan the City can draw a total of $1,500,000. On June 29, 2007, the City drew down $839,222, which was the remaining principal portion of the loan. At that time, the interest rate, which had been 4.0% per annum, was changed to 4.36% per annum and the "construction period loan" was converted to a permanent loan. Under the permanent loan, the repayment schedule will have the City pay $13,010 on July 1, 2007 and equal installments of $30,678 on the first day of each quarter thereafter through July 1, 2024. The current portion of the loan due in FY 2011 is $67,545 with the long-term portion making up the remaining balance of $1,222,837.

The annual requirements to amortize the remaining balance of $1,290,382 as of June 30, 2010, including interest payments of $445,381 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | $ 67,545 | $ 55,166 | $ 122,711 |
| 2012 | 70,538 | 52,173 | 122,711 |
| 2013 | 73,664 | 49,047 | 122,711 |
| 2014 | 76,929 | 45,782 | 122,711 |
| 2015 | 80,338 | 42,373 | 122,711 |
| 2016-2020 | 458,362 | 155,193 | 613,555 |
| 2021-2025 | 463,006 | 45,647 | 508,653 |
| Total | $ 1,290,382 | $ 445,381 | $ 1,735,763 |

***Discretely Presented Component Units***

| | Beginning Balance | Additions | Payments/ Retirements | Ending Balance | Current Portion | Long-term Portion |
|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | |
| Compensated absences payable | $ 50,180 | $ -- | $ (10,286) | $ 39,894 | $ -- | $ 39,894 |
| Note payable – Farmers State Bank #1 | 736,150 | -- | (61,392) | 674,758 | 68,514 | 606,244 |
| Note payable – Farmers State Bank #2 | -- | 100,400 | (--) | 100,400 | 100,400 | -- |
| Component units - long-term liabilities | $ 786,330 | $ 100,400 | $ (71,678) | $ 815,052 | $ 168,914 | $ 646,138 |

Note payable to Farmers State Bank #1 was for the construction at Southern Pines Recreation Complex. The note matures on December 16, 2013 and carries an interest rate of 3.50%. Note payable to Farmers State Bank #2 is a line of credit used for the construction of the Splash Pad with a maturity date of July 31, 2010. Both notes are being repaid with collections from a Special Purpose Local Option Sales Tax. Note #1 calls for annual payments of $88,499 beginning on December 16, 2009 with a balloon payment of the remaining principal on December 16, 2013.

The annual requirements to amortize the remaining balance on Note #1 of $674,758 as of June 30, 2010, including interest payments of $67,410 are as follows:

| Year Ending June 30, | Principal | Interest | Total Payment |
|---|---|---|---|
| 2011 | $ 68,514 | $ 19,985 | $ 88,499 |
| 2012 | 72,648 | 15,851 | 88,499 |
| 2013 | 76,928 | 11,571 | 88,499 |
| 2014 | 456,668 | 20,003 | 476,671 |
| Total | $ 674,758 | $ 67,410 | $ 742,168 |

### L. Non-Major Funds with Deficit Fund Balances or Net Assets

The following shows the fund balances or net assets of all non-major funds which had a deficit fund or net assets balance at June 30, 2010.

| **Business-type activities:** | Net Assets |
|---|---|
| Riverview Golf Course Fund | $ (1,943) |

## V. OTHER INFORMATION

### A. Risk Management

The City 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 and worker injuries. The government has joined together with other municipalities in the State as part of the Georgia Interlocal Risk Management Agency and the Georgia Municipal Association Workers Compensation Self Insurance Fund public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools agents and attorneys, to follow loss reductions procedures established by the funds, and to report as promptly as possible and in being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protections furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The commercial insurance provides for the transfer of risk from the City for all major programs. The City's risk is constituted by a $1,000 deductible for each occurrence, except for worker compensation which is constituted by a $50,000 deductible. For insured programs, there have been no significant reductions in insurance coverage nor did settlements exceed insurance coverage for any of the past three fiscal years.

Changes to the workers compensation claims liability amount for fiscal year 2010 are as follows:

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | $ 150,000 | $ 150,000 |
| Current year claims, premiums and changes in estimates | 27,587 | 36,873 |
| Claims payments | (127,587) | (36,873) |
| Unpaid claims, end of fiscal year | $ 50,000 | $ 150,000 |

## B. Contingencies and Other

Grant contingencies - The City has received Federal and state grant monies for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

Insurance claim contingencies - The City is exposed to various risks of loss related to illnesses or injuries to employees. Self-insured employee medical benefit claims are accrued in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.* The liability for reported claims and claims incurred but not reported an estimate of which is based on historical experience and management projections, is grouped with accounts payable and accrued costs in the financial statements.

Other contingencies and pending litigation - Certain claims, suits, and complaints arising in the ordinary course of operations have been filed or are pending against the City. In the opinion of the City's management, all such matters are adequately covered by insurance, or if not so covered are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the City if disposed of unfavorably.

The City 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 and worker injuries for which the government carries commercial insurance. The commercial insurance provides for the transfer of risk from the City for all major programs. The City's risk is constituted by a $1,000 deductible for each occurrence with the exception of worker’s compensation claims whereby the City’s risk is constituted by a $50,000 deductible for each occurrence. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts did not exceed insurance coverage for the years ended June 30, 2010, June 30, 2009, or June 30, 2008.

## C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City has complied with changes in the laws which govern the City's deferred compensation plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the City. In accordance with GASB Statement No. 32 *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* the City's deferred compensation plan is no longer reported within the City's Agency Fund.

## D. Hotel / Motel Lodging Tax

The City has levied an 8% hotel / motel tax for fiscal year end June 30, 2010. A summary of the transactions for the year ending June 30, 2010 follows:

| | Amount | Percentage of Tax Receipts |
|---|---|---|
| Lodging tax receipts | $ 472,296 | |
| Expended under contract with the Dublin – Laurens County Chamber of Commerce for promotion of tourism | (118,073) | 25.0% |
| Expended under contract with Theatre Dublin to market and operate theater facilities | (59,037) | 12.5% |
| Expended under contract with Dublin – Laurens County Recreation Authority for general recreation purposes | (118,074) | 25.0% |
| Expended for promotion of tourism, operation of theater facilities and general recreational purposes | (177,112) | 37.5% |
| Balance of lodging tax funds on hand at end of year | $ -- | |

The City has received audit reports covering the lodging tax monies. The expenditures were for promotion of tourism, theater facilities, and recreational purposes as required by O.C.G.A. 48-13-51.

## E. Pension Plan

### 1. Plan Description

The City and its component units contribute to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as an investment and administrative agent for cities and municipalities in Georgia. The City has the right to establish and amend the benefit provisions of the plan. These amendments become effective once approved by the Board of Trustees of GMEBS. The plan is a defined benefit plan.

All full-time employees of the City, Dublin-Laurens County Recreation Authority and Main Street Dublin-Downtown Development Authority (30 hours per week) are eligible to participate in GMEBS after one (1) year of service. Benefits fully vest after ten (10) years of service. Employees who retire at or after age sixty-two (62) with five (5) years of credited service or after age fifty-five (55) with ten (10) years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street-SW, Atlanta, Georgia 30303-3606.

Current membership in the GMEBS is comprised of the following:

| Group | January 1, 2010 |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 91 |
| Vested terminated employees | 46 |
| Active employees: | |
| Vested | 152 |
| Nonvested | 68 |
| Total membership in the plan | 357 |

### 2. Funding Policy

The City is required to contribute based on actuarial funding policy. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1982 and changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Plan provisions and contribution requirements are established by state stature and may be amended by the State. The contribution requirement for the year ended December 31, 2009, was $902,672, which was 11.5% of the covered payroll. This percentage was 13.4% and 8.6% of the covered payroll at December 31, 2008 and December 31, 2007, respectively. Employees are not required to contribute to the fund.

### 3. Annual Pension Cost

For 2010, the City's annual pension cost of $902,672, for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, *Measuring Pension Obligations*, establishing generally accepted actuarial principles and practices. The actuarial value of assets is computed by taking the sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.

The significant actuarial assumptions used in the current valuation are:

| | |
|---|---|
| - rate of return on investment | 7.75% per year |
| - projected salary increases | 3.50% per year |
| - cost of living adjustments | 0.00% per year |

The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. The inflation rate assumption for the City of Dublin, Georgia is assumed to be the same rate as the current year cost of living adjustments.

To minimize the effect of random variations in financial market values on the recommended contribution, the GMEBS Board of Trustees adopted an asset valuation method for use in the calculation. The method for determining the actuarial value of assets is part of the GMEBS actuarial funding policy. It produces an adjusted actuarial value of assets. The smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return of 7.75%. The market value of assets is based on current values as of two months preceding the valuation date and is assumed to be current through that date.

### 4. Three Year Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6/30/08 | $ 609,761 | 100% | $ -0- |
| 6/30/09 | $ 1,016,510 | 100% | $ -0- |
| 6/30/10 | $ 902,672 | 100% | $ -0- |

### 5. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2010, was as follows:

| | | |
|---|---|---|
| Actuarial accrued liability (AAL) | $ | 17,603,169 |
| Actuarial value of plan assets | | 15,044,038 |
| Unfunded actuarial accrued liability (UAAL) | $ | 2,559,131 |
| Funded ratio (actuarial value of plan assets/AAL) | | 85.5% |
| Covered payroll (active plan members) | $ | 7,719,153 |
| UAAL as a percentage of covered payroll | | 33.2% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan, presented as required supplementary information immediately following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

## F. Subsequent Events

The City of Dublin assessed events that have occurred subsequent to June 30, 2010 through December 17, 2010 for potential recognition and disclosure in the consolidated financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements which were issued on December 17, 2010.

**CITY OF DUBLIN, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF FUNDING PROGRESS**
**GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM**

| | Actuarial Valuation Date | | |
|---|---|---|---|
| | 1/1/2008 | 1/1/2009 | 1/1/2010 |
| Actuarial Accrued Liability (AAL) Entry Age (b) | $ 15,229,449 | $ 16,413,085 | $ 17,603,169 |
| Actuarial Value of Assets (a) | 13,801,770 | 11,729,253 | 15,044,038 |
| Unfunded AAL (funding excess) (UAAL) (b-a) | $ 1,427,679 | $ 4,683,832 | $ 2,559,131 |
| Funded Ratio (a/b) | 90.6% | 71.5% | 85.5% |
| Covered Payroll (c) | $ 7,094,890 | $ 7,596,910 | $ 7,719,153 |
| UAAL as a Percentage of Covered Payroll ((b-a)/c) | 20.1% | 61.6 % | 33.2% |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) - GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Over (Under) |
|---|---|---|---|
| REVENUES: | | | |
| General property taxes - | | | |
| Current year's levy | $ 2,651,500 | $ 2,580,602 | $ (70,898) |
| Other taxes: | | | |
| Local option sales | 2,945,000 | 2,880,391 | (64,609) |
| Hotel-Motel | 185,000 | 176,701 | (8,299) |
| Alcoholic beverage | 416,000 | 403,398 | (12,602) |
| Franchise | 1,442,000 | 1,327,766 | (114,234) |
| Insurance premium | 904,000 | 879,162 | (24,838) |
| Total | 5,892,000 | 5,667,418 | (224,582) |
| Licenses and permits: | | | |
| General business licenses | 476,000 | 473,358 | (2,642) |
| Inspection permits | 95,000 | 82,764 | (12,236) |
| Total | 571,000 | 556,122 | (14,878) |
| Fines and forfeitures - | | | |
| Police recorders court | 818,900 | 813,986 | (4,914) |
| Intergovernmental: | | | |
| Reimbursement from other governments | 254,036 | 274,071 | 20,035 |
| Federal Housing Authority - payment in lieu of taxes | 9,455 | 14,704 | 5,249 |
| Other | 1,005,250 | 470,402 | (534,848) |
| Total | 1,268,741 | 759,177 | (509,564) |
| Interest on investments | 35,000 | 18,611 | (16,389) |
| Miscellaneous income: | | | |
| Reimbursement of administrative expenses - other funds | 600,712 | 600,712 | -- |
| Miscellaneous | 1,312,745 | 763,971 | (548,774) |
| | 1,913,457 | 1,364,683 | (548,774) |
| Total General Fund Revenues | $ 13,150,598 | $ 11,760,599 | $ (1,389,999) |

See Notes to Required Supplementary Information.

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS) - GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - (Over) Under |
|---|---|---|---|
| EXPENDITURES: | | | |
| General government: | | | |
| Legislative | $ 235,386 | $ 208,903 | $ 26,483 |
| City manager | 233,101 | 225,694 | 7,407 |
| Main Street program | 52,500 | 52,500 | -- |
| City clerk | 175,454 | 169,955 | 5,499 |
| Human resources | 153,657 | 138,363 | 15,294 |
| Tax department | 105,357 | 92,615 | 12,742 |
| Finance department | 160,207 | 152,251 | 7,956 |
| City attorney | 135,205 | 131,654 | 3,551 |
| City judge | 246,803 | 240,582 | 6,221 |
| Engineering | 489,021 | 446,203 | 42,818 |
| Purchasing | 192,048 | 182,421 | 9,627 |
| Inspections | 370,236 | 355,771 | 14,465 |
| Non-departmental | 2,561,963 | 1,313,336 | 1,248,627 |
| Total general government | 5,110,938 | 3,710,248 | 1,400,690 |
| Public safety: | | | |
| Police department - administrative | 570,174 | 541,576 | 28,598 |
| Police department - patrol | 2,896,953 | 2,761,244 | 135,709 |
| Police department - C.I.D. | 540,883 | 421,315 | 119,568 |
| Police department - crossing guards | 14,118 | 12,749 | 1,369 |
| Fire department - administrative | 145,604 | 134,898 | 10,706 |
| Fire department - combat | 1,978,639 | 1,929,416 | 49,223 |
| Total public safety | 6,146,371 | 5,801,198 | 345,173 |
| Community services: | | | |
| Cemetery | 99,965 | 96,489 | 3,476 |
| Appropriations | 989,963 | 972,926 | 17,037 |
| Total community services | 1,089,928 | 1,069,415 | 20,513 |
| Public works and buildings: | | | |
| Public works | 960,678 | 915,966 | 44,712 |
| Mechanical maintenance | 311,969 | 275,779 | 36,190 |
| Total public works and buildings | 1,272,647 | 1,191,745 | 80,902 |
| Total expenditures | 13,619,884 | 11,772,606 | 1,847,278 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (469,286) | (12,007) | 457,279 |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfer in | 469,286 | 562,499 | 93,213 |
| Transfer out | -- | -- | -- |
| Sale of capital assets | -- | 250,000 | 250,000 |
| Total other financing sources (uses) | 469,286 | 812,499 | 343,213 |
| NET CHANGE IN FUND BALANCES | | 800,492 | |
| FUND BALANCE, Beginning | | 6,488,760 | |
| FUND BALANCE, Ending | | $ 7,289,252 | |

See Notes to Required Supplementary Information.

## A. Budget Data

Budgets are adopted on a basis consistent with generally accepted accounting principles except that the encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department at the salary and other expenditures level, which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations (except for salaries) without City Council approval. No revisions to the budget were made during the year.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds. Encumbrances outstanding at year-end are reappropriated by the City Council. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Budgets are adopted in the Proprietary Funds strictly for management purposes.

## B. Budget/GAAP Reconciliation

***Primary Government***

Adjustments necessary to convert expenditures and the fund balances of the General Fund on the budget basis to the generally accepted accounting principles (GAAP) basis are as follows:

| 2010 Expenditures | General |
|---|---|
| Budget Basis Expenditures | $ 11,772,606 |
| Encumbrances, June 30, 2010 | (91,159) |
| Encumbrances, June 30, 2009 | 111,100 |
| GAAP Basis Expenditures | $ 11,792,547 |

| Fund Balances - End of Year | General |
|---|---|
| Budgetary Basis | $ 7,289,252 |
| Encumbrances, June 30, 2010 | 91,159 |
| GAAP Basis | $ 7,380,411 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| GENERAL GOVERNMENT | | | | | | |
| Legislative: | | | | | | |
| Salaries | $ 69,600 | $ -- | $ -- | $ 69,600 | $ 69,600 | $ -- |
| Employee Benefits | 61,669 | -- | -- | 61,669 | 77,186 | 15,517 |
| Services | 69,336 | 383 | 3,002 | 71,955 | 76,883 | 4,928 |
| Utilities | 1,449 | -- | -- | 1,449 | 3,000 | 1,551 |
| Supplies | 4,738 | 717 | 209 | 4,230 | 8,717 | 4,487 |
| Total | 206,792 | 1,100 | 3,211 | 208,903 | 235,386 | 26,483 |
| City Manager: | | | | | | |
| Salaries | 146,816 | -- | -- | 146,816 | 145,775 | (1,041) |
| Employee Benefits | 60,978 | -- | -- | 60,978 | 67,608 | 6,630 |
| Services | 5,381 | -- | 883 | 6,264 | 6,900 | 636 |
| Repairs & Maintenance | 7,800 | -- | -- | 7,800 | 7,800 | -- |
| Utilities | 2,245 | -- | -- | 2,245 | 1,900 | (345) |
| Supplies | 783 | 168 | -- | 615 | 2,118 | 1,503 |
| Capital Outlay | 976 | -- | -- | 976 | 1,000 | 24 |
| Total | 224,979 | 168 | 883 | 225,694 | 233,101 | 7,407 |
| Main Street Program: | | | | | | |
| Supplies | 52,500 | -- | -- | 52,500 | 52,500 | -- |
| Total | 52,500 | -- | -- | 52,500 | 52,500 | -- |
| Subtotal | $ 484,271 | $ 1,268 | $ 4,094 | $ 487,097 | $ 520,987 | $ 33,890 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 484,271 | $ 1,268 | $ 4,094 | $ 487,097 | $ 520,987 | $ 33,890 |
| City Clerk: | | | | | | |
| Salaries | 119,355 | -- | -- | 119,355 | 118,790 | (565) |
| Employee Benefits | 34,645 | 20 | -- | 34,625 | 40,154 | 5,529 |
| Services | 5,541 | -- | 1,256 | 6,797 | 7,120 | 323 |
| Repairs & Maintenance | 7,800 | -- | -- | 7,800 | 7,800 | -- |
| Utilities | 199 | -- | -- | 199 | 240 | 41 |
| Supplies | 1,179 | -- | -- | 1,179 | 1,350 | 171 |
| Total | 168,719 | 20 | 1,256 | 169,955 | 175,454 | 5,499 |
| Human Resources: | | | | | | |
| Salaries | 87,164 | -- | -- | 87,164 | 86,547 | (617) |
| Employee Benefits | 29,894 | -- | -- | 29,894 | 34,848 | 4,954 |
| Services | 1,607 | 422 | -- | 1,185 | 3,400 | 2,215 |
| Utilities | 216 | -- | -- | 216 | 300 | 84 |
| Supplies | 1,731 | 370 | 15 | 1,376 | 2,270 | 894 |
| Energy | 89 | -- | -- | 89 | -- | (89) |
| Other | 19,823 | 1,399 | 15 | 18,439 | 26,292 | 7,853 |
| Total | 140,524 | 2,191 | 30 | 138,363 | 153,657 | 15,294 |
| Subtotal | $ 793,514 | $ 3,479 | $ 5,380 | $ 795,415 | $ 850,098 | $ 54,683 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 793,514 | $ 3,479 | $ 5,380 | $ 795,415 | $ 850,098 | $ 54,683 |
| Tax Department: | | | | | | |
| Salaries | 60,989 | -- | -- | 60,989 | 60,433 | (556) |
| Employee Benefits | 24,092 | -- | -- | 24,092 | 27,824 | 3,732 |
| Services | -- | -- | -- | -- | 600 | 600 |
| Supplies | 3,956 | -- | | 3,956 | 12,000 | 8,044 |
| Energy | -- | -- | -- | -- | 4,000 | 4,000 |
| Other | 3,578 | -- | -- | 3,578 | -- | (3,578) |
| Capital Outlay | -- | -- | -- | -- | 500 | 500 |
| Total | 92,615 | -- | -- | 92,615 | 105,357 | 12,742 |
| Finance Department: | | | | | | |
| Salaries | 109,213 | -- | -- | 109,213 | 108,895 | (318) |
| Employee Benefits | 40,191 | -- | -- | 40,191 | 47,232 | 7,041 |
| Services | -- | -- | -- | -- | 200 | 200 |
| Repairs and Maintenance | -- | -- | -- | -- | 200 | 200 |
| Supplies | 2,694 | -- | 153 | 2,847 | 3,680 | 833 |
| Total | 152,098 | -- | 153 | 152,251 | 160,207 | 7,956 |
| Subtotal | $ 1,038,227 | $ 3,479 | $ 5,533 | $ 1,040,281 | $ 1,115,662 | $ 75,381 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 1,038,227 | $ 3,479 | $ 5,533 | $ 1,040,281 | $ 1,115,662 | $ 75,381 |
| City Attorney: | | | | | | |
| Salaries | 97,287 | -- | -- | 97,287 | 96,916 | (371) |
| Employee Benefits | 31,750 | -- | -- | 31,750 | 34,925 | 3,175 |
| Services | 1,605 | 19 | -- | 1,586 | 1,923 | 337 |
| Utilities | 747 | -- | -- | 747 | 710 | (37) |
| Supplies | 465 | 181 | -- | 284 | 731 | 447 |
| Total | 131,854 | 200 | -- | 131,654 | 135,205 | 3,551 |
| City Judge: | | | | | | |
| Salaries | 30,214 | -- | -- | 30,214 | 30,000 | (214) |
| Employee Benefits | 12,993 | -- | -- | 12,993 | 14,303 | 1,310 |
| Services | 7,025 | -- | -- | 7,025 | 14,900 | 7,875 |
| Utilities | 198 | -- | -- | 198 | 200 | 2 |
| Supplies | 851 | -- | -- | 851 | 1,500 | 649 |
| Other | 189,301 | -- | -- | 189,301 | 185,900 | (3,401) |
| Total | 240,582 | -- | -- | 240,582 | 246,803 | 6,221 |
| Subtotal | $ 1,410,663 | $ 3,679 | $ 5,533 | $ 1,412,517 | $ 1,497,670 | $ 85,153 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 1,410,663 | $ 3,679 | $ 5,533 | $ 1,412,517 | $ 1,497,670 | $ 85,153 |
| Engineering: | | | | | | |
| Salaries | 311,755 | -- | -- | 311,755 | 328,526 | 16,771 |
| Employee Benefits | 114,444 | -- | -- | 114,444 | 136,934 | 22,490 |
| Services | 5,004 | -- | -- | 5,004 | 4,815 | (189) |
| Repairs & Maintenance | 789 | -- | -- | 789 | 2,400 | 1,611 |
| Utilities | 2,513 | -- | -- | 2,513 | 2,890 | 377 |
| Supplies | 2,759 | 39 | 406 | 3,126 | 4,139 | 1,013 |
| Energy | 7,408 | -- | 49 | 7,457 | 6,995 | (462) |
| Other | 561 | 72 | -- | 489 | 1,272 | 783 |
| Capital Outlay | 626 | -- | -- | 626 | 1,050 | 424 |
| Total | 445,859 | 111 | 455 | 446,203 | 489,021 | 42,818 |
| Purchasing: | | | | | | |
| Salaries | 122,813 | -- | -- | 122,813 | 122,103 | (710) |
| Employee Benefits | 40,467 | -- | 120 | 40,587 | 49,313 | 8,726 |
| Services | 1,915 | -- | 145 | 2,060 | 2,338 | 278 |
| Repairs & Maintenance | 3,202 | 170 | 1,120 | 4,152 | 5,189 | 1,037 |
| Utilities | 10,139 | -- | -- | 10,139 | 7,470 | (2,669) |
| Supplies | 2,892 | 1,149 | 112 | 1,855 | 3,709 | 1,854 |
| Energy | 753 | -- | -- | 753 | 1,250 | 497 |
| Other | (30) | -- | -- | (30) | 300 | 330 |
| Capital Outlay | 468 | 376 | -- | 92 | 376 | 284 |
| Total | 182,619 | 1,695 | 1,497 | 182,421 | 192,048 | 9,627 |
| Subtotal | $ 2,039,141 | $ 5,485 | $ 7,485 | $ 2,041,141 | $ 2,178,739 | $ 137,598 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 2,039,141 | $ 5,485 | $ 7,485 | $ 2,041,141 | $ 2,178,739 | $ 137,598 |
| Inspections: | | | | | | |
| Salaries | 233,490 | -- | -- | 233,490 | 231,251 | (2,239) |
| Employee Benefits | 95,991 | 77 | -- | 95,914 | 105,057 | 9,143 |
| Services | 3,913 | 258 | 145 | 3,800 | 7,053 | 3,253 |
| Repairs & Maintenance | 1,955 | -- | -- | 1,955 | 1,892 | (63) |
| Utilities | 1,193 | -- | -- | 1,193 | 1,700 | 507 |
| Supplies | 1,616 | 369 | 824 | 2,071 | 3,398 | 1,327 |
| Energy | 5,466 | -- | -- | 5,466 | 7,000 | 1,534 |
| Other | 11,231 | -- | 421 | 11,652 | 12,385 | 733 |
| Capital Outlay | 230 | -- | -- | 230 | 500 | 270 |
| Total | 355,085 | 704 | 1,390 | 355,771 | 370,236 | 14,465 |
| Non-Departmental: | | | | | | |
| Services | 44,430 | -- | -- | 44,430 | 102,800 | 58,370 |
| Repairs & Maintenance | 125,177 | -- | 253 | 125,430 | 153,000 | 27,570 |
| Utilities | 224,377 | -- | -- | 224,377 | 235,000 | 10,623 |
| Supplies | (1,016) | -- | -- | (1,016) | -- | 1,016 |
| Insurance | 71,662 | -- | -- | 71,662 | 79,500 | 7,838 |
| Energy | 297,290 | -- | -- | 297,290 | 269,000 | (28,290) |
| Contingency | 196,507 | -- | -- | 196,507 | 348,260 | 151,753 |
| Other | 147,349 | 6,000 | 5,610 | 146,959 | 181,480 | 34,521 |
| Capital Outlay | 233,817 | 62,711 | 36,591 | 207,697 | 1,192,923 | 985,226 |
| | 1,339,593 | 68,711 | 42,454 | 1,313,336 | 2,561,963 | 1,248,627 |
| Total General Government | $ 3,733,819 | $ 74,900 | $ 51,329 | $ 3,710,248 | $ 5,110,938 | $ 1,400,690 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| PUBLIC SAFETY | | | | | | |
| Police Department - Administrative: | | | | | | |
| Salaries | $ 289,076 | $ -- | $ -- | $ 289,076 | $ 297,995 | $ 8,919 |
| Employee Benefits | 104,490 | 101 | -- | 104,389 | 126,610 | 22,221 |
| Services | 3,567 | -- | 704 | 4,271 | 9,580 | 5,309 |
| Repairs & Maintenance | 7,374 | -- | -- | 7,374 | 7,700 | 326 |
| Rent | 4,096 | -- | -- | 4,096 | 4,500 | 404 |
| Utilities | 29,371 | -- | -- | 29,371 | 48,352 | 18,981 |
| Supplies | 10,119 | -- | 247 | 10,366 | 9,117 | (1,249) |
| Other | 91,903 | -- | -- | 91,903 | 65,520 | (26,383) |
| Capital Outlay | 730 | -- | -- | 730 | 800 | 70 |
| Total | 540,726 | 101 | 951 | 541,576 | 570,174 | 28,598 |
| Police Department - Patrol: | | | | | | |
| Salaries | 1,753,428 | -- | -- | 1,753,428 | 1,823,410 | 69,982 |
| Employee Benefits | 687,239 | 418 | 4,832 | 691,653 | 842,769 | 151,116 |
| Services | 9,922 | 1,081 | -- | 8,841 | 12,721 | 3,880 |
| Repairs & Maintenance | 38,076 | 276 | -- | 37,800 | 30,197 | (7,603) |
| Utilities | 2,270 | -- | -- | 2,270 | 3,320 | 1,050 |
| Supplies | 27,681 | 5,960 | 4,826 | 26,547 | 34,043 | 7,496 |
| Energy | 102,161 | 124 | -- | 102,037 | 109,088 | 7,051 |
| Other | 132,517 | -- | -- | 132,517 | 4,500 | (128,017) |
| Capital Outlay | 12,586 | 12,205 | 5,770 | 6,151 | 36,905 | 30,754 |
| Total | 2,765,880 | 20,064 | 15,428 | 2,761,244 | 2,896,953 | 135,709 |
| Subtotal | $ 3,306,606 | $ 20,165 | $ 16,379 | $ 3,302,820 | $ 3,467,127 | $ 164,307 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 3,306,606 | $ 20,165 | $ 16,379 | $ 3,302,820 | $ 3,467,127 | $ 164,307 |
| Police Department - C.I.D.: | | | | | | |
| Salaries | 276,465 | -- | -- | 276,465 | 353,275 | 76,810 |
| Employee Benefits | 110,465 | -- | -- | 110,465 | 149,223 | 38,758 |
| Services | 320 | -- | -- | 320 | 3,295 | 2,975 |
| Repairs & Maintenance | 4,780 | -- | -- | 4,780 | 2,700 | (2,080) |
| Utilities | 3,035 | -- | -- | 3,035 | 4,034 | 999 |
| Supplies | 10,061 | 334 | 237 | 9,964 | 11,637 | 1,673 |
| Energy | 16,286 | -- | -- | 16,286 | 16,360 | 74 |
| Capital Outlay | -- | -- | -- | -- | 359 | 359 |
| Total | 421,412 | 334 | 237 | 421,315 | 540,883 | 119,568 |
| Police Department - Crossing Guards: | | | | | | |
| Salaries | 11,462 | -- | -- | 11,462 | 12,261 | 799 |
| Employee Benefits | 1,287 | 146 | -- | 1,141 | 1,411 | 270 |
| Supplies | 146 | -- | -- | 146 | 446 | 300 |
| Total | 12,895 | 146 | -- | 12,749 | 14,118 | 1,369 |
| Subtotal | $ 3,740,913 | $ 20,645 | $ 16,616 | $ 3,736,884 | $ 4,022,128 | $ 285,244 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| Subtotal brought forward | $ 3,740,913 | $ 20,645 | $ 16,616 | $ 3,736,884 | $ 4,022,128 | $ 285,244 |
| Fire Department - Administrative: | | | | | | |
| Salaries | 92,977 | -- | -- | 92,977 | 95,669 | 2,692 |
| Employee Benefits | 31,550 | -- | -- | 31,550 | 37,038 | 5,488 |
| Services | 1,630 | -- | 8 | 1,638 | 1,962 | 324 |
| Repairs & Maintenance | 908 | -- | -- | 908 | 800 | (108) |
| Utilities | 4,476 | -- | -- | 4,476 | 5,200 | 724 |
| Supplies | 1,186 | -- | -- | 1,186 | 935 | (251) |
| Energy | 2,163 | -- | -- | 2,163 | 4,000 | 1,837 |
| Total | 134,890 | -- | 8 | 134,898 | 145,604 | 10,706 |
| Fire Department - Combat: | | | | | | |
| Salaries | 1,320,143 | -- | -- | 1,320,143 | 1,244,970 | (75,173) |
| Employee Benefits | 518,809 | 859 | 1,142 | 519,092 | 624,616 | 105,524 |
| Services | 351 | -- | -- | 351 | 1,565 | 1,214 |
| Repairs & Maintenance | 14,596 | -- | 227 | 14,823 | 22,900 | 8,077 |
| Utilities | 25,492 | -- | -- | 25,492 | 23,000 | (2,492) |
| Supplies | 17,766 | 894 | 560 | 17,432 | 18,718 | 1,286 |
| Energy | 15,559 | -- | -- | 15,559 | 16,000 | 441 |
| Capital Outlay | 19,264 | 6,870 | 4,130 | 16,524 | 26,870 | 10,346 |
| Total | 1,931,980 | 8,623 | 6,059 | 1,929,416 | 1,978,639 | 49,223 |
| Total Public Safety | $ 5,807,783 | $ 29,268 | $ 22,683 | $ 5,801,198 | $ 6,146,371 | $ 345,173 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| COMMUNITY SERVICES | | | | | | |
| Cemetery: | | | | | | |
| Salaries | $ 62,211 | $ -- | $ -- | $ 62,211 | $ 61,768 | $ (443) |
| Employee Benefits | 27,979 | -- | 437 | 28,416 | 31,797 | 3,381 |
| Repairs & Maintenance | 434 | -- | -- | 434 | 700 | 266 |
| Utilities | 878 | -- | -- | 878 | 1,000 | 122 |
| Supplies | 1,920 | -- | -- | 1,920 | 1,700 | (220) |
| Energy | 1,230 | -- | -- | 1,230 | 1,500 | 270 |
| Capital Outlay | 1,400 | -- | -- | 1,400 | 1,500 | 100 |
| Total | 96,052 | -- | 437 | 96,489 | 99,965 | 3,476 |
| Appropriations: | | | | | | |
| Dublin-Laurens County Recreation Authority | 650,000 | -- | -- | 650,000 | 650,000 | -- |
| Library | 213,663 | -- | -- | 213,663 | 213,663 | -- |
| Dublin-Laurens Museum | 7,500 | -- | -- | 7,500 | 7,500 | -- |
| Dublin-Laurens Development Authority | 50,000 | -- | -- | 50,000 | 50,000 | -- |
| Regional Development Center | 17,263 | -- | -- | 17,263 | 17,500 | 237 |
| Humane Society | 31,500 | -- | -- | 31,500 | 31,500 | -- |
| Black Festival Committee | -- | -- | -- | -- | 300 | 300 |
| Battered Women's Shelter | 3,000 | -- | -- | 3,000 | 3,000 | -- |
| Department of Family and Children Services | -- | -- | -- | -- | 16,000 | 16,000 |
| 4H Club | -- | -- | -- | -- | 500 | 500 |
| Total | 972,926 | -- | -- | 972,926 | 989,963 | 17,037 |
| Total Community Services | $ 1,068,978 | $ -- | $ 437 | $ 1,069,415 | $ 1,089,928 | $ 20,513 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| PUBLIC WORKS AND BUILDINGS | | | | | | |
| Public Works: | | | | | | |
| Salaries | $ 429,384 | $ -- | $ -- | $ 429,384 | $ 429,450 | $ 66 |
| Employee Benefits | 186,607 | 304 | 2,509 | 188,812 | 221,525 | 32,713 |
| Services | 380 | -- | -- | 380 | 1,100 | 720 |
| Repairs & Maintenance | 218,577 | 3,636 | 13,768 | 228,709 | 232,986 | 4,277 |
| Utilities | 9,527 | -- | -- | 9,527 | 6,800 | (2,727) |
| Supplies | 19,717 | 193 | 164 | 19,688 | 20,693 | 1,005 |
| Energy | 39,533 | 123 | 56 | 39,466 | 48,124 | 8,658 |
| Total | 903,725 | 4,256 | 16,497 | 915,966 | 960,678 | 44,712 |
| Mechanical Maintenance: | | | | | | |
| Salaries | 174,991 | -- | -- | 174,991 | 179,316 | 4,325 |
| Employee Benefits | 70,791 | 13 | 202 | 70,980 | 82,869 | 11,889 |
| Services | 1,372 | 232 | -- | 1,140 | 4,462 | 3,322 |
| Repairs & Maintenance | 1,762 | 59 | -- | 1,703 | 2,894 | 1,191 |
| Utilities | 4,176 | -- | -- | 4,176 | 11,000 | 6,824 |
| Supplies | 13,737 | 2,372 | 11 | 11,376 | 15,722 | 4,346 |
| Energy | 3,460 | -- | -- | 3,460 | 5,706 | 2,246 |
| Capital Outlay | 7,953 | -- | -- | 7,953 | 10,000 | 2,047 |
| Total | 278,242 | 2,676 | 213 | 275,779 | 311,969 | 36,190 |
| Total Public Works and Buildings | $ 1,181,967 | $ 6,932 | $ 16,710 | $ 1,191,745 | $ 1,272,647 | $ 80,902 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | GAAP Expenditures | 2009 Encumbrances | 2010 Encumbrances | Budget Basis Expenditures | Original and Final Budgeted Amounts | Variance (Over)/Under Budget |
|---|---|---|---|---|---|---|
| TOTAL EXPENDITURES | $ 11,792,547 | $ 111,100 | $ 91,159 | $ 11,772,606 | $ 13,619,884 | $ 1,847,278 |

**CITY OF DUBLIN, GEORGIA**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**JUNE 30, 2010**

| | SPLOST Capital Projects - 2003 | Hotel/Motel Tax | Total Nonmajor Governmental Funds |
|---|---|---|---|
| ASSETS | | | |
| Equity in pooled cash | $ 21,927 | $ 66,625 | $ 88,552 |
| Cash | 378,746 | -- | 378,746 |
| Due from other funds | 50,604 | -- | 50,604 |
| Total assets | $ 451,277 | $ 66,625 | $ 517,902 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued costs | $ 123,639 | $ 38,042 | $ 161,681 |
| Due to other funds | -- | 28,583 | 28,583 |
| Total liabilities | 123,639 | 66,625 | 190,264 |
| FUND BALANCES | | | |
| Reserved for encumbrances | -- | -- | -- |
| Unreserved, undesignated | 327,638 | -- | 327,638 |
| Total fund balances | 327,638 | -- | 327,638 |
| Total liabilities and fund balances | $ 451,277 | $ 66,625 | $ 517,902 |

**CITY OF DUBLIN, GEORGIA**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | SPLOST Capital Projects - 2003 | Hotel-Motel Tax | Total Nonmajor Governmental Funds |
|---|---|---|---|
| REVENUES: | | | |
| Other taxes | $ -- | $ 472,296 | $ 472,296 |
| Miscellaneous income | 392,281 | -- | 392,281 |
| Total revenues | 392,281 | 472,296 | 864,577 |
| EXPENDITURES: | | | |
| Current - | | | |
| Culture and recreation | -- | 472,296 | 472,296 |
| Capital outlay - | | | |
| Highways and streets | 818,333 | -- | 818,333 |
| Total expenditures | 818,333 | 472,296 | 1,290,629 |
| EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES | (426,052) | -- | (426,052) |
| NET CHANGE IN FUND BALANCES | (426,052) | -- | (426,052) |
| NET ASSETS, Beginning | 753,690 | -- | 753,690 |
| NET ASSETS, Ending | $ 327,638 | $ -- | $ 327,638 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HOTEL/MOTEL TAX**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Over (Under) |
|---|---|---|---|
| REVENUES - | | | |
| Other taxes | $ 496,000 | $ 472,296 | $ (23,704) |
| EXPENDITURES - | | | |
| Culture and recreation: | | | |
| General fund 3% | 186,000 | 177,112 | (8,888) |
| Chamber of Commerce 2% | 124,000 | 118,073 | (5,927) |
| Dublin-Laurens County Recreation Authority 2% | 124,000 | 118,074 | (5,926) |
| Theatre Dublin 1% | 62,000 | 59,037 | (2,963) |
| Total | 496,000 | 472,296 | (23,704) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | $ -- | $ -- | $ -- |

**CITY OF DUBLIN, GEORGIA**
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**
**DUBLIN BOARD OF EDUCATION AGENCY FUND**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

| | Balance July 1, 2009 | Additions | Deductions | Balance June 30, 2010 |
|---|---|---|---|---|
| ASSET | | | | |
| Equity (deficit) in pooled cash | $ 376,465 | $ 7,411,383 | $ 7,841,396 | $ (53,548) |
| Total assets | $ 376,465 | $ 7,411,383 | $ 7,841,396 | $ (53,548) |
| LIABILITY | | | | |
| Due to (from) Dublin Board of Education | $ 376,465 | $ 7,411,383 | $ 7,841,396 | $ (53,548) |
| Total liabilities | $ 376,465 | $ 7,411,383 | $ 7,841,396 | $ (53,548) |

**CITY OF DUBLIN, GEORGIA**
**COMBINING STATEMENT OF NET ASSETS**
**NONMAJOR PROPRIETARY FUNDS**
**JUNE 30, 2010**

| | Riverview Golf Course Fund | Telecommunications Fund | Total |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Equity in pooled cash | $ -- | $ 694,321 | $ 694,321 |
| Cash | 700 | -- | 700 |
| Accounts receivable, net | -- | 196,262 | 196,262 |
| Inventories, at cost | 14,603 | -- | 14,603 |
| Prepaid items | 1,742 | -- | 1,742 |
| Total current assets | 17,045 | 890,583 | 907,628 |
| NONCURRENT ASSETS - | | | |
| CAPITAL ASSETS: | | | |
| Buildings and plant | 273,767 | 3,249,218 | 3,522,985 |
| Improvements other than buildings | 197,027 | -- | 197,027 |
| Machinery and equipment | 689,149 | 448,843 | 1,137,992 |
| Less - accumulated depreciation | (1,143,367) | (1,533,151) | (2,676,518) |
| Capital assets, net | 16,576 | 2,164,910 | 2,181,486 |
| Total assets | $ 33,621 | $ 3,055,493 | $ 3,089,114 |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES: | | | |
| Accrued expenses | $ 3,858 | $ -- | $ 3,858 |
| Due to other funds | 16,853 | -- | 16,853 |
| Total current liabilities | 20,711 | -- | 20,711 |
| LONG TERM LIABILITIES - | | | |
| Compensated absences payable | 14,853 | 1,944 | 16,797 |
| Total long-term liabilities | 14,853 | 1,944 | 16,797 |
| Total liabilities | 35,564 | 1,944 | 37,508 |
| NET ASSETS: | | | |
| Invested in capital assets, net of related debt | 16,576 | 2,164,910 | 2,181,486 |
| Unrestricted | (18,519) | 888,639 | 870,120 |
| Total net assets | (1,943) | 3,053,549 | 3,051,606 |
| Total liabilities and net assets | $ 33,621 | $ 3,055,493 | $ 3,089,114 |

**CITY OF DUBLIN, GEORGIA**
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - NONMAJOR PROPRIETARY FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | Riverview Golf Course Fund | Telecommunications Fund | Total |
|---|---|---|---|
| OPERATING REVENUES: | | | |
| Sales / charges for services | $ 227,294 | $ 686,930 | $ 914,224 |
| Penalties and cut-on fees | -- | 1,438 | 1,438 |
| Other revenue | 110,687 | 7,159 | 117,846 |
| Total operating revenues | 337,981 | 695,527 | 1,033,508 |
| OPERATING EXPENSES: | | | |
| Personnel services | 146,081 | 49,171 | 195,252 |
| Employee benefits | 21,182 | 8,695 | 29,877 |
| Repairs and maintenance | 9,752 | 478 | 10,230 |
| Depreciation | 15,479 | 222,910 | 238,389 |
| Other operating | 198,724 | 318,816 | 517,540 |
| Total operating expenses | 391,218 | 600,070 | 991,288 |
| OPERATING INCOME (LOSS) | (53,237) | 95,457 | 42,220 |
| NON-OPERATING REVENUES (EXPENSES) - | | | |
| Total non-operating revenues, net | -- | -- | -- |
| NET INCOME (LOSS) BEFORE TRANSFERS | (53,237) | 95,457 | 42,220 |
| TRANSFERS OUT | -- | (100,000) | (100,000) |
| Total transfers and contributions | -- | (100,000) | (100,000) |
| CHANGE IN NET ASSETS | (53,237) | (4,543) | (57,780) |
| NET ASSETS, Beginning | 51,294 | 3,058,092 | 3,109,386 |
| NET ASSETS, Ending | $ (1,943) | $ 3,053,549 | $ 3,051,606 |

# CITY OF DUBLIN, GEORGIA
# COMBINING STATEMENT OF CASH FLOWS
# NONMAJOR PROPRIETARY FUNDS
# FOR THE YEAR ENDED JUNE 30, 2010

| | Riverview Golf Course Fund | Telecommunications Fund | Total |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | $ 337,981 | $ 519,796 | $ 857,777 |
| Cash paid to suppliers for goods and services | (176,122) | (344,237) | (520,359) |
| Cash paid to employees for services | (146,417) | (49,171) | (195,588) |
| Cash paid for employee taxes and benefits | (46,712) | (15,507) | (62,219) |
| Cash received from and paid to other funds | 16,853 | -- | 16,853 |
| Net cash provided (used) by operating activities | (14,417) | 110,881 | 96,464 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Transfers out | -- | (100,000) | (100,000) |
| Net cash used by noncapital financing activities | -- | (100,000) | (100,000) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES - | | | |
| Acquisition and construction of capital assets | -- | (60,762) | (60,762) |
| Net cash (used) for capital and related financing activities | -- | (60,762) | (60,762) |
| CASH FLOWS FROM INVESTING ACTIVITIES - | | | |
| Interest income on investments | -- | -- | -- |
| Net cash provided by investing activities | -- | -- | -- |
| NET DECREASE IN CASH | (14,417) | (49,881) | (64,298) |
| CASH, Beginning | 15,117 | 744,202 | 759,319 |
| CASH, Ending | $ 700 | $ 694,321 | $ 695,021 |

# CITY OF DUBLIN, GEORGIA
# COMBINING STATEMENT OF CASH FLOWS
# NONMAJOR PROPRIETARY FUNDS
# FOR THE YEAR ENDED JUNE 30, 2010

| | Riverview Golf Course Fund | Telecommunications Fund | Total |
|---|---|---|---|
| RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET: | | | |
| Cash, beginning | | | |
| Current | $ 15,117 | $ 744,202 | $ 759,319 |
| Restricted | -- | -- | -- |
| Total | 15,117 | 744,202 | 759,319 |
| Net increase | | | |
| Current | (14,417) | (49,881) | (64,298) |
| Restricted | -- | -- | -- |
| Total | (14,417) | (49,881) | (64,298) |
| Cash, ending | | | |
| Current | 700 | 694,321 | 695,021 |
| Restricted | -- | -- | -- |
| Total | $ 700 | $ 694,321 | $ 695,021 |
| RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | |
| Net operating income (loss) | $ (53,237) | $ 95,457 | $ 42,220 |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 15,479 | 222,910 | 238,389 |
| Decrease (increase) in assets: | | | |
| Accounts receivable - trade | -- | (175,731) | (175,731) |
| Inventory | (336) | -- | (336) |
| Prepaid expenses | 7,204 | -- | 7,204 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | (43) | (31,755) | (31,798) |
| Due to other funds | 16,853 | -- | 16,853 |
| Accrued expenses | (337) | -- | (337) |
| Total adjustments | 38,820 | 15,424 | 54,244 |
| Net cash provided (used) by operating activities | $ (14,417) | $ 110,881 | $ 96,464 |

**CITY OF DUBLIN, GEORGIA**
**BALANCE SHEET**
**MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY**
**JUNE 30, 2010**

| | | |
|---|---|---|
| ASSETS | | |
| Cash | $ | 40,318 |
| Receivables | | 52,500 |
| Total assets | $ | 92,818 |
| | | |
| LIABILITIES AND FUND BALANCES | | |
| LIABILITIES | | |
| Due to City of Dublin general fund | $ | 46,256 |
| Total liabilities | | 46,256 |
| | | |
| FUND BALANCES | | |
| Reserved for encumbrances | | -- |
| Unreserved, undesignated | | 46,562 |
| Total fund balances | | 46,562 |
| Total liabilities and fund balances | $ | 92,818 |

**CITY OF DUBLIN, GEORGIA**
**RECONCILIATION OF THE BALANCE SHEET -**
**MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY**
**TO THE STATEMENT OF NET ASSETS**
**JUNE 30, 2010**

---

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

| | | |
|---|---|---|
| Total fund balance - Main Street Dublin Downtown Development Authority (page 90) | $ | 46,562 |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. | | 295,898 |
| Net assets of Main Street Dublin Downtown Development Authority (page 26) | $ | 342,460 |

**CITY OF DUBLIN, GEORGIA**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | | |
|---|---|---|
| REVENUES: | | |
| Program income | $ | 112,500 |
| Interest income | | 246 |
| Miscellaneous income | | 2,206 |
| Total revenues | | 114,952 |
| EXPENDITURES - | | |
| Current - | | |
| Downtown development | | 213,639 |
| Total expenditures | | 213,639 |
| EXCESS OF REVENUES OVER EXPENDITURES | | (98,687) |
| NET CHANGE IN FUND BALANCES | | (98,687) |
| NET ASSETS, Beginning | | 145,249 |
| NET ASSETS, Ending | $ | 46,562 |

**CITY OF DUBLIN, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2010**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

| | | |
|---|---|---|
| Net change in fund balance - Main Street Dublin Downtown Development Authority (page 92) | $ | (98,687) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | 114,122 |
| Change in net assets of Main Street Dublin Downtown Development Authority (page 27) | $ | 15,435 |

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES OF**
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2003**
**FOR THE YEAR ENDED JUNE 30, 2010**

| Project Description Per SPLOST Referendum | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Total |
| Roads, Streets and Bridges | $ 4,812,000 | $ 4,812,000 | $ 4,943,404 | $ 818,333 | $ 5,761,737 |
| Farmers Market Facility * | 250,000 | 350,000 | 351,144 | -- | 351,144 |
| TOTAL | $ 5,062,000 | $ 5,162,000 | $ 5,294,548 | $ 818,333 | $ 6,112,881 |

* The Farmers Market Facility was transferred to the Main Street Downtown Development Authority in fiscal year 2009.

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES OF**
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2006**
**FOR THE YEAR ENDED JUNE 30, 2010**

| Project Description Per SPLOST Referendum | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Total |
| Transportation and Drainage | $ 7,190,000 | $ 7,190,000 | $ 436,143 | $ 464,546 | $ 900,689 |
| Water and Sewer System | 4,750,000 | 4,750,000 | 1,552,610 | 238,470 | 1,791,080 |
| City Facilities | 2,037,870 | 2,037,870 | 3,645,432 | 722,394 | 4,367,826 |
| Capital Equipment | 1,062,870 | 1,062,870 | 1,260,247 | 388,901 | 1,649,148 |
| Gas System Improvements | 1,500,000 | 1,500,000 | 1,100,696 | 629,473 | 1,730,169 |
| Debt Service | | | | | |
| Principal | -- | 12,630,000 | 4,177,754 | 2,334,673 | 6,512,427 |
| Interest | -- | 1,959,682 | 1,076,440 | 414,924 | 1,491,364 |
| Bond issuance costs | -- | 192,406 | 192,906 | 500 | 193,406 |
| TOTAL | $16,540,740 | $31,322,828 | $13,442,228 | $ 5,193,881 | $18,636,109 |

# III. STATISTICAL SECTION

# (Unaudited)

This part of the City of Dublin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Contents:**


Financial Trends

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.* 96

Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax, and the sale of gas* 102

Debt Capacity

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.* 108

Demographic and Economic Information

*These schedules of demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.* 113

Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.* 115


Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF DUBLIN, GEORGIA**
**NET ASSETS BY COMPONENT**
**LAST TEN FISCAL YEARS***
(accrual basis of accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 6,778,378 | $ 6,303,868 | $ 5,903,193 | $ 6,924,027 | $ 8,136,094 | $ 16,827,378 | $ 6,341,257 | $ 13,297,712 | $ 18,451,166 |
| Restricted | -- | -- | -- | -- | -- | -- | 2,503,637 | 185,635 | 5,549 |
| Unrestricted | 3,362,967 | 3,073,163 | 2,803,347 | 4,409,436 | 6,167,095 | 6,772,705 | 17,871,929 | 15,341,551 | 12,799,254 |
| Total governmental activities net assets | $ 10,141,345 | $ 9,377,031 | $ 8,706,540 | $ 11,333,463 | $ 14,303,189 | $ 23,600,083 | $ 26,716,823 | $ 28,824,898 | $ 31,255,969 |
| Business-type activities: | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 23,024,765 | $ 26,279,668 | $ 23,279,426 | $ 24,157,988 | $ 24,737,655 | $ 23,698,064 | $ 24,266,814 | $ 23,548,434 | $ 23,594,788 |
| Restricted - | | | | | | | | | |
| Restricted for debt service | 1,768,173 | 973,780 | 619,536 | 557,594 | 1,107,107 | 1,317,260 | 1,519,925 | 1,714,370 | 1,803,160 |
| Unrestricted | 5,868,839 | 2,477,884 | 5,581,906 | 4,155,818 | 2,152,369 | 6,104,794 | 8,283,470 | 9,409,896 | 11,303,355 |
| Total business-type activities net assets | $ 30,661,777 | $ 29,731,332 | $ 29,480,868 | $ 28,871,400 | $ 27,997,131 | $ 31,120,118 | $ 34,070,209 | $ 34,672,700 | $ 36,701,303 |
| Primary government: | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 29,803,143 | $ 32,583,536 | $ 29,182,619 | $ 31,082,015 | $ 32,873,749 | $ 40,525,442 | $ 30,608,071 | $ 36,846,146 | $ 42,045,954 |
| Restricted - | | | | | | | | | |
| Restricted for debt service | 1,768,173 | 973,780 | 619,536 | 557,594 | 1,107,107 | 1,317,260 | 4,023,562 | 1,900,005 | 1,808,709 |
| Unrestricted | 9,231,806 | 5,551,047 | 8,385,253 | 8,565,254 | 8,319,464 | 12,877,499 | 26,155,399 | 24,751,447 | 24,102,609 |
| Total primary government net assets | $ 40,803,122 | $ 39,108,363 | $ 38,187,408 | $ 40,204,863 | $ 42,300,320 | $ 54,720,201 | $ 60,787,032 | $ 63,497,598 | $ 67,957,272 |

* The City began to report accrual information upon implementation of GASB Statement No. 34 in fiscal year 2002, therefore year 2001 was not reported.

**CITY OF DUBLIN, GEORGIA**
**CHANGES IN NET ASSETS**
**LAST TEN FISCAL YEARS***
(accrual basis of accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | $ 3,059,153 | $ 3,332,331 | $ 3,419,352 | $ 4,104,634 | $ 3,551,691 | $ 3,708,790 | $ 4,647,568 | $ 4,541,634 | $ 4,442,311 |
| Public Safety | 4,376,519 | 4,614,935 | 4,653,001 | 4,834,722 | 4,818,699 | 5,073,465 | 5,332,339 | 5,739,116 | 5,919,997 |
| Community services | 1,273,966 | 1,181,879 | 1,147,376 | 1,069,409 | 1,122,951 | 1,066,634 | 1,170,949 | 1,005,107 | 1,068,978 |
| Public works and buildings | 837,554 | 916,930 | 1,016,363 | 579,928 | 1,200,045 | 163,003 | 1,187,688 | 1,657,001 | 1,271,004 |
| Highways and streets | -- | -- | -- | 21,958 | 71,915 | 1,757,891 | 254,093 | 225,694 | 618,639 |
| Culture and recreation | 339,673 | 414,826 | 433,240 | 440,447 | 437,527 | 468,633 | 472,161 | 495,566 | 475,326 |
| Interest on long-term debt | -- | -- | -- | -- | -- | -- | 584,245 | 508,001 | 414,924 |
| Total governmental activities expenses | 9,886,865 | 10,460,901 | 10,669,332 | 11,051,098 | 11,202,828 | 12,238,416 | 13,649,043 | 14,172,119 | 14,211,179 |
| Business type activities: | | | | | | | | | |
| Water and sewer | 3,532,554 | 3,826,042 | 4,149,223 | 4,207,508 | 4,406,902 | 4,559,227 | 4,792,029 | 5,228,079 | 5,087,924 |
| Gas | 6,647,787 | 6,337,948 | 7,289,345 | 8,099,232 | 11,193,397 | 8,979,544 | 9,461,385 | 8,917,877 | 6,344,200 |
| Sanitation | 2,093,792 | 2,263,608 | 2,178,987 | 2,165,801 | 2,088,985 | 2,149,556 | 2,161,577 | 2,212,891 | 2,216,536 |
| Riverview Golf Course | 529,593 | 535,184 | 523,238 | 493,561 | 521,626 | 542,731 | 548,692 | 450,072 | 391,218 |
| Telecommunications | 493,839 | 527,451 | 494,629 | 580,905 | 689,960 | 609,786 | 647,050 | 704,563 | 600,070 |
| Total business-type activities | 13,297,565 | 13,490,233 | 14,635,422 | 15,547,007 | 18,900,870 | 16,840,844 | 17,610,733 | 17,513,482 | 14,639,948 |
| Total primary government expenses | $ 23,184,430 | $ 23,951,134 | $ 25,304,754 | $ 26,598,105 | $ 30,103,698 | $ 29,079,260 | $ 31,259,776 | $ 31,685,601 | $ 28,851,127 |

* The City began to report accrual information upon implementation of GASB Statement No. 34 in fiscal year 2002, therefore year 2001 was not reported.

# CITY OF DUBLIN, GEORGIA
## CHANGES IN NET ASSETS - CONTINUED
## LAST TEN FISCAL YEARS*
(accrual basis of accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Program Revenues** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| General government | $ 1,273,434 | $ 1,364,168 | $ 1,534,242 | $ 2,610,867 | $ 2,170,233 | $ 2,350,379 | $ 2,373,187 | $ 2,349,550 | $ 2,757,271 |
| Public safety | 600,681 | 567,206 | 569,389 | 701,022 | 724,580 | 791,470 | 896,570 | 1,046,221 | 925,861 |
| Public works and buildings | -- | -- | -- | -- | -- | 35,650 | -- | -- | 25,000 |
| Operating grants and contributions | 7,000 | 20,000 | 23,350 | -- | -- | -- | 3,000 | -- | 214,015 |
| Capital grants and contributions | 854,481 | 316,586 | 71,461 | 13,782 | 36,701 | 51,402 | 400,315 | 360,069 | 273,188 |
| Total governmental activities program revenue | 2,735,596 | 2,267,960 | 2,198,442 | 3,325,671 | 2,931,514 | 3,228,901 | 3,673,072 | 3,755,840 | 4,195,335 |
| Business type activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| Water and sewer | 3,198,499 | 3,253,993 | 3,225,078 | 3,945,785 | 4,605,503 | 5,098,515 | 5,216,774 | 4,799,364 | 5,066,965 |
| Gas | 6,491,465 | 6,993,576 | 8,317,559 | 8,445,530 | 11,045,701 | 11,015,183 | 10,862,955 | 9,621,572 | 8,331,392 |
| Sanitation | 1,958,703 | 2,092,193 | 2,139,276 | 2,152,630 | 2,184,531 | 2,576,198 | 2,589,009 | 2,579,728 | 2,553,242 |
| Riverview golf course | 790,381 | 377,366 | 406,155 | 380,812 | 417,551 | 503,524 | 469,745 | 455,885 | 337,981 |
| Telecommunications | -- | 316,843 | 337,934 | 544,423 | 583,559 | 836,451 | 809,855 | 928,013 | 695,527 |
| Capital grants and contributions | 344,622 | 688,921 | 365,514 | 349,606 | 274,394 | 353,875 | 662,984 | 313,322 | 173,715 |
| Total business-type activities program revenues | 12,783,670 | 13,722,892 | 14,791,516 | 15,818,786 | 19,111,239 | 20,383,746 | 20,611,322 | 18,697,884 | 17,158,822 |
| Total primary government program revenues | $ 15,519,266 | $ 15,990,852 | $ 16,989,958 | $ 19,144,457 | $ 22,042,753 | $ 23,612,647 | $ 24,284,394 | $ 22,453,724 | $ 21,354,157 |
| Net (expense)/revenue: | | | | | | | | | |
| Governmental activities | $ (7,151,269) | $ (8,192,941) | $ (8,470,890) | $ (7,725,427) | $ (8,271,314) | $ (9,009,515) | $ (9,975,971) | $ (10,416,279) | $ (10,015,844) |
| Business type activities | (513,895) | 232,659 | 156,094 | 271,779 | 210,369 | 3,542,902 | 3,000,589 | 1,184,402 | 2,518,874 |
| Total primary government net expense | $ (7,665,164) | $ (7,960,282) | $ (8,314,796) | $ (7,453,648) | $ (8,060,945) | $ (5,466,613) | $ (6,975,382) | $ (9,231,877) | $ (7,496,970) |

* The City began to report accrual information upon implementation of GASB Statement No. 34 in fiscal year 2002, therefore year 2001 was not reported.

# CITY OF DUBLIN, GEORGIA
## CHANGES IN NET ASSETS - CONTINUED
## LAST TEN FISCAL YEARS*
(accrual basis of accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **General Revenues and Other Changes in Net Assets** | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| Taxes | | | | | | | | | |
| Property taxes | $ 1,374,848 | $ 1,413,120 | $ 1,421,364 | $ 1,888,058 | $ 2,375,757 | $ 2,498,816 | $ 2,565,732 | $ 2,648,656 | $ 3,023,125 |
| Local option sales tax | 2,144,487 | 2,223,058 | 2,431,926 | 2,502,673 | 2,753,385 | 2,983,399 | 3,094,809 | 2,943,746 | 2,880,391 |
| Hotel/Motel tax | 336,542 | 405,958 | 428,427 | 436,433 | 434,176 | 465,603 | 541,069 | 492,536 | 472,296 |
| Special purpose local option sales tax 2003 | -- | -- | 946,743 | 2,252,213 | 1,804,044 | 200,000 | -- | -- | -- |
| Special purpose local option sales tax 2006 | -- | -- | -- | -- | -- | 2,084,525 | 3,244,746 | 2,681,311 | 2,742,771 |
| Alcoholic beverage taxes | 402,223 | 382,128 | 386,541 | 395,110 | 405,798 | 402,233 | 414,985 | 424,484 | 403,398 |
| Franchise taxes | 1,020,135 | 1,022,000 | 985,902 | 1,042,766 | 1,127,005 | 1,192,566 | 1,258,013 | 1,391,186 | 1,327,766 |
| Insurance premium tax | 575,991 | 631,993 | 681,139 | 738,170 | 794,174 | 830,905 | 866,726 | 887,488 | 879,162 |
| Unrestricted investment earnings | 95,112 | 50,370 | 29,532 | 108,927 | 246,701 | 343,488 | 867,788 | 404,947 | 95,891 |
| Gain on sale of capital assets | -- | -- | -- | -- | -- | -- | -- | -- | 59,616 |
| Intragovernmental | 1,333,250 | -- | -- | -- | -- | -- | -- | -- | -- |
| Transfers | -- | 1,300,000 | 488,825 | 988,000 | 1,288,000 | 650,000 | 238,843 | 650,000 | 562,499 |
| Total governmental activities | 7,282,588 | 7,428,627 | 7,800,399 | 10,352,350 | 11,229,040 | 11,651,535 | 13,092,711 | 12,524,354 | 12,446,915 |
| Business-type activities: | | | | | | | | | |
| Unrestricted investment earnings | 290,220 | 136,896 | 82,267 | 106,753 | 170,362 | 230,085 | 188,345 | 68,089 | 72,228 |
| Transfers | (1,333,250) | (1,300,000) | (488,825) | (988,000) | (1,288,000) | (650,000) | (238,843) | (650,000) | (562,499) |
| Total business-type activities | (1,043,030) | (1,163,104) | (406,558) | (881,247) | (1,117,638) | (419,915) | (50,498) | (581,911) | (490,271) |
| Total primary government | $ 6,239,558 | $ 6,265,523 | $ 7,393,841 | $ 9,471,103 | $ 10,111,402 | $ 11,231,620 | $ 13,042,213 | $ 11,942,443 | $ 11,956,644 |
| **Change in Net Assets** | | | | | | | | | |
| Governmental activities | $ 131,319 | $ (764,314) | $ (670,491) | $ 2,626,923 | $ 2,957,726 | $ 2,642,020 | $ 3,116,740 | $ 2,108,075 | $ 2,431,071 |
| Business-type activities | (1,556,925) | (930,445) | (250,464) | (609,468) | (907,269) | 3,122,987 | 2,950,091 | 602,491 | 2,028,603 |
| Total primary government | $ (1,425,606) | $ (1,694,759) | $ (920,955) | $ 2,017,455 | $ 2,050,457 | $ 5,765,007 | $ 6,066,831 | $ 2,710,566 | $ 4,459,674 |

* The City began to report accrual information upon implementation of GASB Statement No. 34 in fiscal year 2002, therefore year 2001 was not reported.

# CITY OF DUBLIN, GEORGIA
# FUND BALANCES, GOVERNMENTAL FUNDS
# LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund: | | | | | | | | | | |
| Reserved | $ 1,184,586 | $ 406,124 | $ 266,171 | $ 206,040 | $ 265,138 | $ 503,491 | $ 916,502 | $ 391,439 | $ 486,425 | $ 413,228 |
| Unreserved | 3,543,840 | 3,156,362 | 2,986,960 | 1,907,061 | 2,276,353 | 3,666,400 | 4,576,254 | 5,451,175 | 6,113,435 | 6,967,183 |
| Total General Fund | $ 4,728,426 | $ 3,562,486 | $ 3,253,131 | $ 2,113,101 | $ 2,541,491 | $ 4,169,891 | $ 5,492,756 | $ 5,842,614 | $ 6,599,860 | $ 7,380,411 |
| All other governmental funds - | | | | | | | | | | |
| Capital Projects Funds: | | | | | | | | | | |
| Reserved | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ 2,503,637 | $ 185,635 | $ 5,549 |
| Unreserved | -- | -- | -- | 860,468 | 2,050,650 | 2,173,934 | 1,470,803 | 12,371,812 | 9,052,530 | 6,495,071 |
| Total all other governmental funds | $ -- | $ -- | $ -- | $ 860,468 | $ 2,050,650 | $ 2,173,934 | $ 1,470,803 | $ 14,875,449 | $ 9,238,165 | $ 6,500,620 |

# CITY OF DUBLIN, GEORGIA
# CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
# LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| General property taxes | $ 1,375,064 | $ 1,364,731 | $ 1,390,112 | $ 1,411,618 | $ 1,870,599 | $ 2,352,088 | $ 2,506,886 | $ 2,570,947 | $ 2,622,330 | $ 2,580,602 |
| Other taxes | 3,706,648 | 4,582,765 | 4,817,939 | 6,022,836 | 7,531,028 | 7,481,398 | 8,333,833 | 9,623,282 | 9,005,832 | 6,139,714 |
| Licenses and permits | 1,403,309 | 452,154 | 508,110 | 504,871 | 537,428 | 518,562 | 635,953 | 578,685 | 573,180 | 556,122 |
| Fines and forfeitures | 445,611 | 524,944 | 447,777 | 450,469 | 579,451 | 591,683 | 658,664 | 749,175 | 925,128 | 813,986 |
| Intergovernmental | 389,078 | 1,010,921 | 538,346 | 330,490 | 272,990 | 371,152 | 380,252 | 648,739 | 324,168 | 3,501,948 |
| Interest on investments | 258,665 | 89,615 | 50,370 | 29,532 | 108,927 | 246,701 | 343,488 | 867,788 | 404,947 | 96,244 |
| Miscellaneous income | 503,889 | 621,523 | 620,925 | 750,454 | 1,772,139 | 1,287,301 | 1,379,430 | 1,423,491 | 1,678,235 | 1,818,948 |
| Total revenues | 8,082,264 | 8,646,653 | 8,373,579 | 9,500,270 | 12,672,562 | 12,848,885 | 14,238,506 | 16,462,107 | 15,533,820 | 15,507,564 |
| **Expenditures** | | | | | | | | | | |
| General government | 2,357,673 | 4,168,098 | 2,869,537 | 2,907,441 | 3,488,821 | 2,941,768 | 3,430,699 | 4,141,204 | 3,979,350 | 3,733,819 |
| Public safety | 4,008,820 | 4,365,802 | 4,508,839 | 4,638,973 | 4,690,404 | 4,864,068 | 5,218,565 | 5,263,858 | 5,617,942 | 5,807,783 |
| Community services | 1,598,155 | 1,273,966 | 1,181,879 | 1,147,376 | 1,069,409 | 1,122,951 | 1,066,634 | 1,170,949 | 1,005,107 | 1,068,978 |
| Public works and buildings | 937,345 | 1,001,405 | 1,016,721 | 1,146,440 | 1,207,065 | 1,380,144 | 1,541,115 | 1,209,145 | 1,158,206 | 1,181,967 |
| Highways and streets | -- | -- | -- | -- | 1,149,858 | 1,642,094 | 2,717,212 | -- | -- | -- |
| Culture and recreation | -- | 333,494 | 409,006 | 428,427 | 436,433 | 434,176 | 465,603 | 541,069 | 492,536 | 472,296 |
| Debt service - | | | | | | | | | | |
| Principal | -- | -- | -- | -- | -- | -- | 93,431 | 178,783 | 4,170,027 | 2,334,673 |
| Interest | -- | -- | -- | -- | -- | -- | -- | 584,245 | 508,001 | 414,924 |
| Bond issuance costs | -- | -- | -- | -- | -- | -- | -- | 192,406 | 500 | 500 |
| Capital Outlay | | | | | | | | | | |
| Highways and Streets | -- | -- | -- | -- | -- | -- | -- | 609,426 | 512,631 | 1,190,295 |
| Special Assessments | -- | -- | -- | -- | -- | -- | -- | 2,035,599 | 3,619,558 | 2,071,822 |
| Total expenditures | 8,901,993 | 11,142,765 | 9,985,982 | 10,268,657 | 12,041,990 | 12,385,201 | 14,533,259 | 15,926,684 | 21,063,858 | 18,277,057 |
| Excess of revenues over(under) expenditures | (819,729) | (2,496,112) | (1,612,403) | (768,387) | 630,572 | 463,684 | (294,753) | 535,423 | (5,530,038) | (2,769,493) |
| **Other financing sources(uses)** | | | | | | | | | | |
| Sale of capital assets | -- | -- | -- | -- | -- | -- | -- | -- | -- | 250,000 |
| Transfers in | 1,325,577 | 1,800,000 | 1,350,000 | 591,586 | 1,000,000 | 1,300,000 | 650,000 | 650,000 | 650,000 | 562,499 |
| Transfers out | (708,070) | (466,750) | (50,000) | (102,761) | (12,000) | -- | -- | -- | -- | -- |
| Capital leases | -- | -- | -- | -- | -- | -- | 264,487 | 630,000 | -- | -- |
| Bonds issued | -- | -- | -- | -- | -- | -- | -- | 12,000,000 | -- | -- |
| Premium on bonds issued | -- | -- | -- | -- | -- | -- | -- | 350,238 | -- | -- |
| Total other financing sources(uses) | 617,507 | 1,333,250 | 1,300,000 | 488,825 | 988,000 | 1,300,000 | 914,487 | 13,630,238 | 650,000 | 812,499 |
| **Change in fund balance** | $ (202,222) | $ (1,162,862) | $ (312,403) | $ (279,562) | $ 1,618,572 | $ 1,763,684 | $ 619,734 | $ 14,165,661 | $ (4,880,038) | $ (1,956,994) |
| Debt service as a percentage of noncapital expenditures | N/A | N/A | N/A | N/A | N/A | N/A | 0.76% | 5.47% | 25.58% | 16.69% |

**CITY OF DUBLIN, GEORGIA**
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**
**LAST TEN FISCAL YEARS**
(accrual basis of accounting)

| Fiscal Year | Property Tax | Local Option Sales Tax | Hotel/Motel Tax | Special Purpose Local Option Sales Tax 2003 | Special Purpose Local Option Sales Tax 2006 | Alcoholic Beverages Tax | Franchise Tax | Insurance Premium Tax | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2001 | 1,375,064 | 2,261,334 | 355,595 | -- | -- | 369,632 | 790,276 | 704,405 | $5,856,306 |
| 2002 | 1,374,848 | 2,144,487 | 336,542 | -- | -- | 402,223 | 1,020,135 | 575,991 | 5,854,226 |
| 2003 | 1,413,120 | 2,223,058 | 405,958 | -- | -- | 382,128 | 1,022,000 | 631,993 | 6,078,257 |
| 2004 | 1,421,364 | 2,431,926 | 428,427 | 946,743 (1) | -- | 386,541 | 985,902 | 681,139 | 7,282,042 |
| 2005 | 1,888,058 | 2,502,673 | 436,433 | 2,252,213 | -- | 395,110 | 1,042,766 | 738,170 | 9,255,423 |
| 2006 | 2,375,757 | 2,753,385 | 434,176 | 1,804,044 | -- | 405,798 | 1,127,005 | 794,174 | 9,694,339 |
| 2007 | 2,498,816 | 2,983,399 | 465,603 | 200,000 | 2,084,525 (1) | 402,233 | 1,192,566 | 830,905 | 10,658,047 |
| 2008 | 2,565,732 | 3,094,809 | 541,069 | -- | 3,244,746 | 414,985 | 1,258,013 | 866,726 | 11,986,080 |
| 2009 | 2,648,656 | 2,943,746 | 492,536 | -- | 2,681,311 | 424,484 | 1,391,186 | 887,488 | 11,469,407 |
| 2010 | 3,023,125 | 2,880,391 | 472,296 | -- | 2,742,771 | 403,398 | 1,327,766 | 879,162 | 11,728,909 |

(1) First year of tax

**CITY OF DUBLIN, GEORGIA**
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**
**LAST TEN FISCAL YEARS**

| Fiscal Year | Taxable Assessed Value | | | | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value * as a Percentage of Actual Value |
|---|---|---|---|---|---|---|---|
| | General Property | Public Utilities | Motor Vehicles | Total Taxable Value | | | |
| 2001 | $ 325,738,601 | $ 10,485,276 | $ 42,007,343 | $ 378,231,220 | 3.410 | $ 804,747,277 | 47.00% |
| 2002 | $ 345,317,518 | $ 10,881,670 | $ 42,850,614 | $ 399,049,802 | 3.410 | $ 849,042,132 | 47.00% |
| 2003 | $ 375,667,259 | $ 10,880,958 | $ 42,330,355 | $ 428,878,572 | 3.410 | $ 912,507,600 | 47.00% |
| 2004 | $ 380,473,387 | $ 11,217,732 | $ 40,711,510 | $ 432,402,629 | 3.190 | $ 920,005,594 | 47.00% |
| 2005 | $ 390,020,254 | $ 11,217,732 | $ 40,644,445 | $ 441,882,431 | 4.190 | $ 940,175,386 | 47.00% |
| 2006 | $ 404,544,010 | $ 10,774,445 | $ 40,584,121 | $ 455,902,576 | 5.200 | $ 970,045,480 | 47.00% |
| 2007 | $ 425,256,106 | $ 11,234,875 | $ 39,276,316 | $ 475,767,297 | 5.200 | $ 1,012,270,845 | 47.00% |
| 2008 | $ 436,146,910 | $ 11,815,692 | $ 39,911,784 | $ 487,874,386 | 5.200 | $ 1,038,030,609 | 47.00% |
| 2009 | $ 453,603,039 | $ 10,584,589 | $ 38,287,060 | $ 502,474,688 | 5.200 | $ 1,069,095,081 | 47.00% |
| 2010 | $ 461,076,778 | $ 10,869,399 | $ 39,985,081 | $ 511,931,258 | 5.327 | $ 1,089,215,442 | 47.00% |

Source: City of Dublin, Georgia and Laurens County, Georgia tax records.
Note: Property in Laurens County, Georgia is reassessed once every five years on average. The City assesses property at approximately 47% of actual value. Estimated actual taxable value is calculated by dividing taxable assessed value by this percentage. Tax rates are per $1,000 of assessed value.
* Excludes tax-exempt property

**CITY OF DUBLIN, GEORGIA**
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**
**(Per $1,000 of Assessed Value)**
**LAST TEN CALENDAR YEARS**

| Tax Levy Period Calendar Year | City | School District | State and County | Total Direct & Overlapping Rates |
|---|---|---|---|---|
| 2000 | 3.41 | 15.06 | 6.75 | 25.22 |
| 2001 | 3.41 | 15.06 | 6.75 | 25.22 |
| 2002 | 3.41 | 15.06 | 6.73 | 25.20 |
| 2003 | 3.19 | 14.87 | 6.72 | 24.78 |
| 2004 | 4.19 | 16.37 | 6.94 | 27.50 |
| 2005 | 5.20 | 16.28 | 6.94 | 28.42 |
| 2006 | 5.20 | 16.28 | 6.56 | 28.04 |
| 2007 | 5.20 | 16.27 | 6.55 | 28.02 |
| 2008 | 5.20 | 16.27 | 6.55 | 28.02 |
| 2009 | 5.33 | 16.77 | 6.55 | 28.65 |

Source: City of Dublin, Georgia and Laurens County, Georgia tax records.

**CITY OF DUBLIN, GEORGIA**
**PRINCIPLE PROPERTY TAXPAYERS**
**CURRENT YEAR AND NINE YEARS AGO**

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Fairview Park Hospital | $ 16,009,609 | 1 | 3.13% | $ 9,305,732 | 3 | 2.46% |
| Best Buy Loc. #77 | 15,376,082 | 2 | 3.00% | | | |
| YKK Corporation | 12,692,319 | 3 | 2.48% | 21,696,930 | 1 | 5.74% |
| Wal-Mart | 9,837,180 | 4 | 1.92% | 4,235,248 | 5 | 1.12% |
| Warehouse Home Furnishings | 7,359,287 | 5 | 1.44% | 3,720,512 | 6 | 0.98% |
| Rockwell Automation-Allen Bradley | 6,029,613 | 6 | 1.18% | 9,639,171 | 2 | 2.55% |
| Fred's Distribution | 4,901,307 | 7 | 0.96% | | | |
| Parko Hannifin Controls | 3,563,098 | 8 | 0.70% | 2,535,037 | 10 | 0.67% |
| Dublin Mall | 3,371,217 | 9 | 0.66% | 2,743,145 | 8 | 0.73% |
| Flexsteel Industries | 3,324,734 | 10 | 0.65% | | | |
| Basset Furniture | | | | 3,385,745 | 7 | 0.90% |
| Dublin Community Hospital | | | | 5,560,719 | 4 | 1.47% |
| Sherwin Glass | | | | 2,555,982 | 9 | 0.68% |
| | $ 82,464,446 | | 16.11% | $ 65,378,221 | | 17.29% |

Source: City of Dublin, Georgia tax records.

**CITY OF DUBLIN, GEORGIA**
**PROPERTY TAX LEVIES AND COLLECTIONS**
**LAST TEN CALENDAR YEARS**

| Fiscal Year Ended June 30, | Collected within the Fiscal Year of the Levy | | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | Taxes Levied for the Fiscal Year (1) | Collection Amount | Percentage of Levy | Delinquent Tax Collections | Amount | Percentage Levy |
| 2001 | $ 6,210,055 | $ 6,174,030 | 99.4% | $ 25,194 | $ 6,199,224 | 99.8% |
| 2002 | $ 6,578,999 | $ 6,536,599 | 99.4% | $ 30,804 | $ 6,567,403 | 99.8% |
| 2003 | $ 7,070,365 | $ 7,024,389 | 99.3% | $ 26,126 | $ 7,050,515 | 99.7% |
| 2004 | $ 7,073,550 | $ 7,030,413 | 99.4% | $ 34,663 | $ 7,065,076 | 99.9% |
| 2005 | $ 8,249,453 | $ 8,206,816 | 99.5% | $ 53,031 | $ 8,259,847 | 100.1% |
| 2006 | $ 8,919,795 | $ 8,844,589 | 99.2% | $ 40,234 | $ 8,884,823 | 99.6% |
| 2007 | $ 9,375,826 | $ 9,332,875 | 99.5% | $ 61,225 | $ 9,394,100 | 100.2% |
| 2008 | $ 9,616,757 | $ 9,576,892 | 99.6% | $ 77,245 | $ 9,654,137 | 100.4% |
| 2009 | $ 9,966,108 | $ 9,808,387 | 98.4% | $ 68,697 | $ 9,877,084 | 99.1% |
| 2010 | $ 10,428,595 | $ 9,726,810 | 93.3% | $ 91,458 | $ 9,818,268 | 94.1% |

Sources:

(1) Includes amounts levied and collected for city school system.

Source: City of Dublin, Georgia financial records.

**CITY OF DUBLIN, GEORGIA**
**PRINCIPLE GAS CUSTOMERS**
**CURRENT YEAR**

| | 2010 | | |
|---|---|---|---|
| Taxpayer | Charges for Gas by Customer | Rank | Percentage of Total Gas Sales |
| Mohawk Industries | $ 1,421,095 | 1 | 19.02% |
| YKK Corporation | 828,047 | 2 | 11.08% |
| Carl Vinson Medical Center | 661,433 | 3 | 8.85% |
| Hi-tek Rations | 574,639 | 4 | 7.69% |
| Dublin Housing Authority | 401,004 | 5 | 5.37% |
| Fairview Park Hospital | 208,528 | 6 | 2.79% |
| Best Buy | 142,799 | 7 | 1.91% |
| Flexsteel Industries | 58,461 | 8 | 0.78% |
| SP Newsprint | 48,356 | 9 | 0.65% |
| Bellevue Exxon | 27,003 | 10 | 0.36% |
| | $ 4,371,365 | | 58.51% |

Source: City of Dublin, Georgia gas records.

**CITY OF DUBLIN, GEORGIA**
**RATIOS OF OUTSTANDING DEBT BY TYPE**
**LAST TEN FISCAL YEARS**

| | Governmental Activities | | | Business-Type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Term Loans | Capital Leases | Water & Sewer Bonds | Term Loans | Capital Leases | Total Primary Government | Percentage of Personal Income (1) | Per Capita |
| 2001 | $ -- | $ 156,737 | $ -- | $6,970,000 | $ -- | $ -- | $ 7,126,737 | 7.35% | 449 |
| 2002 | $ -- | $ 106,814 | $ -- | $6,570,000 | $ -- | $ -- | $ 6,676,814 | 6.65% | 420 |
| 2003 | $ -- | $ 54,249 | $ -- | $6,150,000 | $ 602,685 | $ -- | $ 6,806,934 | 6.61% | 390 |
| 2004 | $ -- | $ -- | $ -- | $8,760,000 | $ 692,153 | $ -- | $ 9,452,153 | 9.01% | 549 |
| 2005 | $ -- | $ -- | $ -- | $8,590,000 | $ 675,578 | $ -- | $ 9,265,578 | 8.35% | 538 |
| 2006 | $ -- | $ -- | $ -- | $8,275,000 | $ 652,622 | $ 53,121 | $ 8,980,743 | 7.60% | 562 |
| 2007 | $ -- | $ -- | $ 171,056 | $7,950,000 | $1,467,871 | $ 27,073 | $ 9,616,000 | 7.87% | 601 |
| 2008 | $12,000,000 | $ -- | $ 622,273 | $7,610,000 | $1,416,994 | $ -- | $21,649,267 | 17.21% | 1351 |
| 2009 | $ 8,000,000 | $ -- | $ 452,246 | $7,260,000 | $1,355,060 | $ -- | $17,067,306 | 12.22% | 1065 |
| 2010 | $ 5,750,000 | $ -- | $ 367,572 | $6,895,000 | $1,290,382 | $ -- | $14,302,954 | N/A | N/A |

Note: Details to the city's outstanding debt can be found in the notes to the financial statements.
(1) See Schedule of Demographics and Economic Statistics on page 113 for personal income and population data.

**CITY OF DUBLIN, GEORGIA**
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**
**LAST TEN FISCAL YEARS**

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Capital Projects Fund | Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 2001 | $ -- | $ -- | $ -- | N/A | N/A |
| 2002 | -- | -- | -- | N/A | N/A |
| 2003 | -- | -- | -- | N/A | N/A |
| 2004 | -- | -- | -- | N/A | N/A |
| 2005 | -- | -- | -- | N/A | N/A |
| 2006 | -- | -- | -- | N/A | N/A |
| 2007 | -- | -- | -- | N/A | N/A |
| 2008 | 12,000,000 | (1) 2,053,637 | 9,946,363 | N/A | N/A |
| 2009 | 8,000,000 | 185,635 | 7,814,365 | N/A | N/A |
| 2010 | 5,750,000 | 5,549 | 5,744,451 | N/A | N/A |

(1) Bonds were issued in FY 2008 by the Laurens County Public Facilities Authority under authority of an Intergovernmental contract with the City of Dublin. The City of Dublin has the obligation to pay for the bond through the use of special purpose local option sale tax proceeds.

**CITY OF DUBLIN, GEORGIA**
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**
**GENERAL OBLIGATION BONDS**
**JUNE 30, 2010**

| Jurisdiction | Net General Obligation Bonded Debt Outstanding | Percentage Applicable to Government | City of Dublin's Share of Debt |
|---|---|---|---|
| Direct - | | | |
| City of Dublin | $ 5,750,000 | 100.00% | $ 5,750,000 |
| Overlapping - | -- | 100.00% | -- |
| Total | $ 5,750,000 | | $ 5,750,000 |

Source: City of Dublin, Georgia financial records.

**CITY OF DUBLIN, GEORGIA**
**PLEDGED REVENUE COVERAGE**
**LAST TEN FISCAL YEARS**

SPLOST Revenue Bonds

| Fiscal Year | Special Assessment Collections | Debt Service | | Coverage |
|---|---|---|---|---|
| | | Principle | Interest | |
| 2001 | $ -- | -- | -- | -- |
| 2002 | -- | -- | -- | -- |
| 2003 | -- | -- | -- | -- |
| 2004 | -- | -- | -- | -- |
| 2005 | -- | -- | -- | -- |
| 2006 | -- | -- | -- | -- |
| 2007 | -- | -- | -- | -- |
| 2008 | 3,244,746 | -- (1) | 275,000 | 11.8 |
| 2009 | 2,681,311 | 4,000,000 | 480,000 | 0.6 |
| 2010 | 2,742,771 | 2,250,000 | 400,000 | 1.0 |

(1) The City of Dublin issued these bonds in FY 2008. The first principle payment was not due until July 1, 2008.

Source: City of Dublin, Georgia financial records.

**CITY OF DUBLIN, GEORGIA**
**PLEDGED REVENUE COVERAGE**
**LAST TEN FISCAL YEARS**

Water and Sewer Revenue Bonds

| Fiscal Year | Water and Sewer Charges and Other | Less: Operating Expenses | (1) Net Available Revenue | Debt Service | | Coverage |
|---|---|---|---|---|---|---|
| | | | | Principle | Interest | |
| 2001 | 3,912,783 | 2,269,572 | 1,643,211 | 400,000 | 333,465 | 2.2 |
| 2002 | 3,646,371 | 2,469,660 | 1,176,711 | 420,000 | 315,830 | 1.6 |
| 2003 | 3,988,231 | 2,592,867 | 1,395,364 | 435,000 | 296,908 | 1.9 |
| 2004 | 3,613,225 | 2,908,114 | 705,111 | 170,000 (2) | 210,117 | 1.9 |
| 2005 | 4,340,407 | 2,922,886 | 1,417,521 | 315,000 | 356,800 | 2.1 |
| 2006 | 4,992,566 | 3,148,775 | 1,843,791 | 325,000 | 344,200 | 2.8 |
| 2007 | 5,474,278 | 3,259,199 | 2,215,079 | 340,000 | 331,200 | 3.3 |
| 2008 | 5,812,944 | 3,399,629 | 2,413,315 | 350,000 | 321,000 | 3.6 |
| 2009 | 5,137,749 | 3,881,547 | 1,256,202 | 365,000 | 309,625 | 1.9 |
| 2010 | 5,283,815 | 3,757,429 | 1,526,386 | 375,000 | 296,850 | 2.3 |

(1) This represents net operating income, including interest income and other non-operating revenues, and excluding depreciation and bond interest expense.

(2) The City of Dublin refinanced its bond issuance in FY 2004.

Source: City of Dublin, Georgia financial records.

**CITY OF DUBLIN, GEORGIA**
**DEMOGRAPHIC AND ECONOMIC STATISTICS**
**LAST TEN CALENDAR YEARS**

| Year | (1) Population | Personal Income (amounts expressed in thousands) | (3)** Per Capita Income | (4)** Median Age | (2) School Enrollment | (3)** Unemployment Rate |
|---|---|---|---|---|---|---|
| 2000 | 15,857 | $ 970,046 | $ 21,597 | 35.80 | 3,029 | 4.8% |
| 2001 | 15,871 | $ 1,004,690 | $ 21,993 | 36.90 | 3,265 | 6.6% |
| 2002 | 15,897 | $ 1,030,300 | $ 23,238 | 36.90 | 3,224 | 5.1% |
| 2003 | 15,921 | $ 1,048,788 | $ 22,655 | 36.90 | 3,038 | 4.7% |
| 2004 | 15,949 | $ 1,109,117 | $ 23,566 | 35.80 | 2,978 | 5.4% |
| 2005 | 15,972 | $ 1,181,653 | $ 23,716 | 36.50 | 2,395 | 5.0% |
| 2006 | 15,989 | $ 1,221,549 | $ 25,706 | 36.40 | 2,818 | 5.4% |
| 2007 | 16,004 | $ 1,257,662 | $ 26,487 | 36.10 | 2,856 | 7.0% |
| 2008 | 16,019 | $ 1,396,362 | $ 29,099 | 36.10 | 2,818 | 7.1% |
| 2009 | 16,031 | N/A | N/A | 36.10 | 2,697 | 10.9% |

Sources:

(1) Extrapolated from 2000 census at an average annual growth, etc. Population for 2000 is based on the 2000 Census.
(2) City Board of Education.
(3) State Department of Labor.
(4) Final 2000 calendar year census.
** County Wide Data

**CITY OF DUBLIN, GEORGIA**
**PRINCIPAL EMPLOYERS**
**CURRENT YEAR AND NINE YEARS AGO**

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Carl Vinson Medical Center | 780 | 1 | 3.52% | 740 | 1 | 4.29% |
| Fairview Park Hospital | 676 | 2 | 3.05% | 535 | 3 | 3.10% |
| YKK AP America, Inc. | 443 | 3 | 2.00% | 205 | 8 | 1.19% |
| Mohawk Industries, Inc. | 415 | 4 | 1.87% | 730 | 2 | 4.23% |
| Flexsteel Industries, Inc. | 336 | 5 | 1.52% | 280 | 6 | 1.62% |
| SP Newsprint Co. | 300 | 6 | 1.35% | 400 | 5 | 2.32% |
| Farmers Furniture Co. | 299 | 7 | 1.35% | 235 | 7 | 1.36% |
| Parker Aerospace | 220 | 8 | 0.99% | 200 | 9 | 1.16% |
| Best Buy Distribution | 213 | 9 | 0.96% | -- | -- | 0.00% |
| Fred's Distribution | 209 | 10 | 0.94% | -- | -- | 0.00% |
| | 3,891 | | 17.57% | 3,325 | | 19.27% |

Source: Dublin-Laurens County Chamber of Commerce

# CITY OF DUBLIN, GEORGIA
# FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
# LAST TEN FISCAL YEARS

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Management-City Mgr & City Attorney | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Finance - City Clerk & Finance | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Building Inspections | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Other | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 13 | 11 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers and personnel | 55 | 56 | 59 | 63 | 60 | 61 | 57 | 60 | 59 | 64 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 35 | 35 |
| Public Works | | | | | | | | | | |
| Engineering | 5 | 5 | 5 | 5 | 5 | 5 | 7 | 7 | 7 | 7 |
| Other | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 15 | 15 |
| Sanitation | 32 | 32 | 32 | 28 | 24 | 24 | 24 | 24 | 24 | 24 |
| Gas | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 15 | 17 |
| Golf Course | 15 | 15 | 15 | 13 | 13 | 13 | 13 | 12 | 5 | 3 |
| Telecommunications | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water and Sewer | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 32 | 30 |
| **Total** | 223 | 224 | 227 | 225 | 219 | 220 | 218 | 219 | 220 | 221 |

Source: City of Dublin, Georgia Finance Department

# CITY OF DUBLIN, GEORGIA
# OPERATING INDICATORS BY FUNCTION
# LAST TEN FISCAL YEARS

| Function | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Physical arrests | 2,134 | N/A | N/A | 1,657 | 2,143 | 1,737 | 1,783 | 1,765 | 1,921 | 2,183 |
| Parking violations | 22 | N/A | N/A | 13 | 68 | 14 | 10 | 10 | 9 | 16 |
| Traffic violations | 3,576 | N/A | N/A | 2,947 | 5,017 | 3,810 | 3,621 | 4,560 | 4,730 | 6,064 |
| Fire | | | | | | | | | | |
| Number of calls answered | 968 | 869 | 801 | 891 | 902 | 823 | 892 | 942 | 919 | 904 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 1.7 | 1.2 | 1.3 | 8.0 | 5.8 | 7.2 | 1.7 | N/A | 1.1 | 1.0 |
| Potholes repaired | 1,188 | 1,211 | 1,198 | 1,195 | 1,158 | 1,205 | 1,226 | 1,127 | 1,150 | 1,250 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 51 | 54 | 55 | 59 | 58 | 57 | 58 | 60 | 55 | 56 |
| Water | | | | | | | | | | |
| New connections | 105 | 110 | 120 | 125 | 130 | 150 | 82 | 98 | 82 | 101 |
| Water mains breaks | 422 | 434 | 442 | 418 | 426 | 436 | 425 | 420 | 430 | 436 |
| Average daily consumption (thousands of gallons) | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |

Source: Various government departments.

# CITY OF DUBLIN, GEORGIA
# CAPITAL ASSET STATISTICS BY FUNCTION
# LAST TEN FISCAL YEARS

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 32 | 34 | 34 | 35 | 38 | 38 | 38 | 50 | 50 | 50 |
| Fire stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sanitation | | | | | | | | | | |
| Collection trucks | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 24 | 20 | 20 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 101 | 101 | 102 |
| Streetlights | 1,676 | 1,593 | 1,613 | 1,648 | 1,670 | 1,702 | 1,702 | 1,710 | 1,715 | 1,720 |
| Traffic signals | 31 | 32 | 32 | 33 | 34 | 34 | 34 | 34 | 34 | 40 |
| Water | | | | | | | | | | |
| Water mains (miles) | 180 | 183 | 183 | 184 | 185 | 186 | 186 | 186 | 187 | 193 |
| Fire hydrants | 830 | 841 | 849 | 858 | 914 | 928 | 928 | 928 | 928 | 935 |
| Maximum daily capacity (mgd) | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 150 | 153 | 153 | 154 | 155 | 157 | 159 | 159 | 165 | 170 |
| Storm sewers (miles) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Maximum daily treatment capacity (mgd) | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Gas | | | | | | | | | | |
| Gas mains (miles) | 223 | 224 | 226 | 227 | 228 | 229 | 229 | 230 | 232 | 232 |

Source: Various government departments.

# IV. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

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# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor, City Council, Management
and Federal Awarding Agencies and Pass-Through Entities
City of Dublin, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dublin, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City of Dublin, Georgia's basic financial statements and have issued our report thereon dated December 17, 2010. We did not audit the financial statements of the Dublin-Laurens County Recreation Authority, which represent 94 percent and 95 percent, respectively, of the assets and revenues and other sources of financial resources of the component units. Those basic financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dublin-Laurens County Recreation Authority, is based solely on the report of the other auditors. 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 Dublin, 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 Dublin Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Dublin Georgia's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of City of Dublin, Georgia in a separate letter dated December 17, 2010.

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia

December 17, 2010

# V. SINGLE AUDIT SECTION

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Program Expenditures |
|---|---|---|---|
| MAJOR PROGRAMS | | | |
| U.S. Department of Transportation | | | |
| Highway Planning and Construction | 20.205 | | $ 196,000 |
| Total Major Programs | | | 196,000 |
| NON-MAJOR PROGRAMS | | | |
| Department of Housing and Urban Development | | | |
| Community Development Block Grant: | | | |
| Entitlement Grant | 14.218 | | 173,715 |
| Department of Housing and Urban Development | | | |
| Community Development Block Grant: | | | |
| Entitlement Grant | 14.218 | | 61,984 |
| U.S. Department of Justice | | | |
| Public Safety Partnerships and Community | | | |
| Policing Grants | 16.710 | 2009-RKWX0285 | 168,234 |
| U.S. Department of Transportation | | | |
| Highway Planning and Construction | 20.205 | | 77,188 |
| U.S. Department of Transportation | | | |
| State and Community Highway Safety | 20.600 | GA-2010-395-00823 | 45,781 |
| Total Non-Major Programs | | | 526,902 |
| Total Federal Financial Assistance | | | $ 722,902 |

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF DUBLIN, GEORGIA**
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**YEAR ENDED JUNE 30, 2010**

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Dublin, Georgia. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Dublin, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in compliance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the basic financial statements.

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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, City Council and Management
City of Dublin, Georgia

Compliance

We have audited the compliance of City of Dublin, Georgia with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. City of Dublin, Georgia's major federal programs are identified in the summary of auditor's results sections of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Dublin, Georgia's management. Our responsibility is to express an opinion on City of Dublin, 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 Dublin, 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 of City on Dublin, Georgia's compliance with those requirements.

In our opinion, City of Dublin, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of City of Dublin, 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 Dublin, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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 of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Dublin, Georgia's internal control over compliance.

A deficiency in an entity's 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 or correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such, that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed 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.

This report is intended solely for the information and use of the Mayor, City Council, management, others within the Organization, 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.

Nichols, Cauley & Associates, LLC

Dublin, Georgia

December 17, 2010

**CITY OF DUBLIN, GEORGIA**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE YEAR ENDED JUNE 30, 2010**

---

SECTION I. SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

| | |
|---|---|
| Type of Auditor's Report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weakness identified? | No |
| Significant deficiency identified not considered to be a material weakness? | No |
| Noncompliance material to financial statement noted? | No |

FEDERAL AWARDS

| | |
|---|---|
| Internal Control over major programs: | |
| Material weakness identified? | No |
| Significant deficiency identified not considered to be material weakness? | None Reported |
| Type of Auditor's report issued on compliance for major program: | Unqualified |
| Any audit finding disclosed that is required to be reported in Accordance with OMB Circular A-133, Section .510(A)? | No |

Identification of major programs:

| | |
|---|---|
| CFDA Number: | 20.205 |
| Name of Federal Program: | U.S. Department of Transportation |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs? | $300,000 |
| Auditee qualified as low risk auditee? | Yes |

SECTION II. FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

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