CITY OF DUBLIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2011

CITY OF DUBLIN, GEORGIA

COMPREHENSIVE

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FOR THE FISCAL YEAR ENDED

JUNE 30, 2011

Prepared by:
Department of Finance

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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**

December 16, 2011

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, 2011.

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, 2011, 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, 2011, 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 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.

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 6.36 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 Oconee Fall Line 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 Oconee Fall Line Technical College, which has completed construction of a new $13.7 million, 88000 square feet Allied Health Facility building. This 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. This 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 completed their expansion of the Dublin Diagnostic Center, which is Dublin's first comprehensive diagnostic care center. This 10,000 square foot, 2 story multimillion dollar building houses 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 are being added to the staff. The second phase of this expansion is 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. 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 100,000 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.

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 two hundred 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 North American location in the City of Dublin. The company will invest $30,000,000 and create 350 jobs over the next 5 years. The facility in Dublin is home to its North American Headquarters, Training Center, and Manufacturing location. This new plant has relocated 10-15 new residents from out 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 and a recently opened T.J. Max Store at the Dublin Mall, have added to our constantly growing retail strength and help 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.

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.

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 condominiums.

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.

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 Sub-Station in the Katie Dudley Housing area has improved Police presence and community policing efforts on the Southside. The new Police Department facility enhances 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 have moved from the City Hall. This move has resulted in more efficient use of both buildings as well as increased parking facilities and easier 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.

Dublin has also received several recent grant awards which offer a significant opportunity for street improvements throughout our city.

Dublin Safe Routes to School (SRTS) project in the amount of $328,000 will be used to improve bicycle and pedestrian safety in the Susie Dasher and Saxon Heights elementary School neighborhoods. New sidewalks and crosswalks will be added.

The Bellevue Streetscape Project in the amount of $399,951 will involve ADA access improvements, sidewalk renovations and streetscape enhancements including minor tree plantings along Bellevue Avenue from Church Street to Lancaster Street.

The Southside Gateway and Streetscape project in the amount of $399,951 involves access improvements, sidewalk renovation, traffic signal installation and streetscape enhancements, including street tree plantings and pedestrian amenities at the intersection of U.S. 441 and U.S. 19 highways, extending southward along U.S. 19.

The Simmons Street Community Development Block Grant Project in the amount of $200,066 will improve fire protection and domestic water services on Simmons Street and Cullens Street. This project involves installation of new fire hydrants, water lines and service meter connections.

In addition, two large sewer projects are being funded through the Georgia Environmental Facilities Authority, Clean Water Revolving Loan Program.

The downtown sewer rehabilitation project in the amount of $1,154,300, involves the rehabilitation and/or repair of manhole structures and gravity sewer main in the downtown area.

The Dublin Branch sewer relocation project in the amount of $880,421, involves the rehabilitation and/or relocation of existing parallel sanitary sewer lines along the Dublin Branch Corridor.

The total economic impact of these mostly grant and loan funded projects is in excess of $3,300,000 and provides much needed improvements to the infrastructure of Dublin.

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 in 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 is a venue for a variety of events, including animal and livestock shows,

rodeos, car shows and concerts. In addition, a "Splash Pad" was constructed in July 2010 at a cost of over $240,000 on the complex site. This water park facility will attract more visitors to the Dublin area.

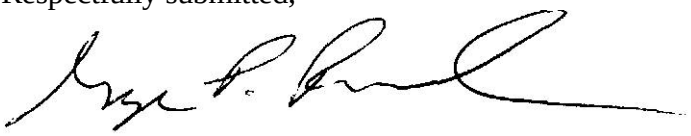
RELEVANT FINANCIAL POLICIES. The City of Dublin financial policy concerning the budgeting of one time revenue resources such as grants and S.P.L.O.S.T. revenues is to not budget them for reoccurring operating purposes. These funds must be spent only for capital items and capital improvements. In March 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.

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-third 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, 2010

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, 2011

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

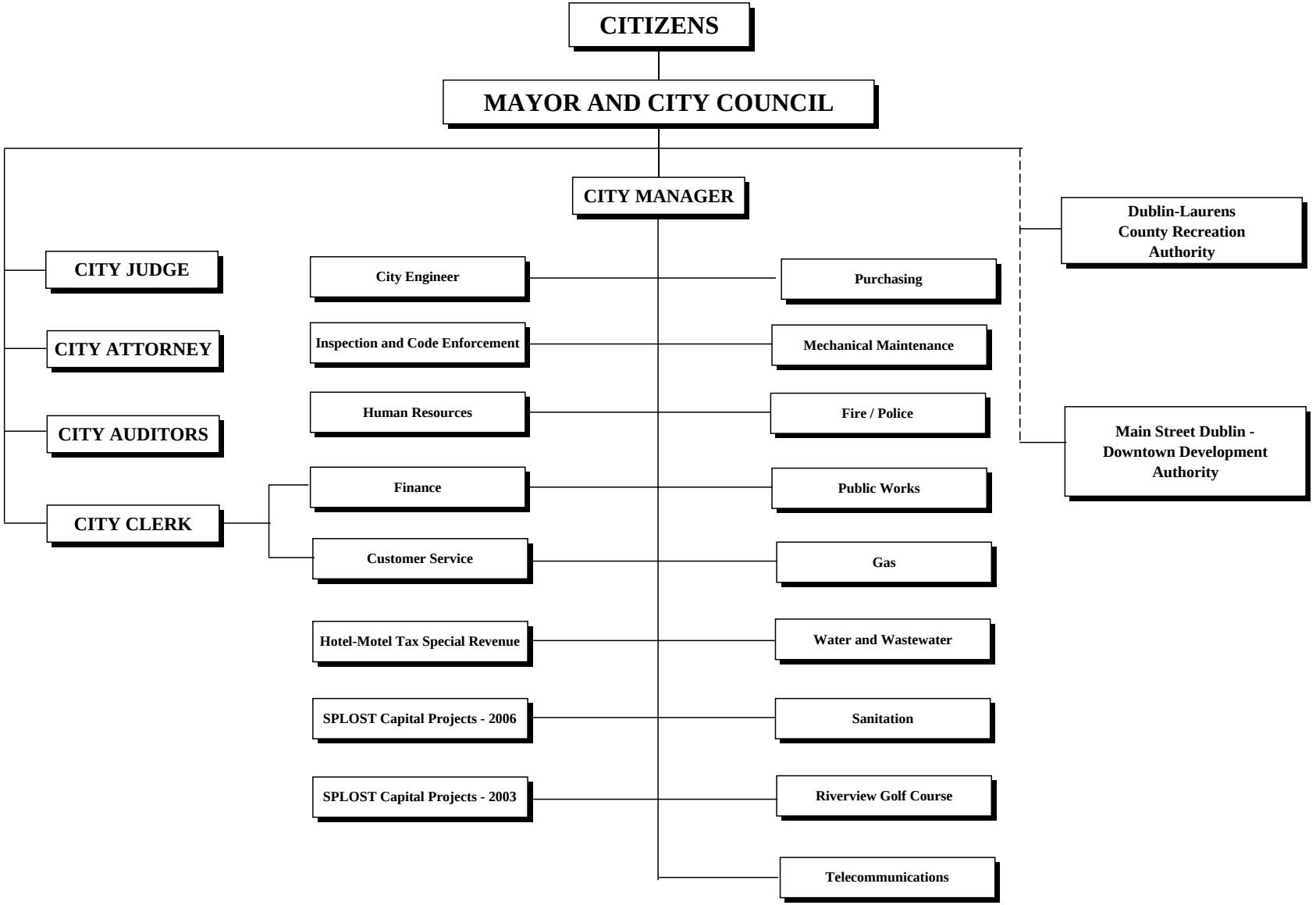
CITY MANAGER

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**

NICHOLS, CAULEY & ASSOCIATES, LLC
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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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of 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 93 percent 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011, 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, the budgetary comparison information on pages 67 through 68, and the notes to required supplementary information on page 69, 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, combining and individual fund statements and schedules, schedules of expenditures of special purpose local option sales tax proceeds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information 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, based on our audit, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Nichols, Cauley & Associates, LLC

Dublin, Georgia

December 16, 2011

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, 2011. 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, 2011 by $70,472,549 (presented as "net assets"). Of this amount, $19,914,773 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 $2,515,277 (a 3.7% increase) in fiscal year 2011. Net assets of governmental activities increased by $1,144,640 (a 3.7% increase) while net assets of the business-type activities showed an increase of $1,370,637 (a 3.7% increase).

Fund Highlights:

Governmental Funds - Fund Balances - As of the close of fiscal year 2011, the City's governmental funds reported a combined ending fund balance of $12,553,867, a decrease of $1,327,164 in comparison with the prior year. Of this total amount, $6,409,961 represents the "unassigned fund balances". This $6,409,961 is approximately 37.3% of the total governmental fund expenditures for the year. The primary difference in the $1,144,640 increase in net assets of governmental activities compared to the $1,327,164 decrease in fund balance of governmental funds relates to the payment of debt for the special assessment bonds in the amount of $2,750,000.

Long-term Debt:

The City's total long-term debt obligations decreased by $3,242,802 (22.8%) during the current fiscal year. The key factor in this decrease was the principal payment of $2,750,000 related to the special assessment bonds of which $3,000,000 constituted long-term debt at June 30, 2011.

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 $70,472,549 at the end of 2011, compared to $67,957,272 at the end of the previous year.

The largest portion of the City's net assets (54.2%) 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 (17.5%) 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 increased $1,028,122 or 5.4% 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	
	2011	2010	2011	2010	2011	2010
Current assets	$ 13,061,209	$ 14,926,856	$ 15,456,663	$ 14,538,333	$ 28,517,872	$ 29,465,189
Capital assets	23,365,659	23,352,757	31,186,345	31,605,879	54,552,004	54,958,636
Total assets	36,426,868	38,279,613	46,643,008	46,144,212	83,069,876	84,423,825
Noncurrent liabilities	3,708,437	6,577,471	7,456,184	7,833,107	11,164,621	14,410,578
Other liabilities	317,822	446,173	1,114,884	1,609,802	1,432,706	2,055,975
Total liabilities	4,026,259	7,023,644	8,571,068	9,442,909	12,597,327	16,466,553
Invested in capital assets, net of related debt	14,649,028	18,451,166	23,549,022	23,594,788	38,198,050	42,045,954
Restricted	10,216,238	5,221,507	2,143,488	1,803,160	12,359,726	7,024,667
Unrestricted	7,535,343	7,583,296	12,379,430	11,303,355	19,914,773	18,886,651
Total net assets	$ 32,400,609	$ 31,255,969	$ 38,071,940	$ 36,701,303	$ 70,472,549	$ 67,957,272

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 $2,515,277 or 3.7%. $1,144,640 of this increase was from governmental activities while business activities increased $1,370,637. Historically, and in fiscal year 2011, 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 2011 were $637,499 which included $462,499 from the Natural Gas Fund and $175,000 from the Telecommunications Fund. Approximately 25.6 percent of the City's total revenue came from taxes, while 9.4 percent resulted from grants and contributions (including federal aid). Charges for various goods and services, investment earnings, and intragovernmental items provided 65.0 percent of the total revenues.

The City's expenses cover a range of services. The largest expenses were for gas services, public safety, water and sewer services, general government, and sanitation services. In 2011, governmental activity program expenses exceeded revenues, resulting in the use of $8,969,123 in general revenues which were comprised of $8,311,480 (taxes), $637,499 (transfers), and $20,144 (unrestricted investment earnings). Total program and general revenues from business-type activities exceeded net expenses, excluding transfers out, in 2011 by $2,008,136.

Governmental activities increased the City's net assets by $1,144,640. The key elements in this change were a decrease in expenses, 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 $1,370,637. 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:

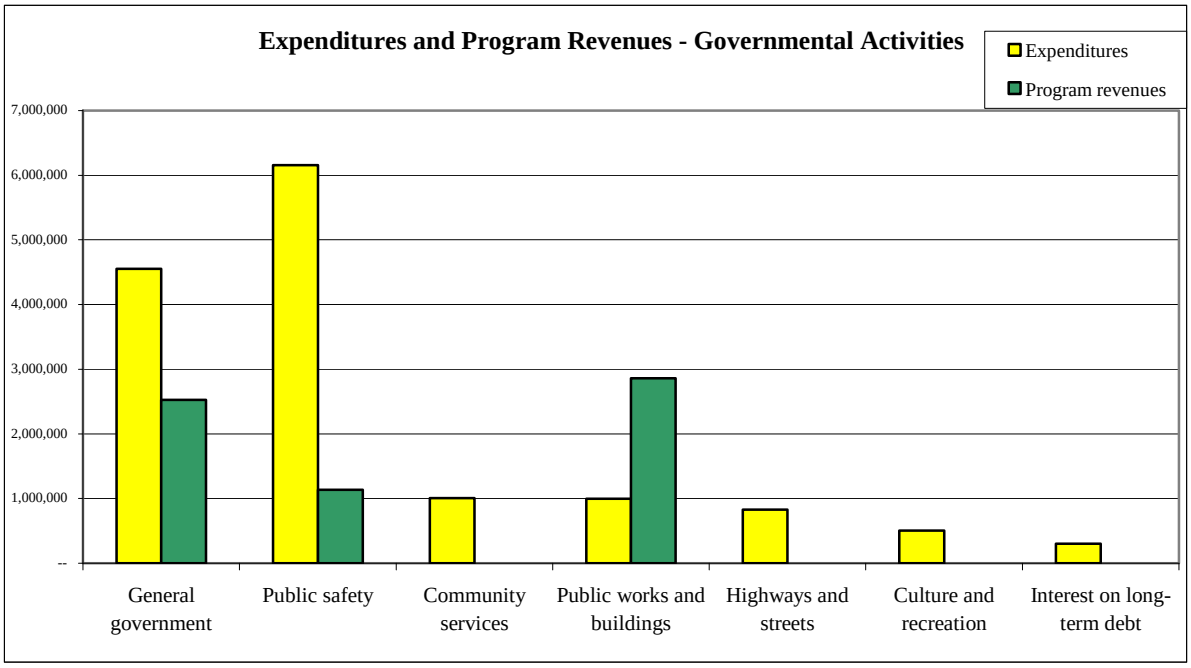
City of Dublin, Georgia – Changes in Net Assets

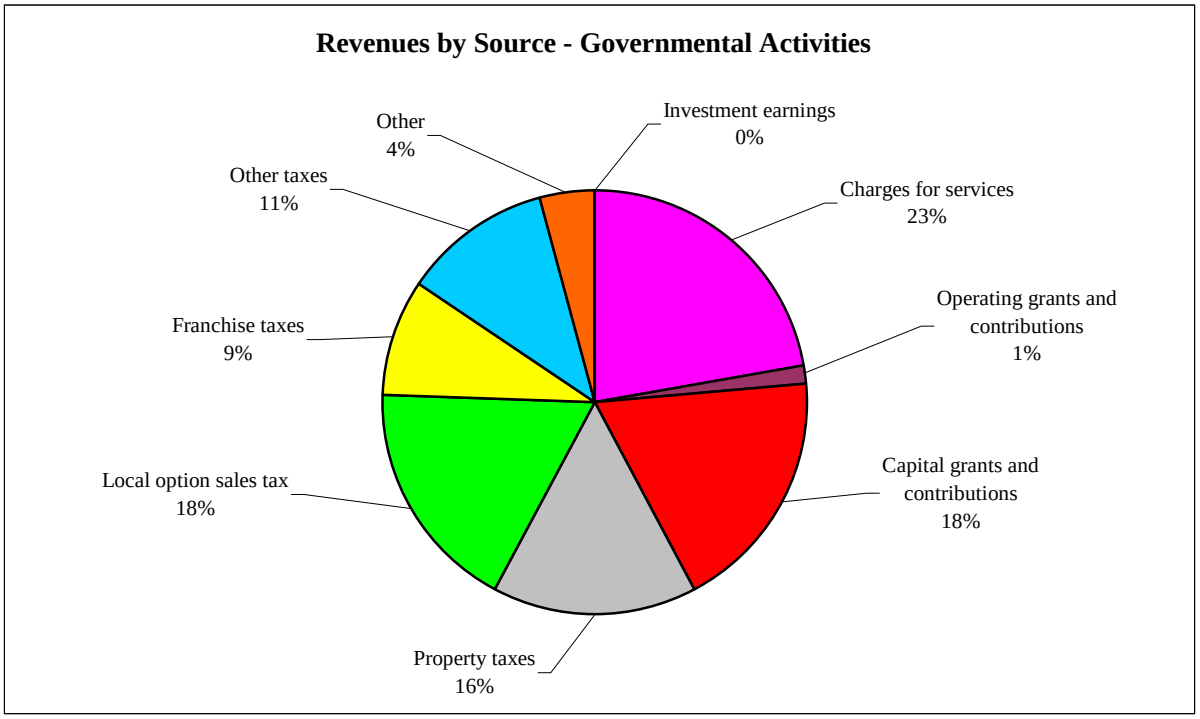
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 3,461,269	$ 3,708,132	$ 17,523,394	$ 16,985,107	$ 20,984,663	$ 20,693,239
Operating grants and contributions	196,933	214,015	--	--	196,933	214,015
Capital grants and contributions	2,865,718	3,093,329	--	173,715	2,865,718	3,267,044
General revenues:						
Property taxes	2,410,680	3,023,125	--	--	2,410,680	3,023,125
Local option sales tax	2,762,450	2,880,391	--	--	2,762,450	2,880,391
Franchise taxes	1,388,433	1,327,766	--	--	1,388,433	1,327,766
Other taxes	1,749,917	1,754,856	--	--	1,749,917	1,754,856
Investment earnings	20,144	18,521	65,584	72,228	85,728	90,749
Gain on sale of capital assets	--	59,616	--	--	--	59,616
Total revenues	14,855,544	16,079,751	17,588,978	17,231,050	32,444,522	33,310,801
Expenses:						
General government	4,555,414	4,442,311	--	--	4,555,414	4,442,311
Public safety	6,156,895	5,919,997	--	--	6,156,895	5,919,997
Community services	1,007,080	1,068,978	--	--	1,007,080	1,068,978
Public works and buildings	994,660	1,271,004	--	--	994,660	1,271,004
Highways and streets	829,092	618,639	--	--	829,092	618,639
Culture and recreation	505,632	475,326	--	--	505,632	475,326
Interest on long-term debt	299,630	414,924	--	--	299,630	414,924
Water and sewer	--	--	5,508,811	5,087,924	5,508,811	5,087,924
Gas	--	--	6,634,411	6,344,200	6,634,411	6,344,200
Sanitation	--	--	2,365,998	2,216,536	2,365,998	2,216,536
Riverview Golf Course	--	--	435,045	391,218	435,045	391,218
Telecommunications	--	--	636,577	600,070	636,577	600,070
Total expenses	14,348,403	14,211,179	15,580,842	14,639,948	29,929,245	28,851,127
Increase in net assets before transfers	507,141	1,868,572	2,008,136	2,591,102	2,515,277	4,459,674
Transfers	637,499	562,499	(637,499)	(562,499)	--	--
Intra-governmental	--	--	--	--	--	--
Change in net assets	1,144,640	2,431,071	1,370,637	2,028,603	2,515,277	4,459,674
Net assets, beginning of year	31,255,969	28,824,898	36,701,303	34,672,700	67,957,272	63,497,598
Net assets, ending	$ 32,400,609	$ 31,255,969	$ 38,071,940	$ 36,701,303	$ 70,472,549	$ 67,957,272

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 $14,348,403.
- However, the amount that our taxpayers paid for these activities through City taxes was $8,311,480. Some of the cost was paid by:
  - Those who directly benefited from the programs $3,461,269.
  - Other governments and organizations that subsidized certain programs with grants and contributions $3,062,651.
  - Net transfers to the General Fund of $637,499 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 $5,024,290 in fiscal year 2011. Public safety comprised 42.9% of total expenditures in 2011.
- Community services comprised 7.0% of total expenditures in fiscal year 2011.
- Public works and buildings comprised 6.9% of total expenditures in fiscal year 2011.
- Highways and streets comprised 5.8% of total expenditures in fiscal year 2011.
- Culture and recreation comprised 3.5% of total expenditures in fiscal year 2011.
- Interest on long-term debt comprised 2.1% of total expenditures in fiscal year 2011.
- General government comprised 31.8% of total expenditures and reflected a increase of $113,103 over the prior year. For every one dollar of general government expenditures in fiscal year 2011, 46 cents came from charges for services to pay for the expenditures and increases in interest rates.

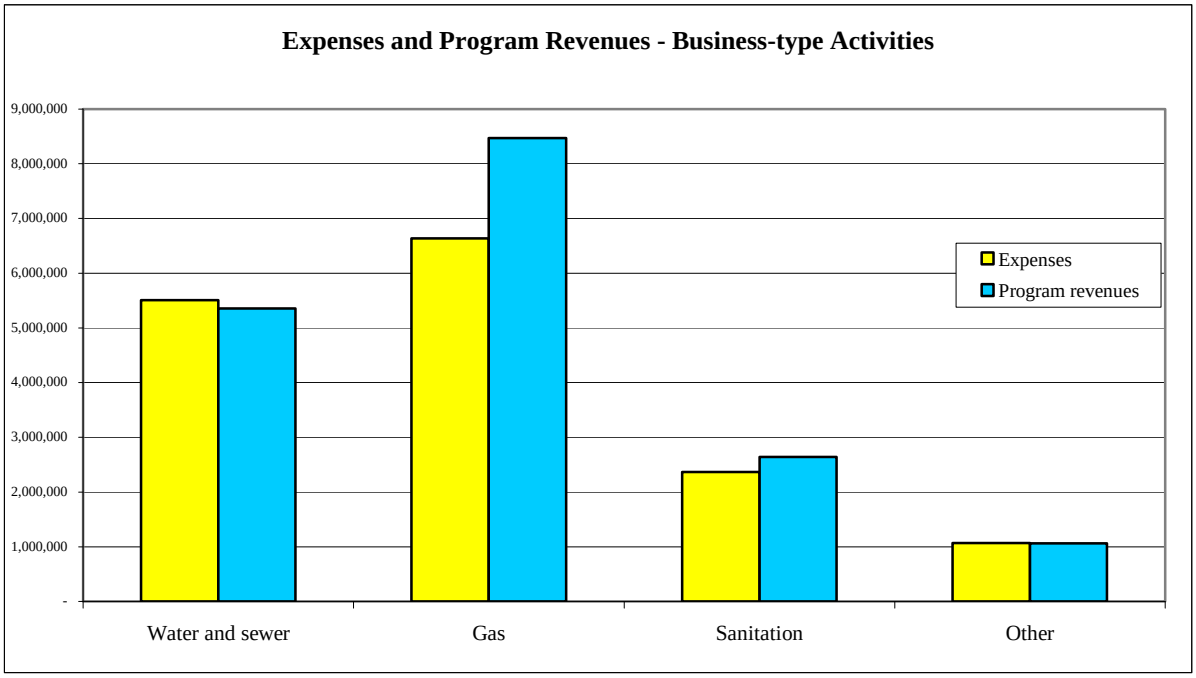


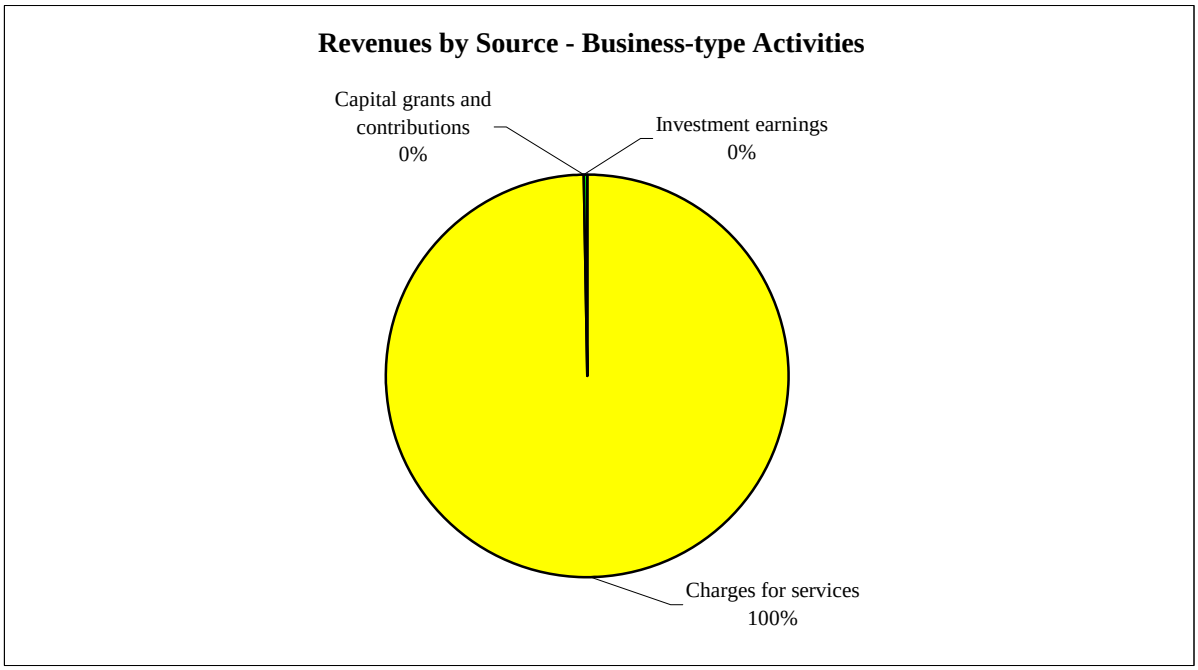


Business-Type Activities

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 $15,580,842.
- Revenues generated by the gas function comprised 48.3% of program revenues for business-type activities. Water and sewer, sanitation and other comprised 30.5%, 15.1%, and 6.1%, respectively.
- Investment earnings decreased by approximately $6,644 from the prior year due to an overall lower average yield in the interest rates earned on investments.


Expenses and Program Revenues - Business-type Activities
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
Expenses
Program revenues
Water and sewer
Gas
Sanitation
Other


Revenues by Source - Business-type Activities
Capital grants and contributions 0%
Investment earnings 0%
Charges for services 100%

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 $12,553,867 a decrease of $1,327,164 in comparison with the prior year. $6,409,961or 51.0% of this total amount constitutes unassigned fund balance, which is available for spending in the coming year. A portion of the fund balance is termed nonspendable to indicate that it is not available for new spending because it is reserved for inventory and prepaid items. A portion of the fund balance is termed restricted for it is to be used for debt service and capital projects. The remainder of fund balances are reserved to indicate that they are not available for new spending because they have already been committed or assigned for a variety of purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $6,409,961 while the total fund balance reached $7,742,590. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.4% of total general fund expenditures, while total fund balance represents 73.2% of that same amount.

The fund balance of the City's General Fund increased by $362,179 during the current fiscal year. This is a 4.9% 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, 2011, the fund balance of the City's General Fund represented 61.7% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2006 fund decreased by $1,414,528, 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, 2011, the fund balance of the City's SPLOST Capital Projects - 2006 fund represented 37.9% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2003 fund decreased by $274,815 during the current fiscal year. This is an 83.9% 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, 2011, the fund balance of the City's SPLOST Capital Projects - 2003 fund represented 0.4% 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 $1,370,637 as a result of operations in the proprietary funds. This resulted primarily from a $1,397,544 increase in net assets by the Gas Fund after transferring $462,499 to the City's General Fund, and a $275,596 increase in net assets of the Sanitation Fund. The increases in the Gas and Sanitation Funds were due mostly in part to increases in charges for services and stabilization of gas prices.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted expenditures decreased by .8 % from the prior year. Actual expenditures increased approximately 7.5% from prior year. The actual excess of expenditures over revenues 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, intergovernmental other was 86.9% under budget due to budgeting a Georgia Department of Transportation grant for $1,000,000 in 2011, however the improvement will not actually be incurred until 2012. Interest income was 34.3% over budget due to an increase in the City's cash and investments accounts throughout the year. Miscellaneous income was 39.1% under budget as this was used for balancing the budget. For expenditures, police department patrol expenditures were 10.7% under budget because of budgeting for an increase in police officers which were not hired until later in 2011. Non-departmental expenditures were 14.8% under budget.

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, 2011, amounts to $122,724,210, net of accumulated depreciation of $68,172,206 leaving a net book value of $54,552,004. This investment in capital assets includes land, construction in progress, buildings and plant, improvements other than buildings, machinery and equipment, and infrastructure.

The City's investment in capital assets for the current fiscal year decreased about 0.7% in terms of net book value. However, actual expenditures to purchase or construct capital assets were $3,109,737 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 $3,516,369 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 $9,520,000. This debt is secured solely by specified revenue sources (i.e., revenue bonds). The City's bonded debt decreased by $3,125,000 as a result of current year principal payments. The City also had $1,559,270 of debt from capital leases and notes payable, excluding interfund notes payable. This is a $98,684 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 12.3%, which is an increase from a rate of 10.9% 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 6.36 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, 2011

	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	$ 70,883	$ 4,942,949	$ 5,013,832	$ --	$ --
Equity in investment pool	12,206,718	199,219	12,405,937	--	--
Cash	4,665,002	146,479	4,811,481	1,030,836	41,152
Certificates of deposit	1,000,000	166,693	1,166,693	--	--
Taxes receivable, net	149,245	--	149,245	--	--
Accounts receivable, net	--	902,049	902,049	53,601	--
Other receivables, net	36,249	104,665	140,914	--	52,500
Accrued interest receivable	5,141	7,321	12,462	--	--
Due from other governments	256,110	--	256,110	--	--
Due from component units	62,269	--	62,269	--	--
Internal balances	(5,766,295)	5,766,295	--	--	--
Inventories, at cost	175,960	12,280	188,240	--	--
Prepaid items	173,413	53,482	226,895	22,177	--
Restricted assets:					
Equity in investment pool	--	394,118	394,118	--	--
Cash	26,514	4,258	30,772	--	--
Certificates of deposits	--	2,756,855	2,756,855	--	--
Capital assets not being depreciated:					
Land	1,336,192	565,757	1,901,949	--	126,150
Construction in progress	816,935	141,318	958,253	--	--
Capital assets, net of accumulated depreciation:					
Buildings and plant	5,057,337	29,394,798	34,452,135	5,730,618	283,870
Improvements other than buildings	1,708,112	3,167	1,711,279	172,622	41,569
Machinery and equipment	1,295,104	1,081,305	2,376,409	233,393	--
Infrastructure	13,151,979	--	13,151,979	--	--
Total assets	$36,426,868	$46,643,008	$83,069,876	$ 7,243,247	$ 545,241

	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	$ 297,822	$ 89,894	$ 387,716	$ 44,702	$ --
Due to primary government	--	--	--	--	62,053
Accrued interest payable	--	13,603	13,603	--	--
Deposits and bonds	20,000	--	20,000	--	--
Payables from restricted assets:					
Customer deposits	--	621,387	621,387	--	--
Revenue bonds payable - current	--	390,000	390,000	--	--
Noncurrent liabilities:					
Due within one year:					
Capital leases payable	90,353	--	90,353	--	--
Compensated absences	31,907	11,845	43,752	42,641	--
Note payable - other	--	70,431	70,431	78,612	--
Due in more than one year:					
Capital leases payable	189,752	--	189,752	--	--
Compensated absences	364,860	197,016	561,876	--	--
Note payable - other	--	1,208,734	1,208,734	714,936	--
Revenue bonds payable	3,031,565	5,968,158	8,999,723	--	--
Total liabilities	4,026,259	8,571,068	12,597,327	880,891	62,053
NET ASSETS					
Invested in capital assets, net of related debt	14,649,028	23,549,022	38,198,050	6,136,633	451,589
Restricted assets:					
Restricted for debt service	26,514	2,143,488	2,170,002	--	--
Restricted for capital projects	10,189,724	--	10,189,724	--	--
Unrestricted	7,535,343	12,379,430	19,914,773	225,723	31,599
Total net assets	32,400,609	38,071,940	70,472,549	6,362,356	483,188
Total liabilities and net assets	$36,426,868	$46,643,008	$83,069,876	$ 7,243,247	$ 545,241

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 4,555,414	$ 2,525,597	$ --
Public safety	6,156,895	935,672	196,933
Community services	1,007,080	--	--
Public works and buildings	994,660	--	--
Highways and streets	829,092	--	--
Culture and recreation	505,632	--	--
Interest on long-term debt	299,630	--	--
Total governmental activities	14,348,403	3,461,269	196,933
Business-type activities:			
Water and Sewer	5,508,811	5,353,002	--
Gas	6,634,411	8,466,675	--
Sanitation	2,365,998	2,641,594	--
Riverview Golf Course	435,045	351,009	--
Telecommunications	636,577	711,114	--
Total business-type activities	15,580,842	17,523,394	--
Total primary government	29,929,245	20,984,663	196,933
Component units:			
Dublin-Laurens County Recreation Authority	1,961,028	167,545	1,262,820
Main Street Dublin Downtown Development Authority	120,123	--	--
Total component units	$ 2,081,151	$ 167,545	$ 1,262,820
General revenues:			
Property taxes			
Local option sales tax			
Hotel/Motel tax			
Alcoholic beverage taxes			
Franchise taxes			
Insurance premium tax			
Miscellaneous			
Unrestricted investment earnings			
Intra-governmental			
Transfers			
Total general revenues, capital contribution 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
$ 2,163	$ (2,027,654)	$ --	$ (2,027,654)		
--	(5,024,290)	--	(5,024,290)		
--	(1,007,080)	--	(1,007,080)		
2,863,555	1,868,895	--	1,868,895		
--	(829,092)	--	(829,092)		
--	(505,632)	--	(505,632)		
--	(299,630)	--	(299,630)		
2,865,718	(7,824,483)	--	(7,824,483)		
--	--	(155,809)	(155,809)		
--	--	1,832,264	1,832,264		
--	--	275,596	275,596		
--	--	(84,036)	(84,036)		
--	--	74,537	74,537		
--	--	1,942,552	1,942,552		
2,865,718	(7,824,483)	1,942,552	(5,881,931)		
--				$ (530,663)	$ --
--				--	(120,123)
$ --				(530,663)	(120,123)
	2,410,680	--	2,410,680	--	--
	2,762,450	--	2,762,450	--	--
	497,782	--	497,782	132,581	--
	398,524	--	398,524	--	--
	1,388,433	--	1,388,433	--	--
	853,611	--	853,611	--	--
	--	--	--	35,295	49,201
	20,144	65,584	85,728	12,441	--
	--	--	--	185,996	85,500
	637,499	(637,499)	--	--	--
	8,969,123	(571,915)	8,397,208	366,313	134,701
	1,144,640	1,370,637	2,515,277	(164,350)	14,578
	31,255,969	36,701,303	67,957,272	6,526,706	468,610
	$ 32,400,609	$ 38,071,940	$ 70,472,549	$ 6,362,356	$ 483,188

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

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

	General	SPLOST Capital Projects - 2006	Nonmajor Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash	$ --	$ --	$ 70,883	$ 70,883
Equity in investment pool	12,206,718	--	--	12,206,718
Cash	700,765	3,880,859	83,378	4,665,002
Certificates of deposit	--	1,000,000	--	1,000,000
Cash - restricted for bond debt service	--	26,514	--	26,514
Taxes receivable, net	149,245	--	--	149,245
Other receivables, net	36,249	--	--	36,249
Accrued interest receivable	1,279	3,862	--	5,141
Due from other governments -				
State of Georgia -				
local option sales tax	256,110	--	--	256,110
Due from component units:				
Main Street Dublin Downtown				
Development Authority	62,055	--	--	62,055
Dublin-Laurens County				
Recreation Authority	214	--	--	214
Due from other funds	28,583	--	--	28,583
Inventories, at cost	175,960	--	--	175,960
Prepaid items	173,413	--	--	173,413
Total assets	$ 13,790,591	$ 4,911,235	$ 154,261	$ 18,856,087
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued costs	255,522	$ -	$ 42,300	$ 297,822
Deferred revenue	189,520	--	--	189,520
Due to other funds	5,582,959	152,781	59,138	5,794,878
Distilled spirits bond deposits	20,000	--	--	20,000
Total liabilities	6,048,001	152,781	101,438	6,302,220
FUND BALANCES				
Nonspendable	349,373	--	--	349,373
Restricted	--	4,758,454	52,823	4,811,277
Committed	983,256	--	--	983,256
Assigned	--	--	--	--
Unassigned	6,409,961	--	--	6,409,961
Total fund balances	7,742,590	4,758,454	52,823	12,553,867
Total liabilities and fund balances	$ 13,790,591	$ 4,911,235	$ 154,261	$ 18,856,087

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, 2011

Amounts reported for governmental activities in the statement of net assets are different because:		
Total governmental fund balance (page 28)	$	12,553,867
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		23,365,659
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		189,520
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.		(3,708,437)
Net assets of governmental activities (page 26)	$	32,400,609

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, 2011

	General	SPLOST Capital Projects - 2006	Nonmajor Funds	Total Governmental Funds
REVENUES:				
General property taxes	$ 2,820,812	$ --	$ --	$ 2,820,812
Other taxes	5,589,090	--	497,782	6,086,872
Licenses and permits	590,957	--	--	590,957
Fines and forfeitures	804,640	--	--	804,640
Intergovernmental	489,193	2,815,455	209,075	3,513,723
Interest on investments	20,144	48,100	--	68,244
Miscellaneous income	1,310,380	--	--	1,310,380
Total revenues	11,625,216	2,863,555	706,857	15,195,628
EXPENDITURES:				
Current:				
General government	3,554,722	--	--	3,554,722
Public safety	6,085,513	--	--	6,085,513
Community services	1,007,080	--	--	1,007,080
Public works and buildings	1,253,221	--	--	1,253,221
Culture and recreation	--	--	497,782	497,782
Debt Service:				
Principal	--	2,837,467	--	2,837,467
Interest	--	299,630	--	299,630
Bond issuance costs	--	500	--	500
Capital Outlay:				
Highways and streets	--	558,765	483,890	1,042,655
Special assessments	--	581,721	--	581,721
Total expenditures	11,900,536	4,278,083	981,672	17,160,291
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(275,320)	(1,414,528)	(274,815)	(1,964,663)
OTHER FINANCING SOURCES -				
Transfer in	637,499	--	--	637,499
Total other financing sources	637,499	--	--	637,499
NET CHANGE IN FUND BALANCES	362,179	(1,414,528)	(274,815)	(1,327,164)
FUND BALANCES, Beginning	7,380,411	6,172,982	327,638	13,881,031
FUND BALANCES, Ending	$ 7,742,590	$ 4,758,454	$ 52,823	$ 12,553,867

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, 2011

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)	$ (1,327,164)
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.	12,902
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(410,132)
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.	2,869,034
Change in net assets of governmental activities (page 27)	$ 1,144,640

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, 2011

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
ASSETS		
CURRENT ASSETS:		
Equity in pooled cash	$ 1,171,486	$ 735,104
Equity in investment pool	--	15,863
Cash	144,579	300
Certificate of deposit	--	166,693
Notes receivable from Water and Sewerage System Fund - current	--	43,703
Accounts receivable, net	172,308	573,240
Other receivables, net	104,665	
Accrued interest receivable	7,166	135
Due from other funds	--	5,856,128
Inventories, at cost	--	--
Prepaid items	12,715	25,549
Restricted assets:		
Customer deposits - certificate of deposit	--	226,343
Customer deposits - equity in investment pool	385,551	--
Customer deposits	--	4,258
Revenue bond debt service:		
Cash - reserve account - certificate of deposit	2,530,512	--
Revenue bond contingency (renewal and extension):		
Equity in investment pool	8,567	--
Total current assets	4,537,549	7,647,316
NONCURRENT ASSETS:		
CAPITAL ASSETS:		
Land	151,381	324,914
Construction in progress	141,318	--
Buildings and plant	37,217,687	14,794,637
Improvements other than buildings	--	--
Machinery and equipment	2,194,560	856,186
Less - accumulated depreciation	(18,592,753)	(8,651,910)
Capital assets - net	21,112,193	7,323,827
OTHER ASSETS:		
Note receivable - water and sewerage system fund - long-term portion	--	420,131
Total other assets	--	420,131
Total non-current assets	21,112,193	7,743,958
Total assets	$ 25,649,742	$ 15,391,274

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
$	2,131,649	$ 904,710	$ 4,942,949
	183,356	--	199,219
	300	1,300	146,479
	--	--	166,693
	--	--	43,703
	117,039	39,462	902,049
	--	--	104,665
	20	--	7,321
	--	--	5,856,128
	--	12,280	12,280
	13,476	1,742	53,482
	--	--	226,343
	--	--	385,551
	--	--	4,258
	--	--	2,530,512
	--	--	8,567
	2,445,840	959,494	15,590,199
	89,462	--	565,757
	--	--	141,318
	--	3,560,885	55,573,209
	--	197,027	197,027
	3,307,194	1,197,479	7,555,419
	(2,664,541)	(2,937,181)	(32,846,385)
	732,115	2,018,210	31,186,345
	--	--	420,131
	--	--	420,131
	732,115	2,018,210	31,606,476
$	3,177,955	$ 2,977,704	$ 47,196,675

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, 2011

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ --	$ 10,570
Accrued expenses	24,677	32,608
Note payable to natural gas system fund - current portion	43,703	--
Note payable GEFA - current portion	70,431	--
Due to other funds	--	--
Accrued interest payable	13,603	--
Compensated absences payable	5,666	1,347
Payable from restricted assets:		
Customer deposits	391,142	230,245
Revenue bonds payable- current portion	390,000	--
Total current liabilities	939,222	274,770
LONG TERM LIABILITIES:		
Compensated absences payable	94,238	22,406
Note payable - natural gas system fund - long-term portion	420,131	--
Note payable - GEFA - long-term portion	1,208,734	--
Revenue bonds payable - long-term portion	5,968,158	--
Total long-term liabilities	7,691,261	22,406
Total liabilities	8,630,483	297,176
NET ASSETS:		
Invested in capital assets, net of related debt	13,474,870	7,323,827
Restricted assets - Restricted for debt service	2,143,488	--
Unrestricted	1,400,901	7,770,271
Total net assets	17,019,259	15,094,098
Total liabilities and net assets	$ 25,649,742	$ 15,391,274

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ --	$ --	$ 10,570
	18,072	3,967	79,324
	--	--	43,703
	--	--	70,431
	--	89,833	89,833
	--	--	13,603
	3,880	952	11,845
	--	--	621,387
	--	--	390,000
	21,952	94,752	1,330,696
	64,527	15,845	197,016
	--	--	420,131
	--	--	1,208,734
	--	--	5,968,158
	64,527	15,845	7,794,039
	86,479	110,597	9,124,735
	732,115	2,018,210	23,549,022
	--	--	2,143,488
	2,359,361	848,897	12,379,430
	3,091,476	2,867,107	38,071,940
	$ 3,177,955	$ 2,977,704	$ 47,196,675

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, 2011

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)	$	47,196,675
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds		(89,833)
Elimination of interfund note receivable - water and sewerage system fund		(463,834)
Total assets for Statement of Net Assets - Business-type Activities (page 26)	$	46,643,008
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)	$	9,124,735
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds		(89,833)
Elimination of interfund note payable - water and sewerage system fund		(463,834)
Total liabilities for Statement of Net Assets - Business-type Activities (page 26)	$	8,571,068

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, 2011

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
OPERATING REVENUES:		
Sales / charges for services	$ 4,776,757	$ 7,633,080
Administrative expense reimbursement	111,070	127,930
Connection and installation	38,884	1,639
Penalties and cut-on fees	149,128	59,281
Other revenue	--	--
Total operating revenues	5,075,839	7,821,930
OPERATING EXPENSES:		
Purchases	--	4,267,556
Personnel services	1,318,233	515,746
Employee benefits	245,455	87,033
Repairs and maintenance	262,643	85,751
Amortization of bond issue cost	12,449	--
Depreciation	947,977	432,266
Other operating	1,493,879	618,827
General and administrative	859,397	627,232
Total operating expenses	5,140,033	6,634,411
OPERATING INCOME (LOSS)	(64,194)	1,187,519
NON-OPERATING REVENUES (EXPENSES):		
Interest expense	(368,778)	--
Interest income	37,805	27,779
Miscellaneous	277,163	644,745
Total non-operating revenues, net	(53,810)	672,524
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(118,004)	1,860,043
CAPITAL CONTRIBUTIONS	--	--
TRANSFERS OUT	--	(462,499)
Total transfers and contributions	--	(462,499)
CHANGE IN NET ASSETS	(118,004)	1,397,544
NET ASSETS, Beginning	17,137,263	13,696,554
NET ASSETS, Ending	$ 17,019,259	$ 15,094,098

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ 2,583,871	$ 927,182	$ 15,920,890
	--	--	239,000
	--	--	40,523
	47,499	1,192	257,100
	--	133,749	133,749
	2,631,370	1,062,123	16,591,262
	--	--	4,267,556
	813,762	226,614	2,874,355
	153,738	39,765	525,991
	108,075	14,840	471,309
	--	--	12,449
	156,153	266,563	1,802,959
	1,017,373	523,840	3,653,919
	116,897	--	1,603,526
	2,365,998	1,071,622	15,212,064
	265,372	(9,499)	1,379,198
	--	--	(368,778)
	--	--	65,584
	10,224	--	932,132
	10,224	--	628,938
	275,596	(9,499)	2,008,136
	--	--	--
	--	(175,000)	(637,499)
	--	(175,000)	(637,499)
	275,596	(184,499)	1,370,637
	2,815,880	3,051,606	36,701,303
	$ 3,091,476	$ 2,867,107	$ 38,071,940

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, 2011

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 4,895,088	$ 7,035,684
Cash received for administrative expense reimbursement	--	127,930
Cash paid to suppliers for goods and services	(1,759,999)	(5,488,080)
Cash received from other funds for meter readers	111,070	--
Cash paid to other funds for meter readers	--	(111,070)
Cash paid to other governments	--	490
Cash paid to employees for services	(1,279,540)	(535,425)
Cash paid for employee taxes and benefits	(532,851)	(214,638)
Cash paid for administrative expense reimbursements	(572,770)	--
Cash received from (paid to) other funds	--	(2,823,350)
Other non-operating revenue	277,163	644,745
Net cash provided (used) by operating activities	1,138,161	(1,363,714)
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	(462,046)	(288,589)
Interest income on note receivable from water and sewerage system fund	--	24,326
Proceeds from principal reduction on note receivable from water and sewerage system fund	--	41,576
Principal paid on note payable - natural gas system fund	(41,576)	--
Principal received on GEFA loan	56,399	--
Principal paid on GEFA loan	(67,616)	--
Interest and fees paid on revenue bonds, notes and capital lease payables	(369,240)	--
Principal paid on revenue bond maturities	(375,000)	--
Net cash used for capital and related financing activities	(1,259,079)	(222,687)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income on investments	46,520	3,321
Purchase of investments	(405,250)	--
Redemption of certificates of deposit	3,380,158	381,855
Purchase of certificates of deposit	(3,425,376)	(393,036)
Net cash used by investing activities	(403,948)	(7,860)
NET INCREASE (DECREASE) IN CASH	(524,866)	(2,056,760)
CASH, Beginning	2,235,049	2,812,285
CASH, Ending	$ 1,710,183	$ 755,525

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ 2,628,258	$ 1,218,923	$ 15,777,953
	--	--	127,930
	(887,847)	(511,809)	(8,647,735)
	--	--	111,070
	--	--	(111,070)
	--	--	490
	(796,541)	(226,505)	(2,838,011)
	(396,706)	(64,313)	(1,208,508)
	(116,897)	--	(689,667)
	--	72,980	(2,750,370)
	10,224	--	932,132
	440,491	489,276	704,214
	--	(175,000)	(637,499)
	--	(175,000)	(637,499)
	(529,503)	(103,287)	(1,383,425)
	--	--	24,326
	--	--	41,576
	--	--	(41,576)
	--	--	56,399
	--	--	(67,616)
	--	--	(369,240)
	--	--	(375,000)
	(529,503)	(103,287)	(2,114,556)
	--	--	49,841
	--	--	(405,250)
	--	--	3,762,013
	--	--	(3,818,412)
	--	--	(411,808)
	(89,012)	210,989	(2,459,649)
	2,404,317	695,021	8,146,672
	$ 2,315,305	$ 906,010	$ 5,687,023

(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, 2011

	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	$ 1,751,382	$ 2,402,482
Restricted	483,667	409,803
Total	2,235,049	2,812,285
Net increase (decrease)		
Current	(435,317)	(1,651,215)
Restricted	(89,549)	(405,545)
Total	(524,866)	(2,056,760)
Cash, ending		
Current	1,316,065	751,267
Restricted	394,118	4,258
Total	$ 1,710,183	$ 755,525
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net operating income (loss)	$ (64,194)	$ 1,187,519
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	947,977	432,266
Amortization of bond issue cost	12,449	--
Other non-operating revenue	277,163	644,745
Decrease (increase) in assets:		
Accounts receivable - trade	(75,272)	(258,272)
Due from other funds	--	(2,823,350)
Inventory	--	--
Prepaid expenses	--	2,979
(Decrease) increase in liabilities:		
Accounts payable	(4,246)	(136,939)
Due to (from) other funds	--	--
Due to other governments	--	490
Accrued expenses	14,734	6,571
Customer deposits	5,591	(400,044)
Compensated absences payable	23,959	(19,679)
Total adjustments	1,202,355	(2,551,233)
Net cash provided (used) by operating activities	$ 1,138,161	$ (1,363,714)

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
$	2,404,317	$ 695,021	$ 7,253,202
	--	--	893,470
	2,404,317	695,021	8,146,672
	(89,012)	210,989	(1,964,555)
	--	--	(495,094)
	(89,012)	210,989	(2,459,649)
	2,315,305	906,010	5,288,647
	--	--	398,376
$	2,315,305	$ 906,010	$ 5,687,023
$	265,372	$ (9,499)	$ 1,379,198
	156,153	266,563	1,802,959
	--	--	12,449
	10,224	--	932,132
	(3,112)	156,800	(179,856)
	--	--	(2,823,350)
	--	2,323	2,323
	--	--	2,979
	(5,367)	--	(146,552)
	--	72,980	72,980
	--	--	490
	9,656	109	31,070
	--	--	(394,453)
	7,565	--	11,845
	175,119	498,775	(674,984)
$	440,491	$ 489,276	$ 704,214

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, 2011

ASSET		
Equity in pooled cash	$	32,609
Total assets	$	32,609
LIABILITY		
Due to Dublin Board of Education	$	32,609
Total liabilities	$	32,609

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. It was agreed upon by the City and Laurens County that the City would include the Dublin-Laurens County Recreation Authority as a component unit since the City continues to share in more of the financial burden than Laurens County.

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, 2011, the City paid $17,509 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 2011, sales to four major customers represented approximately 46.77% 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, 2011, 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, 2011, 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, 2011. 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. ***Fund Equity***

    The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.

    Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

    Fund Balance- Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

    - **Nonspendable-** Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
    - **Restricted-** Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
    - **Committed-** Fund balances are reported as committed when they can be sued only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
    - **Assigned-** Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Chief Financial Officer to assign fund balances.

- **Unassigned-** Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions- When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, 3) unassigned.

Net Assets- Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e. the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

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	$ 909,377
Depreciation expense	(1,713,410)
Increases in construction in progress accounts	816,935
Net adjustment to decrease *net changes in fund balance – total governmental funds*, to arrive at changes in *net assets of governmental activities*	$ 12,902

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 $3,708,437 difference are as follows:

Bonds payable (net of bond premiums and issuance costs)	$ 3,031,565
Capital leases payable	280,105
Compensated absences	396,767
Net adjustment to reduce *fund balance – total governmental funds* to arrive at changes in *net assets of governmental activities*	$ 3,708,437

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, 2011.

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, 2011 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:

	Expenditures	Appropriations	Variance
GENERAL FUND:			
General government – City Manager	$ 236,666	$ 235,554	$ (1,112)
General government - City Clerk	$ 178,084	$ 176,239	$ (1,845)
General government – Human Resources	$ 160,036	$ 147,963	$ (12,073)
General government – Tax Department	$ 109,622	$ 103,668	$ (5,954)
General government – City Attorney	$ 140,032	$ 138,562	$ (1,070)
General government – Police Department CID	$ 604,641	$ 585,323	$ (19,318)
General government – Fire Department Combat	$ 2,021,958	$ 1,933,356	$ (88,602)
General government – Community Services Cemetery	$ 101,652	$ 98,959	$ (2,693)
General government – Community Services Appropriations	$ 905,172	$ 897,163	$ (8,009)
General government – Public Works	$ 975,617	$ 964,755	$ (10,862)
HOTEL/MOTEL TAX FUND:			
Hotel/Motel – Culture and Recreation	$ 497,782	$ 468,000	$ (29,782)

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 $85,979 as of June 30, 2011. 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, 2011 follows:

	Account Balances
Petty Cash	$ 2,605
Demand deposits	10,925,468
Certificates of deposit	3,923,548
Investments	12,800,055
	$ 27,651,676

Ownership of Funds	
Primary Government	
Governmental funds:	
Equity in pooled cash	$ 70,883
Equity in investment pool	12,206,718
Cash	4,665,002
Certificates of deposit	1,000,000
Restricted cash	26,514
	17,969,117
Proprietary funds:	
Equity in pooled cash	4,942,949
Equity in investment pool	199,219
Cash	146,479
Certificates of deposit	166,693
Restricted equity in investment pool	394,118
Restricted cash	4,258
Restricted certificates of deposit	2,756,855
	8,610,571
Component Units	
Cash and cash equivalents	1,071,988
Total reporting entity	$ 27,651,676

At June 30, 2011, the City had the following investments:

Investment	Maturity Date	Fair Value
Georgia Fund 1 (investment pool)	07/28/2011	$ 12,800,055
Certificate of Deposit – SPLOST 2006	08/18/2011	1,000,000
Certificate of Deposit – Gas Fund	07/16/2012	393,036
Certificate of Deposit – Water Fund	11/17/2011	1,310,528
Certificate of Deposit – Water Fund	12/14/2011	405,250
Certificate of Deposit – Water Fund	02/09/2012	814,734

***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, 2011 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 2010, the City levied a tax of six and 360/1000 (6.360) mills on the value of all taxable property in the City. The City School System levied a tax of nineteen and 71/100 (19.71) mills. The net digest assessed value for 2010 was $417,570,627 on property in the City including mobile homes and vehicles.

Sources of the calendar year 2010 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	$ 379,728,371	$ 9,897,620	$ 7,482,548	$ 2,415,072
Public utilities	9,250,552	241,116	182,282	58,834
Motor vehicles	28,591,704	745,243	563,400	181,843
Total	$ 417,570,627	$ 10,883,979	$ 8,228,230	$ 2,655,749

C. Receivables

As of June 30, 2011 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, 2011:

	General	Proprietary	Total
Receivables:			
Taxes	$ 169,245	$ --	$ 169,245
Less allowance for uncollectible accounts	20,000	--	20,000
Net taxes receivable	$ 149,245	$ --	$ 149,245
Accounts and other	$ 36,249	$ 1,109,402	$ 1,145,651
Less allowance for uncollectible accounts	--	102,688	102,688
Net accounts receivable	$ 36,249	$ 1,006,714	$ 1,042,963

D. Receivables from Other Governments

General Fund receivables from other governments as of June 30, 2011, are as follows:

State of Georgia - local option sales tax	$ 256,110

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 ad valorem 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, 2011, was $2,762,450.

F. Interfund Receivables, Payables, and Transfers

A summary of individual interfund receivable and payable balances at June 30, 2011, and a summary of fund transfers for the year then ended follows:

	Payable to	
Payable from:	General Fund	Gas Fund
Governmental funds:		
General	$ --	$ 5,582,959
Hotel/Motel	28,583	--
SPLOST Capital Projects 2003	--	30,555
SPLOST Capital Projects 2006	--	152,781
Riverview Golf Course	--	89,833
Total Primary Government	$ 28,583	$ 5,856,128

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, 2011, but not yet disbursed. 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	175,000
Total Primary Government	$ 637,499

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	$ 26,514

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

Customer deposits	$ 616,152
Revenue bonds debt service	2,530,512
Revenue bonds contingency (renewal and extension)	8,567
	$ 3,155,231

H. Capital Assets

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

Primary Government

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 1,336,192	$ --	$ --	$ 1,336,192
Construction in progress	--	816,935	--	816,935
Total capital assets not being depreciated	1,336,192	816,935	--	2,153,127
Capital assets, being depreciated:				
Buildings and plant	10,235,487	--	--	10,235,487
Improvements other than buildings	9,612,976	--	--	9,612,976
Machinery and equipment	7,785,253	169,900	(315,885)	7,639,268
Infrastructure	28,311,145	739,477	--	29,050,622
Total capital assets being depreciated	55,944,861	909,377	(315,885)	56,538,353
Less accumulated depreciation for:				
Buildings and plant	4,940,296	237,854	--	5,178,150
Improvements other than buildings	7,741,205	163,659	--	7,904,864
Machinery and equipment	6,251,764	408,285	(315,885)	6,344,164
Infrastructure	14,995,031	903,612	--	15,898,643
Total accumulated depreciation	33,928,296	1,713,410	(315,885)	35,325,821
Total capital assets, being depreciated, net	22,016,565	(804,033)	--	21,212,532
Governmental activities capital assets, net	$ 23,352,757	$ 12,902	$ --	$ 23,365,659

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Business-type activities:				
Capital assets, not being depreciated -				
Land	$ 565,757	$ --	$ --	$ 565,757
Construction in progress	--	141,318	--	141,318
Total capital assets not being depreciated	565,757	141,318	--	707,075
Capital assets, being depreciated:				
Buildings and plant	54,978,818	594,391	--	55,573,209
Improvements other than buildings	197,027	--	--	197,027
Machinery and equipment	6,970,345	647,716	(62,642)	7,555,419
Total capital assets being depreciated	62,146,190	1,242,107	(62,642)	63,325,655
Less accumulated depreciation for:				
Buildings and plant	24,761,541	1,416,870	--	26,178,411
Improvements other than buildings	193,099	760	--	193,859
Machinery and equipment	6,151,428	385,329	(62,642)	6,474,115
Total accumulated depreciation	31,106,068	1,802,959	(62,642)	32,846,385
Total capital assets, being depreciated, net	31,040,122	(560,852)	--	30,479,270
Business-type activities capital assets, net	$ 31,605,879	$ (419,534)	$ --	$ 31,186,345

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

Governmental activities:	
General government	$ 973,548
Public safety	119,183
Public works and buildings	350,558
Highways and streets	267,596
Culture and recreation	2,525
Total depreciation expense – governmental activities	$ 1,713,410
Business-type activities:	
Water and sewer	$ 947,977
Gas	432,266
Sanitation	156,153
Riverview Golf Course	9,224
Telecommunications	257,339
Total depreciation expense – business-type activities	$ 1,802,959

Discretely Presented Component Units

Activity for **Dublin-Laurens County Recreation Authority** for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, being depreciated:				
Buildings and plant	$ 7,045,032	$ 158,751	$ --	$ 7,203,783
Improvements other than buildings	492,317	7,605	--	499,922
Machinery and equipment	862,868	--	--	862,868
Total capital assets being depreciated	8,400,217	166,356	--	8,566,573
Less accumulated depreciation for:				
Buildings and plant	1,198,639	274,526	--	1,473,165
Improvements other than buildings	273,275	54,025	--	327,300
Machinery and equipment	565,357	64,118	--	629,475
Total accumulated depreciation	2,037,271	392,669	--	2,429,940
Total capital assets, being depreciated, net	$ 6,362,946	$ (226,313)	$ --	$ 6,136,633
Dublin-Laurens County Recreation Authority, capital assets, net	$ 6,362,946	$ (226,313)	$ --	$ 6,136,633

Activity for **Main Street Dublin-Downtown Development Authority** for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
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
Improvements other than buildings	--	43,520	--	43,520
Machinery and equipment	1,957	--	--	1,957
Total capital assets being depreciated	353,101	43,520	--	396,621
Less accumulated depreciation for:				
Buildings and plant	55,246	12,028	--	67,274
Improvements other than buildings	--	1,951	--	1,951
Machinery and equipment	1,957	--	--	1,957
Total accumulated depreciation	57,203	13,979	--	71,182
Total capital assets, being depreciated, net	$ 295,898	$ 29,541	$ --	$ 325,439
Main Street Dublin – Downtown Development Authority capital assets, net	$ 422,048	$ 29,541	$ --	$ 451,589

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 2012 is $90,353.

The annual requirements to amortize the remaining balance of $280,105 as of June 30, 2011, including interest payments of $18,686 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2012	$ 90,353	$ 9,244	$ 99,597
2013	93,335	6,262	99,597
2014	96,417	3,180	99,597
Total	$ 280,105	$ 18,686	$ 298,791

The assets acquired through these capital leases are as follows:

	Governmental Activities	Business-Type Activities
Machinery and equipment	$ 630,000	$ --
Less accumulated depreciation	105,000	--
Total	$ 525,000	$ --

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, 2011. The annual requirements to amortize the remaining balance of $463,834 to maturity, including interest of $109,022 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
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	53,357	12,545	65,902
2017-2020	221,786	21,560	243,346
Total	$ 463,834	$ 109,022	$ 572,856

K. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2011:

Primary Government

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Governmental activities:						
Revenue bonds payable:	$ 5,750,000	$ --	$ (2,750,000)	$ 3,000,000	$ --	$ 3,000,000
Less deferred amounts:						
For bond premiums	140,094	--	(70,048)	70,046	--	70,046
For issuance discounts	(70,962)	--	38,481	(38,481)	--	(38,481)
Total bonds payable	5,813,132	--	(2,781,567)	3,031,565	--	3,031,565
Compensated absences payable	396,767	228,299	(228,299)	396,767	31,907	364,860
Capital Lease Payable Ladder Truck – BBT	367,572	--	(87,467)	280,105	90,353	189,752
Governmental activity - long-term liabilities	$ 6,577,471	$ 228,299	$ (3,097,333)	$ 3,708,437	$ 122,260	$ 3,586,177

Business-type activities:	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Revenue bonds payable	$ 6,895,000	$ --	$ (375,000)	$ 6,520,000	$ 390,000	$ 6,130,000
Less deferred amounts:						
For bond issuance discounts	(174,291)	--	12,449	(161,842)	--	(161,842)
Total bonds payable	6,720,709	--	(362,551)	6,358,158	390,000	5,968,158
Compensated absences payable	197,016	129,521	(117,676)	208,861	11,845	197,016
Notes Payable – GEFA	1,290,382	56,399	(67,616)	1,279,165	70,431	1,208,734
Notes payable - Natural Gas System	505,410	--	(41,576)	463,834	43,703	420,131
Business-type activity - long-term liabilities	$ 8,713,517	$ 185,920	$ (589,419)	$ 8,310,018	$ 515,979	$7,794,039

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, 2011, 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, 2011	$ 3,000,000
Current portion	--
Long-term portion	$ 3,000,000

The FY 2011 principal and interest payment due on July 1, 2011 was made by the City on June 30, 2011; therefore no amount is shown as current portion due in FY 2011 as the payment was reflected as being paid in FY 2011.

The annual requirements to amortize outstanding revenue bonds as of June 30, 2011, including interest payments of $150,000 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2012	$ --	$ --	$ --
2013	3,000,000	150,000	3,150,000
Total	$ 3,000,000	$ 150,000	$ 3,150,000

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, 2011, 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, 2011	$ 6,520,000
Current portion	390,000
Long-term portion	$ 6,130,000

The annual requirements to amortize outstanding revenue bonds as of June 30, 2011, including interest payments of $2,204,497 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
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	455,000	216,588	671,588
2017-2021	2,570,000	778,414	3,348,414
2022-2024	1,840,000	174,345	2,014,345
Total	$ 6,520,000	$ 2,204,497	$ 8,724,497

Notes 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 2012 is $70,431with the long-term portion making up the remaining balance of $1,152,335.

The annual requirements to amortize the remaining balance of $1,222,766 as of June 30, 2011, including interest payments of $390,280 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2012	$ 70,431	$ 52,280	$ 122,711
2013	73,761	48,950	122,711
2014	76,926	45,785	122,711
2015	80,336	42,375	122,711
2016	83,819	38,892	122,711
2017-2021	478,723	134,832	613,555
2022-2025	358,770	27,166	385,936
Total	$ 1,222,766	$ 390,280	$ 1,613,046

During fiscal year 2011 the City was awarded a "construction period loan" from the Georgia Environmental Facilities Authority (GEFA) for the purpose of making improvements to the sewer collection and treatment infrastructure. Under the terms of the agreement the City can draw a total of $2,400,000. As of June 30, 2011 the City had drawn $56,399 on this loan. The unpaid principal balance shall bear interest at a rate of 3% per annum. Accrued interest is payable monthly until the earlier of the completion date, January 1, 2012, or date loan is fully disbursed. Principal and interest then become payable in 239 consecutive monthly payments.

Discretely Presented Component Units

Dublin-Laurens County Recreation Authority:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Compensated absences payable	$ 39,894	$ 30,467	$ (27,720)	$ 42,641	$ 42,641	$ --
Note payable – Farmers State Bank #1	674,758	--	(674,758)	--	--	--
Note payable – Farmers State Bank #2	100,400	50,000	(150,400)	--	--	--
Note payable – Farmers State Bank #3	--	884,016	(90,468)	793,548	78,612	714,936
Component units - long-term liabilities	$ 815,052	$ 964,483	$ (943,346)	$ 836,189	$ 121,253	$ 714,936

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 was a line of credit used for the construction of the Splash Pad with a maturity date of July 31, 2010. Farmers State Bank #3 is a loan combining #1 and #2, interest rate is 3.5% and maturity is December 30, 2014. All notes are being repaid with collections from a Special Purpose Local Option Sales Tax. Note #3 calls for annual payments of $104,200 beginning on December 30, 2010 with a balloon payment of the remaining balance on December 30, 2014.

The annual requirements to amortize the remaining balance on Note #3 of $793,548 as of June 30, 2011, including interest payments of $93,965 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2012	$ 78,612	$ 25,588	$ 104,200
2013	81,363	22,837	104,200
2014	84,211	19,989	104,200
2015	549,362	25,551	574,913
Total	$ 793,548	$ 93,965	$ 887,513

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, 2011.

Business-type activities:	Net Assets
Riverview Golf Course Fund	$ (85,979)

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 2011 are as follows:

	Year Ended June 30, 2011	Year Ended June 30, 2010
Unpaid claims, beginning of fiscal year	$ 50,000	$ 150,000
Current year claims, premiums and changes in estimates	44,781	27,587
Claims payments	(74,781)	(127,587)
Unpaid claims, end of fiscal year	$ 20,000	$ 50,000

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, 2011, June 30, 2010, or June 30, 2009.

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, 2011. A summary of the transactions for the year ending June 30, 2011 follows:

	Amount	Percentage of Tax Receipts
Lodging tax receipts	$ 497,782	
Expended under contract with the Dublin – Laurens County Chamber of Commerce for promotion of tourism	(124,445)	25.0%
Expended under contract with Theatre Dublin to market and operate theater facilities	(62,820)	12.5%
Expended under contract with Dublin – Laurens County Recreation Authority for general recreation purposes	(124,445)	25.0%
Expended for promotion of tourism, operation of theater facilities and general recreational purposes	(186,072)	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, 2011
Retirees and beneficiaries currently receiving benefits	95
Vested terminated employees	50
Active employees:	
Vested	149
Nonvested	65
Total membership in the plan	359

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, 2010, was $938,307, which was 11.7% of the covered payroll. This percentage was 11.5% and 13.4% of the covered payroll at December 31, 2009 and December 31, 2008, respectively. Employees are not required to contribute to the fund.

3. Annual Pension Cost

For 2011, the City's annual pension cost of $938,307, for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2011 actuarial

valuation using the 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
6/30/09	$ 1,016,510	100%	$ -0-
6/30/10	$ 902,672	100%	$ -0-
6/30/11	$ 938,307	100%	$ -0-

5. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, was as follows:

Actuarial accrued liability (AAL)	$ 18,598,183
Actuarial value of plan assets	15,855,337
Unfunded actuarial accrued liability (UAAL)	$ 2,742,846
Funded ratio (actuarial value of plan assets/AAL)	85.3%
Covered payroll (active plan members)	$ 7,855,490
UAAL as a percentage of covered payroll	34.9%

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, 2011 through December 16, 2011 for potential recognition and disclosure in the consolidated financial statements.

On November 15, 2011, the City's 7th largest gas customer filed a voluntary petition for reorganization under Chapter 11.

No events have occurred that would require adjustment to or disclosure in the financial statements which were issued on December 16, 2011.

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

	Actuarial Valuation Date		
	1/1/2009	1/1/2010	1/1/2011
Actuarial Accrued Liability (AAL) Entry Age (b)	$ 16,413,085	$ 17,603,169	$ 18,598,183
Actuarial Value of Assets (a)	11,729,253	15,044,038	15,855,337
Unfunded AAL (funding excess) (UAAL) (b-a)	$ 4,683,832	$ 2,559,131	$ 2,742,846
Funded Ratio (a/b)	71.5%	85.5%	85.3%
Covered Payroll (c)	$ 7,596,910	$ 7,719,153	$ 7,855,490
UAAL as a Percentage of Covered Payroll ((b-a)/c)	61.6 %	33.2%	34.9%

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, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES:			
General property taxes -			
Current year's levy	$ 2,892,344	$ 2,820,812	$ (71,532)
Other taxes:			
Local option sales	2,755,000	2,762,450	7,450
Hotel-Motel	175,500	186,072	10,572
Alcoholic beverage	417,000	398,524	(18,476)
Franchise	1,343,000	1,388,433	45,433
Insurance premium	877,000	853,611	(23,389)
Total	5,567,500	5,589,090	21,590
Licenses and permits:			
General business licenses	477,500	479,995	2,495
Inspection permits	80,500	110,962	30,462
Total	558,000	590,957	32,957
Fines and forfeitures -			
Police recorders court	830,900	804,640	(26,260)
Intergovernmental:			
Reimbursement from other governments	176,000	328,942	152,942
Federal Housing Authority - payment in lieu of taxes	9,455	10,127	672
Other	1,146,264	150,124	(996,140)
Total	1,331,719	489,193	(842,526)
Interest on investments	15,000	20,144	5,144
Miscellaneous income:			
Reimbursement of administrative expenses - other funds	601,242	600,712	(530)
Miscellaneous	1,164,918	709,668	(455,250)
	1,766,160	1,310,380	(455,780)
Total General Fund Revenues	$ 12,961,623	$ 11,625,216	$ (1,336,407)

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, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - (Over) Under
EXPENDITURES:			
General government:			
Legislative	$ 222,840	$ 190,711	$ 32,129
City manager	235,554	236,666	(1,112)
Main Street program	52,500	52,500	--
City clerk	176,239	178,084	(1,845)
Human resources	147,963	160,036	(12,073)
Tax department	103,668	109,622	(5,954)
Finance department	161,429	154,954	6,475
City attorney	138,962	140,032	(1,070)
City judge	244,810	222,489	22,321
Engineering	462,134	435,283	26,851
Purchasing	204,336	178,132	26,204
Inspections	371,263	366,062	5,201
Non-departmental	2,387,051	2,034,650	352,401
Total general government	4,908,749	4,459,221	449,528
Public safety:			
Police department - administrative	615,011	580,058	34,953
Police department - patrol	3,059,339	2,730,686	328,653
Police department - C.I.D.	585,323	604,641	(19,318)
Police department - crossing guards	13,290	7,453	5,837
Fire department - administrative	143,972	139,544	4,428
Fire department - combat	1,933,356	2,021,958	(88,602)
Total public safety	6,350,291	6,084,340	265,951
Community services:			
Cemetery	98,959	101,652	(2,693)
Appropriations	897,163	905,172	(8,009)
Total community services	996,122	1,006,824	(10,702)
Public works and buildings:			
Public works	964,755	975,617	(10,862)
Mechanical maintenance	291,861	266,631	25,230
Total public works and buildings	1,256,616	1,242,248	14,368
Total expenditures	13,511,778	12,792,633	719,145
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(550,155)	(1,167,417)	(617,262)
OTHER FINANCING SOURCES (USES)-			
Transfer in	469,286	637,499	168,213
Total other financing sources (uses)	469,286	637,499	168,213
NET CHANGE IN FUND BALANCES		(529,918)	
FUND BALANCE, Beginning		7,289,252	
FUND BALANCE, Ending		$ 6,759,334	

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 department level. Revenues are budgeted by source. Expenditures are budgeted by department which constitutes the legal level of control. Expenditures may not exceed appropriations at the department 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:

2011 Expenditures	General
Budget Basis Expenditures	$ 12,792,633
Encumbrances, June 30, 2011	(983,256)
Encumbrances, June 30, 2010	91,159
GAAP Basis Expenditures	$ 11,900,536

Fund Balances - End of Year	General
Budgetary Basis	$ 6,759,334
Encumbrances, June 30, 2011	983,256
GAAP Basis	$ 7,742,590

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 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	62,053	--	--	62,053	75,529	13,476
Services	51,176	3,002	2,662	50,836	66,502	15,666
Utilities	1,443	--	--	1,443	3,000	1,557
Supplies	6,988	209	--	6,779	8,209	1,430
Total	191,260	3,211	2,662	190,711	222,840	32,129
City Manager:						
Salaries	154,390	--	--	154,390	150,148	(4,242)
Employee Benefits	67,117	--	--	67,117	64,973	(2,144)
Services	5,341	883	--	4,458	7,783	3,325
Repairs & Maintenance	7,800	--	--	7,800	7,800	--
Utilities	2,055	--	--	2,055	1,900	(155)
Supplies	767	--	79	846	1,950	1,104
Capital Outlay	--	--	--	--	1,000	1,000
Total	237,470	883	79	236,666	235,554	(1,112)
Main Street Program:						
Supplies	52,500	--	--	52,500	52,500	--
Total	52,500	--	--	52,500	52,500	--
Subtotal	$ 481,230	$ 4,094	$ 2,741	$ 479,877	$ 510,894	$ 31,017

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 481,230	$ 4,094	$ 2,741	$ 479,877	$ 510,894	$ 31,017
City Clerk:						
Salaries	123,332	--	--	123,332	122,317	(1,015)
Employee Benefits	39,067	--	--	39,067	35,926	(3,141)
Services	6,994	1,256	847	6,585	8,356	1,771
Repairs & Maintenance	7,800	--	--	7,800	7,800	--
Utilities	198	--	--	198	240	42
Supplies	1,102	--	--	1,102	1,600	498
Total	178,493	1,256	847	178,084	176,239	(1,845)
Human Resources:						
Salaries	94,687	--	--	94,687	89,144	(5,543)
Employee Benefits	34,268	--	--	34,268	31,108	(3,160)
Services	1,737	--	780	2,517	2,965	448
Repairs & Maintenance	70	--	--	70	--	(70)
Utilities	216	--	--	216	227	11
Supplies	1,586	15	--	1,571	1,915	344
Energy	135	--	--	135	--	(135)
Other	25,718	15	505	26,208	22,204	(4,004)
Capital Outlay	364	--	--	364	400	36
Total	158,781	30	1,285	160,036	147,963	(12,073)
Subtotal	$ 818,504	$ 5,380	$ 4,873	$ 817,997	$ 835,096	$ 17,099

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 818,504	$ 5,380	$ 4,873	$ 817,997	$ 835,096	$ 17,099
Tax Department:						
Salaries	63,047	--	--	63,047	63,645	598
Employee Benefits	26,485	--	--	26,485	24,923	(1,562)
Services	75	--	--	75	600	525
Supplies	12,510	--	--	12,510	10,000	(2,510)
Other	7,105	--	--	7,105	4,000	(3,105)
Capital Outlay	400	--	--	400	500	100
Total	109,622	--	--	109,622	103,668	(5,954)
Finance Department:						
Salaries	109,443	--	--	109,443	114,909	5,466
Employee Benefits	42,294	--	--	42,294	42,467	173
Services	--	--	--	--	200	200
Repairs and Maintenance	--	--	--	--	200	200
Supplies	3,370	153	--	3,217	3,653	436
Total	155,107	153	--	154,954	161,429	6,475
Subtotal	$ 1,083,233	$ 5,533	$ 4,873	$ 1,082,573	$ 1,100,193	$ 17,620

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 1,083,233	$ 5,533	$ 4,873	$ 1,082,573	$ 1,100,193	$ 17,620
City Attorney:						
Salaries	100,994	--	--	100,994	99,823	(1,171)
Employee Benefits	33,488	--	--	33,488	33,169	(319)
Services	4,334	--	15	4,349	4,450	101
Utilities	669	--	--	669	710	41
Supplies	510	--	22	532	810	278
Total	139,995	--	37	140,032	138,962	(1,070)
City Judge:						
Salaries	34,852	--	--	34,852	30,000	(4,852)
Employee Benefits	13,136	--	--	13,136	12,310	(826)
Services	10,378	--	--	10,378	14,900	4,522
Utilities	278	--	--	278	200	(78)
Supplies	269	--	181	450	1,500	1,050
Other	163,395	--	--	163,395	185,900	22,505
Total	222,308	--	181	222,489	244,810	22,321
Subtotal	$ 1,445,536	$ 5,533	$ 5,091	$ 1,445,094	$ 1,483,965	$ 38,871

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 1,445,536	$ 5,533	$ 5,091	$ 1,445,094	$ 1,483,965	$ 38,871
Engineering:						
Salaries	296,396	--	--	296,396	324,490	28,094
Employee Benefits	117,196	--	--	117,196	113,894	(3,302)
Services	4,349	--	--	4,349	6,780	2,431
Repairs & Maintenance	2,576	--	--	2,576	1,740	(836)
Utilities	1,907	--	--	1,907	3,050	1,143
Supplies	3,675	406	232	3,501	3,581	80
Energy	8,059	49	--	8,010	7,549	(461)
Other	803	--	--	803	800	(3)
Capital Outlay	545	--	--	545	250	(295)
Total	435,506	455	232	435,283	462,134	26,851
Purchasing:						
Salaries	123,435	--	--	123,435	125,760	2,325
Employee Benefits	44,136	120	202	44,218	43,401	(817)
Services	1,870	145	--	1,725	2,538	813
Repairs & Maintenance	2,694	1,120	--	1,574	2,795	1,221
Utilities	6,928	--	--	6,928	8,470	1,542
Supplies	1,555	112	--	1,443	3,172	1,729
Energy	1,115	--	--	1,115	1,000	(115)
Inventory Over/Short	(15,414)	--	--	(15,414)	200	15,614
Capital Outlay	13,108	--	--	13,108	17,000	3,892
Total	179,427	1,497	202	178,132	204,336	26,204
Subtotal	$ 2,060,469	$ 7,485	$ 5,525	$ 2,058,509	$ 2,150,435	$ 91,926

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 2,060,469	$ 7,485	$ 5,525	$ 2,058,509	$ 2,150,435	$ 91,926
Inspections:						
Salaries	237,956	--	--	237,956	238,823	867
Employee Benefits	104,477	--	--	104,477	98,049	(6,428)
Services	2,591	145	--	2,446	6,940	4,494
Repairs & Maintenance	1,031	--	--	1,031	1,892	861
Utilities	1,131	--	--	1,131	1,200	69
Supplies	2,252	824	--	1,428	3,553	2,125
Energy	7,766	--	--	7,766	7,000	(766)
Other	10,106	421	142	9,827	12,806	2,979
Capital Outlay	--	--	--	--	1,000	1,000
Total	367,310	1,390	142	366,062	371,263	5,201
Non-Departmental:						
Services	49,066	--	--	49,066	80,300	31,234
Repairs & Maintenance	132,944	253	--	132,691	133,253	562
Utilities	191,780	--	--	191,780	230,000	38,220
Insurance	110,211	--	--	110,211	83,000	(27,211)
Energy	305,426	--	1,132	306,558	276,000	(30,558)
Contingency	114,428	--	--	114,428	291,057	176,629
Other	139,900	5,610	4,786	139,076	194,850	55,774
Capital Outlay	83,188	36,591	944,243	990,840	1,098,591	107,751
	1,126,943	42,454	950,161	2,034,650	2,387,051	352,401
Total General Government	$ 3,554,722	$ 51,329	$ 955,828	$ 4,459,221	$ 4,908,749	$ 449,528

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
PUBLIC SAFETY						
Police Department - Administrative:						
Salaries	$ 286,753	$ --	$ --	$ 286,753	$ 314,138	$ 27,385
Employee Benefits	107,619	--	--	107,619	114,389	6,770
Services	5,054	704	--	4,350	7,479	3,129
Repairs & Maintenance	11,463	--	--	11,463	8,200	(3,263)
Rent	3,958	--	--	3,958	4,500	542
Utilities	35,795	--	--	35,795	48,352	12,557
Supplies	8,951	247	50	8,754	10,333	1,579
Other	120,508	--	--	120,508	106,260	(14,248)
Capital Outlay	644	--	214	858	1,360	502
Total	580,745	951	264	580,058	615,011	34,953
Police Department - Patrol:						
Salaries	1,759,753	--	--	1,759,753	1,973,038	213,285
Employee Benefits	722,948	4,832	2,181	720,297	802,080	81,783
Services	6,959	--	1,950	8,909	15,990	7,081
Repairs & Maintenance	38,174	--	622	38,796	30,000	(8,796)
Utilities	2,263	--	--	2,263	3,836	1,573
Supplies	29,926	4,826	4,773	29,873	34,305	4,432
Energy	132,103	--	--	132,103	110,000	(22,103)
Other	15,070	--	--	15,070	60,720	45,650
Capital Outlay	29,392	5,770	--	23,622	29,370	5,748
Total	2,736,588	15,428	9,526	2,730,686	3,059,339	328,653
Subtotal	$ 3,317,333	$ 16,379	$ 9,790	$ 3,310,744	$ 3,674,350	$ 363,606

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 3,317,333	$ 16,379	$ 9,790	$ 3,310,744	$ 3,674,350	$ 363,606
Police Department - C.I.D.:						
Salaries	393,711	--	--	393,711	389,367	(4,344)
Employee Benefits	164,976	--	--	164,976	148,226	(16,750)
Services	2,623	--	--	2,623	3,645	1,022
Repairs & Maintenance	3,683	--	--	3,683	4,000	317
Utilities	3,085	--	--	3,085	4,034	949
Supplies	7,280	237	2,575	9,618	11,236	1,618
Energy	18,822	--	--	18,822	17,000	(1,822)
Capital Outlay	8,123	--	--	8,123	7,815	(308)
Total	602,303	237	2,575	604,641	585,323	(19,318)
Police Department - Crossing Guards:						
Salaries	6,680	--	--	6,680	11,649	4,969
Employee Benefits	773	--	--	773	1,341	568
Supplies	--	--	--	--	300	300
Total	7,453	--	--	7,453	13,290	5,837
Subtotal	$ 3,927,089	$ 16,616	$ 12,365	$ 3,922,838	$ 4,272,963	$ 350,125

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 3,927,089	$ 16,616	$ 12,365	$ 3,922,838	$ 4,272,963	$ 350,125
Fire Department - Administrative:						
Salaries	94,607	--	--	94,607	98,746	4,139
Employee Benefits	34,715	--	--	34,715	33,239	(1,476)
Services	2,126	8	--	2,118	2,098	(20)
Repairs & Maintenance	950	--	--	950	800	(150)
Utilities	4,485	--	--	4,485	5,000	515
Supplies	448	--	--	448	1,089	641
Energy	2,221	--	--	2,221	3,000	779
Total	139,552	8	--	139,544	143,972	4,428
Fire Department - Combat:						
Salaries	1,344,734	--	--	1,344,734	1,296,055	(48,679)
Employee Benefits	566,230	1,142	880	565,968	521,946	(44,022)
Services	--	--	--	--	1,300	1,300
Repairs & Maintenance	26,133	227	110	26,016	20,227	(5,789)
Utilities	25,103	--	--	25,103	23,000	(2,103)
Supplies	18,227	560	74	17,741	20,319	2,578
Energy	20,036	--	--	20,036	14,000	(6,036)
Capital Outlay	18,409	4,130	8,081	22,360	36,509	14,149
Total	2,018,872	6,059	9,145	2,021,958	1,933,356	(88,602)
Total Public Safety	$ 6,085,513	$ 22,683	$ 21,510	$ 6,084,340	$ 6,350,291	$ 265,951

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
COMMUNITY SERVICES						
Cemetery:						
Salaries	$ 63,301	$ --	$ --	$ 63,301	$ 63,621	$ 320
Employee Benefits	30,650	437	181	30,394	29,138	(1,256)
Repairs & Maintenance	95	--	--	95	700	605
Utilities	851	--	--	851	1,000	149
Supplies	1,777	--	--	1,777	1,700	(77)
Energy	1,834	--	--	1,834	1,300	(534)
Capital Outlay	3,400	--	--	3,400	1,500	(1,900)
Total	101,908	437	181	101,652	98,959	(2,693)
Appropriations:						
Dublin-Laurens County Recreation Authority	600,000	--	--	600,000	600,000	--
Library	188,663	--	--	188,663	188,663	--
Dublin-Laurens Museum	7,500	--	--	7,500	7,500	--
Dublin-Laurens Development Authority	60,000	--	--	60,000	50,000	(10,000)
Regional Development Center	17,509	--	--	17,509	17,500	(9)
Humane Society	31,500	--	--	31,500	31,500	--
Black Festival Committee	--	--	--	--	150	150
Battered Women's Shelter	--	--	--	--	1,500	1,500
MLK Committee	--	--	--	--	100	100
4H Club	--	--	--	--	250	250
Total	905,172	--	--	905,172	897,163	(8,009)
Total Community Services	$ 1,007,080	$ 437	$ 181	$ 1,006,824	$ 996,122	$ (10,702)

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
PUBLIC WORKS AND BUILDINGS						
Public Works:						
Salaries	$ 403,575	$ --	$ --	$ 403,575	$ 408,167	$ 4,592
Employee Benefits	191,561	2,509	956	190,008	190,349	341
Services	2,275	--	--	2,275	1,100	(1,175)
Repairs & Maintenance	238,171	13,768	4,383	228,786	227,119	(1,667)
Utilities	9,189	--	--	9,189	8,300	(889)
Supplies	16,334	164	398	16,568	20,664	4,096
Energy	55,372	56	--	55,316	42,056	(13,260)
Capital Outlay	69,900	--	--	69,900	67,000	(2,900)
Total	986,377	16,497	5,737	975,617	964,755	(10,862)
Mechanical Maintenance:						
Salaries	175,883	--	--	175,883	184,091	8,208
Employee Benefits	69,062	202	--	68,860	75,448	6,588
Services	464	--	--	464	4,490	4,026
Repairs & Maintenance	1,214	--	--	1,214	2,475	1,261
Utilities	7,013	--	--	7,013	7,500	487
Supplies	9,032	11	--	9,021	12,857	3,836
Energy	4,176	--	--	4,176	4,000	(176)
Capital Outlay	--	--	--	--	1,000	1,000
Total	266,844	213	--	266,631	291,861	25,230
Total Public Works and Buildings	$ 1,253,221	$ 16,710	$ 5,737	$ 1,242,248	$ 1,256,616	$ 14,368

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	GAAP Expenditures	2010 Encumbrances	2011 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
TOTAL EXPENDITURES	$ 11,900,536	$ 91,159	$ 983,256	$ 12,792,633	$ 13,511,778	$ 719,145

CITY OF DUBLIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	SPLOST Capital Projects - 2003	Hotel/Motel Tax	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash	$ --	$ 70,883	$ 70,883
Cash	83,378	--	83,378
Total assets	$ 83,378	$ 70,883	$ 154,261
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued costs	$ --	$ 42,300	$ 42,300
Due to other funds	30,555	28,583	59,138
Total liabilities	30,555	70,883	101,438
FUND BALANCES			
Restricted	52,823	--	52,823
Total fund balances	52,823	--	52,823
Total liabilities and fund balances	$ 83,378	$ 70,883	$ 154,261

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

	SPLOST Capital Projects - 2003	Hotel-Motel Tax	Total Nonmajor Governmental Funds
REVENUES:			
Other taxes	$ --	$ 497,782	$ 497,782
Intergovernmental	209,075	--	209,075
Total revenues	209,075	497,782	706,857
EXPENDITURES:			
Current -			
Culture and recreation	--	497,782	497,782
Capital outlay -			
Highways and streets	483,890	--	483,890
Total expenditures	483,890	497,782	981,672
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(274,815)	--	(274,815)
NET CHANGE IN FUND BALANCES	(274,815)	--	(274,815)
Fund Balances Beginning	327,638	--	327,638
Fund Balances, Ending	$ 52,823	$ --	$ 52,823

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, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES -			
Other taxes	$ 468,000	$ 497,782	$ 29,782
EXPENDITURES -			
Culture and recreation:			
General fund 3%	175,500	186,072	10,572
Chamber of Commerce 2%	117,000	124,445	7,445
Dublin-Laurens County Recreation Authority 2%	117,000	124,445	7,445
Theatre Dublin 1%	58,500	62,820	4,320
Total	468,000	497,782	29,782
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, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSET				
Equity (deficit) in pooled cash	$ (53,548)	$ 8,009,093	$ 7,922,936	$ 32,609
Total assets	$ (53,548)	$ 8,009,093	$ 7,922,936	$ 32,609
LIABILITY				
Due to (from) Dublin Board of Education	$ (53,548)	$ 8,009,093	$ 7,922,936	$ 32,609
Total liabilities	$ (53,548)	$ 8,009,093	$ 7,922,936	$ 32,609

CITY OF DUBLIN, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2011

	Riverview Golf Course Fund	Telecommunications Fund	Total
ASSETS			
CURRENT ASSETS:			
Equity in pooled cash	$ --	$ 904,710	$ 904,710
Cash	1,300	--	1,300
Accounts receivable, net	--	39,462	39,462
Inventories, at cost	12,280	--	12,280
Prepaid items	1,742	--	1,742
Total current assets	15,322	944,172	959,494
NONCURRENT ASSETS -			
CAPITAL ASSETS:			
Buildings and plant	273,767	3,287,118	3,560,885
Improvements other than buildings	197,027	--	197,027
Machinery and equipment	683,249	514,230	1,197,479
Less - accumulated depreciation	(1,146,691)	(1,790,490)	(2,937,181)
Capital assets, net	7,352	2,010,858	2,018,210
Total assets	$ 22,674	$ 2,955,030	$ 2,977,704
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accrued expenses	$ 3,967	$ --	$ 3,967
Due to other funds	89,833	--	89,833
Compensated absences payable	842	110	952
Total current liabilities	94,642	110	94,752
LONG TERM LIABILITIES -			
Compensated absences payable	14,011	1,834	15,845
Total long-term liabilities	14,011	1,834	15,845
Total liabilities	108,653	1,944	110,597
NET ASSETS:			
Invested in capital assets, net of related debt	7,352	2,010,858	2,018,210
Unrestricted	(93,331)	942,228	848,897
Total net assets	(85,979)	2,953,086	2,867,107
Total liabilities and net assets	$ 22,674	$ 2,955,030	$ 2,977,704

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

	Riverview Golf Course Fund	Telecommunications Fund	Total
OPERATING REVENUES:			
Sales / charges for services	$ 253,692	$ 673,490	$ 927,182
Penalties and cut-on fees	--	1,192	1,192
Other revenue	97,317	36,432	133,749
Total operating revenues	351,009	711,114	1,062,123
OPERATING EXPENSES:			
Personnel services	175,968	50,646	226,614
Employee benefits	29,482	10,283	39,765
Repairs and maintenance	14,791	49	14,840
Depreciation	9,224	257,339	266,563
Other operating	205,580	318,260	523,840
Total operating expenses	435,045	636,577	1,071,622
OPERATING INCOME (LOSS)	(84,036)	74,537	(9,499)
NON-OPERATING REVENUES (EXPENSES) -			
Interest income	--	--	--
Total non-operating revenues, net	--	--	--
NET INCOME (LOSS) BEFORE TRANSFERS	(84,036)	74,537	(9,499)
TRANSFERS OUT	--	(175,000)	(175,000)
Total transfers and contributions	--	(175,000)	(175,000)
CHANGE IN NET ASSETS	(84,036)	(100,463)	(184,499)
NET ASSETS, Beginning	(1,943)	3,053,549	3,051,606
NET ASSETS, Ending	$ (85,979)	$ 2,953,086	$ 2,867,107

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

	Riverview Golf Course Fund	Telecommunications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 351,009	$ 867,914	$ 1,218,923
Cash paid to suppliers for goods and services	(200,256)	(311,553)	(511,809)
Cash paid to employees for services	(175,859)	(50,646)	(226,505)
Cash paid for employee taxes and benefits	(47,274)	(17,039)	(64,313)
Cash received from and paid to other funds	72,980	--	72,980
Net cash provided by operating activities	600	488,676	489,276
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES -			
Transfers out	--	(175,000)	(175,000)
Net cash used by noncapital financing activities	--	(175,000)	(175,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -			
Acquisition and construction of capital assets	--	(103,287)	(103,287)
Net cash used for capital and related financing activities	--	(103,287)	(103,287)
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income on investments	--	--	--
Net cash provided by investing activities	--	--	--
NET INCREASE IN CASH	600	210,389	210,989
CASH, Beginning	700	694,321	695,021
CASH, Ending	$ 1,300	$ 904,710	$ 906,010

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

	Riverview Golf Course Fund	Telecommunications Fund	Total
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning			
Current	$ 700	$ 694,321	$ 695,021
Restricted	--	--	--
Total	700	694,321	695,021
Net increase			
Current	600	210,389	210,989
Restricted	--	--	--
Total	600	210,389	210,989
Cash, ending			
Current	1,300	904,710	906,010
Restricted	--	--	--
Total	$ 1,300	$ 904,710	$ 906,010
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net operating income (loss)	$ (84,036)	$ 74,537	$ (9,499)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	9,224	257,339	266,563
Decrease (increase) in assets:			
Accounts receivable - trade	--	156,800	156,800
Inventory	2,323	--	2,323
Increase (decrease) in liabilities:			
Due to other funds	72,980	--	72,980
Accrued expenses	109	--	109
Total adjustments	84,636	414,139	498,775
Net cash provided by operating activities	$ 600	$ 488,676	$ 489,276

CITY OF DUBLIN, GEORGIA
BALANCE SHEET
MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2011

ASSETS		
Cash	$	41,152
Receivables		52,500
Total assets	$	93,652
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to City of Dublin general fund	$	62,053
Total liabilities		62,053
FUND BALANCES		
Reserved for encumbrances		--
Unreserved, undesignated		31,599
Total fund balances		31,599
Total liabilities and fund balances	$	93,652

CITY OF DUBLIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET -
MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Amounts reported for governmental activities in the statement of net assets are different because:		
Total fund balance - Main Street Dublin Downtown Development Authority (page 90)	$	31,599
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		451,589
Net assets of Main Street Dublin Downtown Development Authority (page 26)	$	483,188

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, 2011

REVENUES:	
Program income	$ 111,206
Miscellaneous income	23,495
Total revenues	134,701
EXPENDITURES -	
Current -	
Downtown development	149,664
Total expenditures	149,664
EXCESS OF REVENUES OVER EXPENDITURES	(14,963)
NET CHANGE IN FUND BALANCES	(14,963)
NET ASSETS, Beginning	46,562
NET ASSETS, Ending	$ 31,599

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, 2011

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)	$	(14,963)
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.		29,541
Change in net assets of Main Street Dublin Downtown Development Authority (page 27)	$	14,578

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2003
FOR THE YEAR ENDED JUNE 30, 2011

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	$ 5,761,737	$ 483,890	$ 6,245,627
Farmers Market Facility *	250,000	350,000	351,144	--	351,144
TOTAL	$ 5,062,000	$ 5,162,000	$ 6,112,881	$ 483,890	$ 6,596,771

* 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, 2011

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Transportation and Drainage	$ 7,190,000	$ 7,190,000	$ 900,689	$ 558,765	$ 1,459,454
Water and Sewer System	4,750,000	4,750,000	1,791,080	216,650	2,007,730
City Facilities	2,037,870	2,037,870	4,367,826	10,737	4,378,563
Capital Equipment	1,062,870	1,062,870	1,649,148	59,524	1,708,672
Gas System Improvements	1,500,000	1,500,000	1,730,169	294,810	2,024,979
Debt Service *					
Principal	--	12,630,000	6,512,427	2,837,467	9,349,894
Interest	--	1,959,682	1,491,364	299,630	1,790,994
Bond issuance costs	--	192,406	193,406	500	193,906
TOTAL	$ 16,540,740	$ 31,322,828	$ 18,636,109	$ 4,278,083	$ 22,914,192

* 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.

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	2011
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	$14,649,028
Restricted	--	--	860,468	2,050,650	2,173,934	1,470,803	14,749,184	9,136,553	5,221,507	10,216,238
Unrestricted	3,362,967	3,073,163	1,942,879	2,358,786	3,993,161	5,301,902	5,626,382	6,390,633	7,583,296	7,535,343
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	$32,400,609
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	$23,549,022
Restricted	1,768,173	973,780	619,536	557,594	1,107,107	1,317,260	1,519,925	1,714,370	1,803,160	2,143,488
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	12,379,430
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	$38,071,940
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	$38,198,050
Restricted	1,768,173	973,780	619,536	557,594	3,281,041	2,788,063	16,269,109	10,850,923	7,024,667	12,359,726
Unrestricted	9,231,806	5,551,047	8,385,253	8,565,254	6,145,530	11,406,696	13,909,852	15,800,529	18,886,651	19,914,773
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	$70,472,549

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	2011
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	$ 4,555,414
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	6,156,895
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	1,007,080
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	994,660
Highways and streets	--	--	--	21,958	71,915	1,757,891	254,093	225,694	618,639	829,092
Culture and recreation	339,673	414,826	433,240	440,447	437,527	468,633	472,161	495,566	475,326	505,632
Interest on long-term debt	--	--	--	--	--	--	584,245	508,001	414,924	299,630
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	14,348,403
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	5,508,811
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	6,634,411
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	2,365,998
Riverview Golf Course	529,593	535,184	523,238	493,561	521,626	542,731	548,692	450,072	391,218	435,045
Telecommunications	493,839	527,451	494,629	580,905	689,960	609,786	647,050	704,563	600,070	636,577
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	15,580,842
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	$29,929,245

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	2011
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	$ 2,525,597
Public safety	600,681	567,206	569,389	701,022	724,580	791,470	896,570	1,046,221	925,861	935,672
Public works and buildings	--	--	--	--	--	35,650	--	--	25,000	--
Operating grants and contributions	7,000	20,000	23,350	--	--	--	3,000	--	214,015	196,933
Capital grants and contributions	854,481	316,586	1,018,933	2,306,536	1,937,163	2,457,667	4,271,341	3,363,565	3,093,592	2,865,718
Total governmental activities program revenue	2,735,596	2,267,960	3,145,914	5,618,425	4,831,976	5,635,166	7,544,098	6,759,336	7,015,739	6,523,920
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	5,353,002
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	8,466,675
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	2,641,594
Riverview golf course	790,381	377,366	406,155	380,812	417,551	503,524	469,745	455,885	337,981	351,009
Telecommunications	--	316,843	337,934	544,423	628,559	836,451	809,855	928,013	695,527	711,114
Operating grants and contributions	--	--	--	--	--	--		--	--	--
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	19,156,239	20,383,746	20,611,322	18,697,884	17,158,822	17,523,394
Total primary government program revenues	$15,519,266	$15,990,852	$17,937,430	$21,437,211	$23,988,215	$26,018,912	$28,155,420	$25,457,220	$24,174,561	$24,047,314
Net (expense)/revenue:										
Governmental activities	$ (7,151,269)	$ (8,192,941)	$ (7,523,418)	$ (5,432,673)	$ (6,370,852)	$ (6,603,250)	$ (6,104,945)	$ (7,412,783)	$ (7,195,440)	$ (7,824,483)
Business type activities	(513,895)	232,659	156,094	271,779	255,369	3,542,902	3,000,589	1,184,402	2,518,874	1,942,552
Total primary government net expense	$ (7,665,164)	$ (7,960,282)	$ (7,367,324)	$ (5,160,894)	$ (6,115,483)	$ (3,060,348)	$ (3,104,356)	$ (6,228,381)	$ (4,676,566)	$ (5,881,931)

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	2011
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	$ 2,410,680
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	2,762,450
Hotel/Motel tax	336,542	405,958	428,427	436,433	434,176	465,603	541,069	492,536	472,296	497,782
Alcoholic beverage taxes	402,223	382,128	386,541	395,110	405,798	402,233	414,985	424,484	403,398	398,524
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	1,388,433
Insurance premium tax	575,991	631,993	681,139	738,170	794,174	830,905	866,726	887,488	879,162	853,611
Unrestricted investment earnings	95,112	50,370	28,803	68,386	150,283	221,748	241,508	82,762	18,258	20,144
Gain on sale of capital assets	--	--	--	--	--	--	--	--	59,616	--
Intragovernmental	1,333,250	--	--	--	--	--	--	--	--	--
Transfers	--	1,300,000	488,825	988,000	1,300,000	650,000	238,843	650,000	562,499	637,499
Total governmental activities	7,282,588	7,428,627	6,852,927	8,059,596	9,340,578	9,245,270	9,221,685	9,520,858	9,626,511	8,969,123
Business-type activities:										
Unrestricted investment earnings	290,220	136,896	82,267	106,753	170,362	230,085	188,345	68,089	72,228	65,584
Transfers	(1,333,250)	(1,300,000)	(488,825)	(988,000)	(1,300,000)	(650,000)	(238,843)	(650,000)	(562,499)	(637,499)
Total business-type activities	(1,043,030)	(1,163,104)	(406,558)	(881,247)	(1,129,638)	(419,915)	(50,498)	(581,911)	(490,271)	(571,915)
Total primary government	$ 6,239,558	$ 6,265,523	$ 6,446,369	$ 7,178,349	$ 8,210,940	$ 8,825,355	$ 9,171,187	$ 8,938,947	$ 9,136,240	$ 8,397,208
Change in Net Assets										
Governmental activities	$ 131,319	$ (764,314)	$ (670,491)	$ 2,626,923	$ 2,969,726	$ 2,642,020	$ 3,116,740	$ 2,108,075	$ 2,431,071	$ 1,144,640
Business-type activities	(1,556,925)	(930,445)	(250,464)	(609,468)	(874,269)	3,122,987	2,950,091	602,491	2,028,603	1,370,637
Total primary government	$ (1,425,606)	$ (1,694,759)	$ (920,955)	$ 2,017,455	$ 2,095,457	$ 5,765,007	$ 6,066,831	$ 2,710,566	$ 4,459,674	$ 2,515,277

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Nonspendable	$ 76,952	$ 65,221	$ 69,341	$ 248,658	$ 264,008	$ 256,756	$ 250,432	$ 375,325	$ 322,069	$ 349,373
Restricted	406,124	266,171	206,040	265,138	503,491	916,502	391,439	486,425	413,228	--
Committed	283,457	200,950	136,699	193,391	239,482	67,611	141,007	111,100	91,159	983,256
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	2,799,001	2,720,789	1,701,021	1,834,304	3,162,910	4,251,887	5,059,736	5,627,010	6,553,955	6,409,961
Total General Fund	$ 3,565,534	$ 3,253,131	$ 2,113,101	$ 2,541,491	$ 4,169,891	$ 5,492,756	$ 5,842,614	$ 6,599,860	$ 7,380,411	$ 7,742,590
All other governmental funds - Capital Projects Funds:										
Nonspendable	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Restricted	--	--	860,468	2,050,650	2,173,934	1,470,803	14,875,449	9,238,165	6,500,620	4,811,277
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	--
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	$ 4,811,277

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
General property taxes	$ 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	$ 2,820,812
Other taxes	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	6,086,872
Licenses and permits	452,154	508,110	504,871	537,428	518,562	635,953	578,685	573,180	556,122	590,957
Fines and forfeitures	524,944	447,777	450,469	579,451	591,683	658,664	749,175	925,128	813,986	804,640
Intergovernmental	1,010,921	538,346	330,490	272,990	371,152	380,252	648,739	324,168	3,501,948	3,513,723
Interest on investments	89,615	50,370	29,532	108,927	246,701	343,488	867,788	404,947	96,244	68,244
Miscellaneous income	621,523	620,925	750,454	1,772,139	1,287,301	1,379,430	1,423,491	1,678,235	1,818,948	1,310,380
Total revenues	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	15,195,628
Expenditures										
General government	4,168,128	2,869,537	2,907,441	3,488,821	2,953,768	3,430,699	4,141,204	3,979,350	3,733,819	3,554,722
Public safety	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	6,085,513
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	1,007,080
Public works and buildings	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	1,253,221
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	497,782
Debt service -										
Principal	--	--	--	--	--	93,431	178,783	4,170,027	2,334,673	2,837,467
Interest	--	--	--	--	--	--	584,245	508,001	414,924	299,630
Bond issuance costs	--	--	--	--	--	--	192,406	500	500	500
Capital Outlay										
Highways and Streets	--	--	--	--	--	--	609,426	512,631	1,190,295	1,042,655
Special Assessments	--	--	--	--	--	--	2,035,599	3,619,558	2,071,822	581,721
Total expenditures	11,142,795	9,985,982	10,268,657	12,041,990	12,397,201	14,533,259	15,926,684	21,063,858	18,277,057	17,160,291
Excess of revenues over(under) expenditures	(2,496,142)	(1,612,403)	(768,387)	630,572	451,684	(294,753)	535,423	(5,530,038)	(2,769,493)	(1,964,663)
Other financing sources(uses)										
Sale of capital assets	--	--	--	--	--	--	--	--	250,000	--
Transfers in	1,800,000	1,350,000	591,586	1,000,000	1,300,000	650,000	650,000	650,000	562,499	637,499
Transfers out	(466,750)	(50,000)	(102,761)	(12,000)	--	--	(411,157)	--	--	--
Capital leases	--	--	--	--	--	264,487	630,000	--	--	--
Bonds issued	--	--	--	--	--	--	12,000,000	--	--	--
Premium on bonds issued	--	--	--	--	--	--	350,238	--	--	--
Total other financing sources(uses)	1,333,250	1,300,000	488,825	988,000	1,300,000	914,487	13,219,081	650,000	812,499	637,499
Change in fund balance	$(1,162,892)	$ (312,403)	$ (279,562)	$ 1,618,572	$ 1,751,684	$ 619,734	$13,754,504	$(4,880,038)	$(1,956,994)	$(1,327,164)
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	0.86%	6.10%	28.43%	24.61%	19.30%

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
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
2011	2,410,680	2,762,450	497,782	--	2,642,650	398,524	1,388,433	853,611	10,954,130

(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			
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%
2011	$ 379,728,371	$ 9,250,552	$ 28,591,704	$ 417,570,627	6.360	$ 1,043,926,619	40.00%

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 assessed property at approximately 47% of actual value until 2011 when this rate was lowered to 40%. 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	Maintenance and Operations	Sales Tax Rollback	Total City	School District	State and County	Total Direct & Overlapping Rates
2001	8.86	(5.45)	3.41	15.06	6.75	25.22
2002	8.34	(5.11)	3.23	15.06	6.73	25.02
2003	8.21	(5.02)	3.19	14.87	6.72	24.78
2004	9.25	(5.06)	4.19	16.37	6.94	27.50
2005	10.55	(5.35)	5.20	16.28	6.94	28.42
2006	10.60	(5.40)	5.20	16.28	6.56	28.04
2007	11.24	(6.04)	5.20	16.27	6.55	28.02
2008	11.01	(5.81)	5.20	16.27	6.55	28.02
2009	10.46	(5.26)	5.20	16.77	6.55	28.52
*2010	12.28	(5.92)	6.36	19.71	6.55	32.62

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

Assessment rate changed from 47% to 40% of Digest in 2010

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

	December 31, 2010			December 31, 2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Best Buy Loc. #77	$14,818,141	1	3.55%	$12,656,625	2	3.17%
Fairview Park Hospital	$13,360,636	2	3.20%	$9,356,463	3	2.34%
YKK Corporation	$11,045,405	3	2.65%	$20,776,558	1	5.21%
Warehouse Home Furnishings	$7,053,468	4	1.69%	$3,414,350	7	0.86%
Wal-Mart	$6,712,754	5	1.61%	$4,292,651	6	1.08%
Rockwell Automation-Allen Bradley	$4,364,794	6	1.05%	$8,868,623	4	2.22%
Fred's Distribution	$4,149,712	7	0.99%			
Bright-Meyers (Old Wal-Mart Shopping Ctr)	$3,107,789	8	0.74%			
Parko Hannifin Controls	$2,976,892	9	0.71%			
Flexsteel Industries	$2,826,150	10	0.68%	$2,921,754	9	0.73%
Bassett Furniture				$3,357,739	8	0.84%
Dublin Community Hospital				$5,550,251	5	1.39%
Dublin Mall				$2,743,145	10	0.69%
	$70,415,741		16.86%	$73,938,159		18.53%

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			Collected in Subsequent Years	Total Collections to Date	
	Taxes Levied for the Fiscal Year (1)	Collection Amount	Percentage of Levy		Amount	Percentage Levy
2002	$ 6,578,999	$ 6,373,937	96.9%	$ 164,745	$ 6,538,682	99.4%
2003	$ 7,070,365	$ 6,799,174	96.2%	$ 224,250	$ 7,023,424	99.3%
2004	$ 7,073,550	$ 6,808,022	96.2%	$ 253,773	$ 7,061,795	99.8%
2005	$ 8,249,453	$ 8,000,132	97.0%	$ 213,479	$ 8,213,611	99.6%
2006	$ 8,919,795	$ 8,605,271	96.5%	$ 276,945	$ 8,882,216	99.6%
2007	$ 9,375,826	$ 8,995,981	95.9%	$ 345,839	$ 9,341,820	99.6%
2008	$ 9,616,757	$ 9,261,965	96.3%	$ 278,071	$ 9,540,036	99.2%
2009	$ 9,966,108	$ 9,522,636	95.6%	$ 336,139	$ 9,858,775	98.9%
2010	$ 10,428,595	$ 9,417,695	90.3%	$ 816,222	$ 10,233,917	98.1%
2011	$ 10,138,736	$ 9,714,722	95.8%	$ --	$ 9,714,722	95.8%

(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

	Fiscal Year 2011		
Taxpayer	Charges for Gas by Customer	Rank	Percentage of Total Gas Sales
Mohawk Industries	$1,252,946	1	16.41%
Griffin Industries	$1,033,177	2	13.54%
YKK Corporation	$687,273	3	9.00%
Carl Vinson Medical Center	$444,968	4	5.83%
Hi-tek Rations	$314,244	5	4.12%
Dublin Housing Authority	$289,671	6	3.79%
SP Newsprint	$246,549	7	3.23%
Fairview Park Hospital	$232,395	8	3.04%
Best Buy	$88,645	9	1.16%
Flexsteel Industries	$47,071	10	0.62%
	$ 4,636,939		60.75%

Source: City of Dublin, Georgia gas records.

The City has not presented the principle gas customers from nine years ago as generally required, because the City did not report these customers in its FY 2002 CAFR so the data is no longer available to obtain.

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Term Loans	Capital Leases	Water & Sewer Bonds	Term Loans	Capital Leases			
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	10.04%	883
2011	$ 3,000,000	$ --	$ 280,105	$ 6,520,000	$ 1,279,165	$ --	$ 11,079,270	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
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
2011	3,000,000	26,514	2,973,486	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, 2011

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	City of Dublin's Share of Debt
Direct -			
City of Dublin	$ 3,000,000	100.00%	$ 3,000,000
Overlapping -	--	100.00%	--
Total	$ 3,000,000		$ 3,000,000

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	
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
2011	2,642,650	2,750,000	287,500	0.9

(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	
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
2011	5,390,807	4,192,056	1,198,751	390,000	282,788	1.8

(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
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	$ 1,425,188	$ 29,510	36.10	2,697	10.9%
2010	16,201	N/A	N/A	36.50	2,660	12.3%

Sources:

(1) Extrapolated from 2010 census at an average annual growth, etc. Population for 2010 is based on the 2010 Census.
(2) City Board of Education.
(3) State Department of Labor.

** County Wide Data

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

	Fiscal Year 2011			Fiscal Year 2002		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Carl Vinson Medical Center	994	1	4.60%	740	1	4.29%
Fairview Park Hospital	628	2	2.91%	535	3	3.10%
YKK AP America, Inc.	333	3	1.54%	205	8	1.19%
Flexsteel Industries, Inc.	290	4	1.34%	280	6	1.62%
SP Newsprint Co.	286	5	1.32%	400	5	2.32%
Farmers Furniture Co.	285	6	1.32%	235	7	1.36%
Best Buy Distribution	213	7	0.99%	--	--	0.00%
Parker Aerospace	210	8	0.97%	200	9	1.16%
Fred's Distribution	206	9	0.95%	--	--	0.00%
Evans Cabinet Corporation	180	10	0.83%	--	--	
Mohawk Industries, Inc.			0.00%	730	2	4.23%
	3,625		16.79%	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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General Government										
Management-City Mgr & City Attorney	2	2	2	3	3	3	3	3	3	3
Finance - City Clerk &	5	5	5	5	5	5	5	5	5	5
Building Inspections	5	5	5	5	5	5	5	6	6	6
Other	11	11	11	11	11	11	10	13	11	11
Public Safety										
Police										
Officers and personnel	56	59	63	60	61	57	60	59	64	63
Fire										
Firefighters and officers	32	32	32	32	32	32	32	35	35	35
Public Works										
Engineering	5	5	5	5	5	7	7	7	7	6
Other	13	13	13	13	13	13	13	15	15	15
Sanitation	32	32	28	24	24	24	24	24	24	24
Gas	14	14	14	14	14	14	14	15	17	17
Golf Course	15	15	13	13	13	13	12	5	3	3
Telecommunications	1	1	1	1	1	1	1	1	1	1
Water and Sewer	33	33	33	33	33	33	33	32	30	31
Total	224	227	225	219	220	218	219	220	221	220

Source: City of Dublin, Georgia Finance Department

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Police										
Physical arrests	N/A	N/A	1,657	2,143	1,737	1,783	1,765	1,921	2,183	2,500
Parking violations	N/A	N/A	13	68	14	10	10	9	16	18
Traffic violations	N/A	N/A	2,947	5,017	3,810	3,621	4,560	4,730	6,064	5,884
Fire										
Number of calls answered	869	801	891	902	823	892	942	919	904	959
Highways and streets										
Street resurfacing (miles)	1.2	1.3	8.0	5.8	7.2	1.7	N/A	1.1	1.0	2.0
Potholes repaired	1,211	1,198	1,195	1,158	1,205	1,226	1,127	1,150	1,250	1,235
Sanitation										
Refuse collected (tons/day)	54	55	59	58	57	58	60	55	56	57
Water										
New connections	110	120	125	130	150	82	98	82	101	156
Water mains breaks	434	442	418	426	436	425	420	430	436	426
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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	34	35	38	38	38	50	50	50	50
Fire stations	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	20	20	20	20	20	20	24	20	20	20
Highways and streets										
Streets (miles)	100	100	100	100	100	100	101	101	102	103
Streetlights	1,593	1,613	1,648	1,670	1,702	1,702	1,710	1,715	1,720	1,739
Traffic signals	32	32	33	34	34	34	34	34	40	41
Water										
Water mains (miles)	183	183	184	185	186	186	186	187	193	194
Fire hydrants	841	849	858	914	928	928	928	928	935	975
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)	153	153	154	155	157	159	159	165	170	171
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)	224	226	227	228	229	229	230	232	232	233

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, 2011, which collectively comprise the City of Dublin, Georgia's basic financial statements and have issued our report thereon dated December 16, 2011. Other auditors audited the financial statements of the Dublin-Laurens County Recreation Authority, as described in our report on the City of Dublin, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those 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 16, 2011.

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 16, 2011

CITY OF DUBLIN, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDIT RESULTS:

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

2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the City of Dublin Georgia's financial statements.

3. No instances of noncompliance material to the financial statements of the City of Dublin, Georgia were disclosed during the audit.

4. Our audit did not disclose any audit findings that we are required to report.

PRIOR YEAR SIGNIFICANT DEFICIENCIES AND FINDINGS

Prior Year Significant Deficiencies – There were no significant deficiencies disclosed in the prior year.

Prior Year Findings – None.

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