CITY OF DUBLIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2012

CITY OF DUBLIN, GEORGIA

COMPREHENSIVE

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JUNE 30, 2012

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**

CITY OF DUBLIN
GEORGIA

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

December 21, 2012

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, 2012.

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, 2012, 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, 2012, 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 6.40 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 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 included 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 last 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 200,000 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 of 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. All of this preparation has now resulted in the locating of Erdrich Unform Technik, LLC on a site within this industrial park. Erdrick, a German based automotive supplier will construct a state of the art stamping facility and will create 178 jobs and invest $39 million in the construction of the new plant. They have been in operation more than 50 years. The new plant should be completed in May of 2013.

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 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. This 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. is located at the 257 interchange.

MAGE SOLAR, a leading producer of solar panels, announced their North American location in the City of Dublin. The company is investing $30,000,000 and will 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.

In March of 2012, Denmark-based Dinex Group announced plans to open a manufacturing plant in the former Eldorado Stone building in Dublin. The automotive emissions control and exhaust manufacturer will create 250 jobs and invest $15 million in this operation. The Dinex Dublin facility will be its first in the United States. Modification should be completed by the latter part of 2012.

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 opportunity for new expansion in the future.

A new building for our current Big Lots Store was constructed for a Home Depot Store to 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. Our downtown merchants participate in many events each year.

A retail and residential revitalization in the downtown commercial district is taking place. A local entrepreneur purchased and remodeled several vacant buildings and opened new restaurants, shops and created loft apartments on floors 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 has been renovated as condominiums and retail space.

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 a focal point in downtown Dublin. The bank also 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 in the Southside neighborhood. 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 are part of our continuing efforts to improve our entire city.

The City purchased the old Mindis Recycling site from the Downtown Development Authority and 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 relocation also enhances police presence in this area of the city.

The Special Purpose Local Option Sales Tax (SPLOST) has provided funding for a Farmers Market directly behind the Theater Dublin to continue 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 drivers 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 shop and 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 has improved fire protection and domestic water services on Simmons Street and Cullens Street. This project involved installation of new fire hydrants, water lines and service meter connections. The City has applied for another CDBG to continue the same type improvements in the Ray Street area.

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. These projects should be completed by late 2012.

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 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 utility services south of Interstate 16 at the Highway 257 Interchange, which opened up both sides of the interchange for commercial development.

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 at a cost of over $240,000 on the complex site. This water park facility attracts more visitors to the Dublin area.

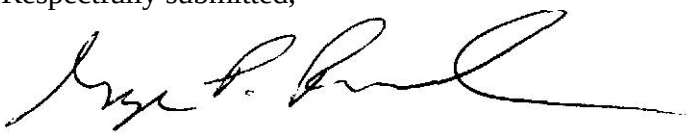
RELEVANT FINANCIAL POLICIES. The City of Dublin financial policy concerning the budgeting of one time revenue resources such as grants and S.P.L.O.S.T. revenues is to not budget them for reoccurring operating purposes. These funds must be spent only for capital items and capital improvements. In March 2011, 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, 2011. This was the twenty-fourth 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, 2011

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

CITY OF DUBLIN, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2012

MAYOR

Phil Best, Sr.

CITY COUNCIL

Julie Driger

Gary Johnson (Mayor Pro-Tem)

Bill Brown III

Ed Touchberry (Chairman of Council)

Jerry Davis

Gerald Smith

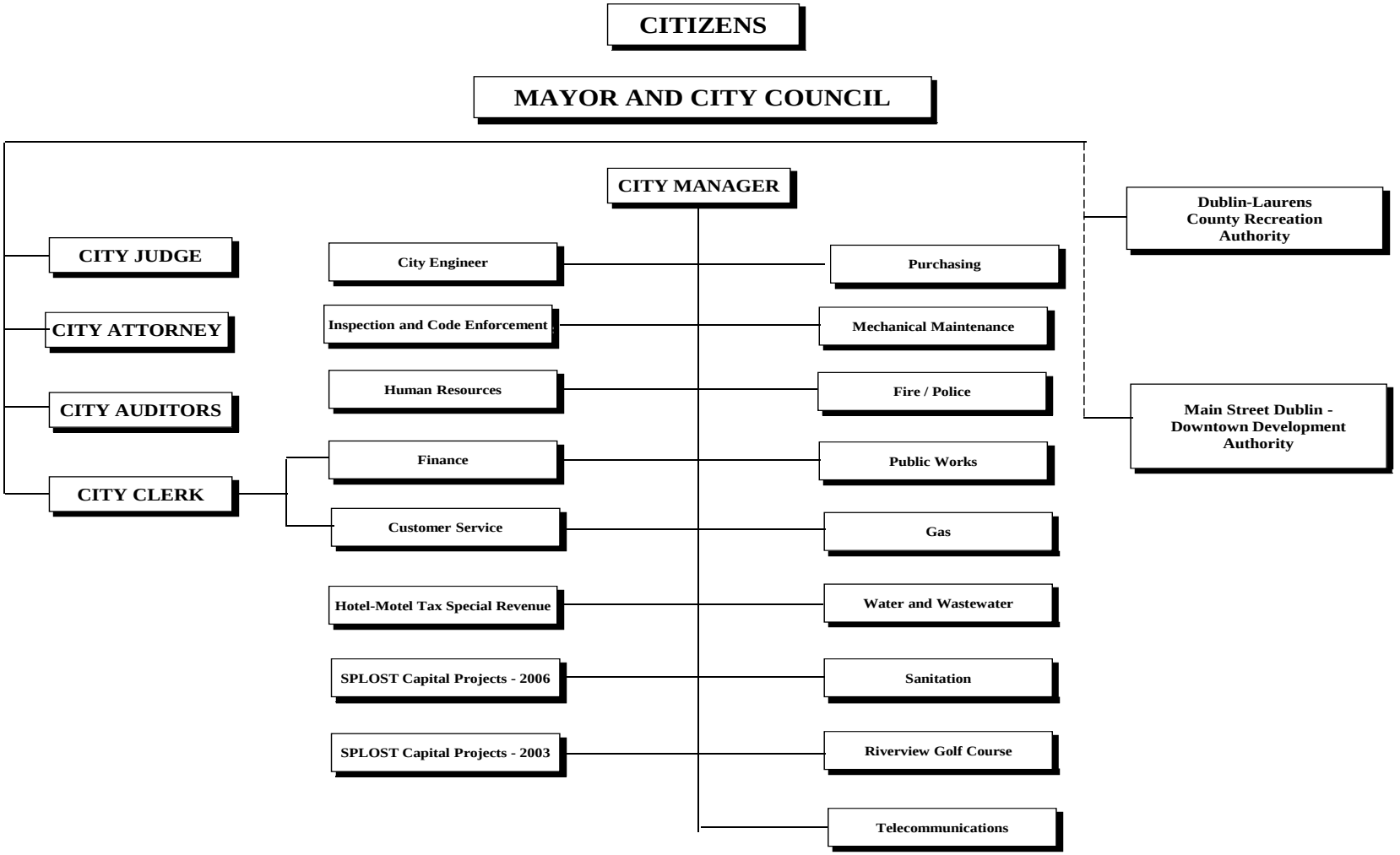
Phil Thacker

CITY MANAGER

George P. Roussel

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

CITY OF DUBLIN, GEORGIA
ORGANIZATION CHART



II. FINANCIAL SECTION

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

NICHOLS, CAULEY & ASSOCIATES, LLC
A Professional Services Firm of:
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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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, 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 26, the schedule of funding progress for the Georgia Municipal Employees Benefit System on page 69, the budgetary comparison information on pages 70 through 71, and the notes to required supplementary information on page 72, 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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, 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 21, 2012

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, 2012. 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, 2012 by $73,131,342 (presented as "net assets"). Of this amount, $18,834,290 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 $2,658,793 (a 3.8% increase) in fiscal year 2012. Net assets of governmental activities increased by $2,089,732 (a 6.4% increase) while net assets of the business-type activities showed an increase of $569,061 (a 1.5% increase).

Fund Highlights:

Governmental Funds - Fund Balances - As of the close of fiscal year 2012, the City's governmental funds reported a combined ending fund balance of $13,105,589, an increase of $551,722 in comparison with the prior year. Of this total amount, $6,860,807 represents the "unassigned fund balances". This $6,860,807 is approximately 42.1% of the total governmental fund expenditures for the year. The primary difference in the $1,791,146 increase in net assets of governmental activities compared to the $551,722 increase in fund balance of governmental funds relates to the amount by which capital outlays exceeded depreciation of $1,447,260.

Long-term Obligations:

The City's total long-term obligations increased by $1,104,422 (9.2%) during the current fiscal year. The key factor in this increase was the additional draws of $1,641,616 related to the "construction period loan" with GEFA for the purpose of making improvements to the sewer collection and treatment infrastructure.

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 $73,131,342 at the end of 2012, compared to $70,472,549 at the end of the previous year.

The largest portion of the City's net assets (59.6%) 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 (14.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net assets of the City's (governmental and business-type) activities decreased $1,080,483 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	
	2012	2011	2012	2011	2012	2011
Current assets	$ 14,084,623	$ 13,061,209	$ 17,799,936	$ 15,456,663	$ 31,884,559	$ 28,517,872
Capital assets	25,111,505	23,365,659	30,553,352	31,186,345	55,664,857	54,552,004
Total assets	39,196,128	36,426,868	48,353,288	46,643,008	87,549,416	83,069,876
Noncurrent liabilities	922,271	3,708,437	8,375,474	7,456,184	9,297,745	11,164,621
Other liabilities	3,783,516	317,822	1,336,813	1,114,884	5,120,329	1,432,706
Total liabilities	4,705,787	4,026,259	9,712,287	8,571,068	14,418,074	12,597,327
Invested in capital assets, net of related debt	21,595,752	14,649,028	21,977,097	23,549,022	43,572,849	38,198,050
Restricted	8,685,348	10,216,238	2,038,855	2,143,488	10,724,203	12,359,726
Unrestricted	4,209,241	7,535,343	14,625,049	12,379,430	18,834,290	19,914,773
Total net assets	$ 34,490,341	$ 32,400,609	$ 38,641,001	$ 38,071,940	$ 73,131,342	$ 70,472,549

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 $2,658,793 or 3.8%. $2,089,732 of this increase was from governmental activities while business activities increased $569,061. Historically, and in fiscal year 2012, 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 2012 were $735,554 which included $600,000 from the Natural Gas Fund and $135,554 from the Telecommunications Fund. Approximately 25.2 percent of the City's total revenue came from taxes, while 11.1 percent resulted from grants and contributions (including federal aid). Charges for various goods and services, investment earnings, and intragovernmental items provided 63.7 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 2012, governmental activity program expenses exceeded revenues, resulting in the use of $7,744,772 in general revenues which were comprised of $8,783,414 (taxes), $735,554 (transfers), and $16,950 (unrestricted investment earnings). Total program and general revenues from business-type activities exceeded net expenses, excluding transfers out, in 2012 by $1,304,615.

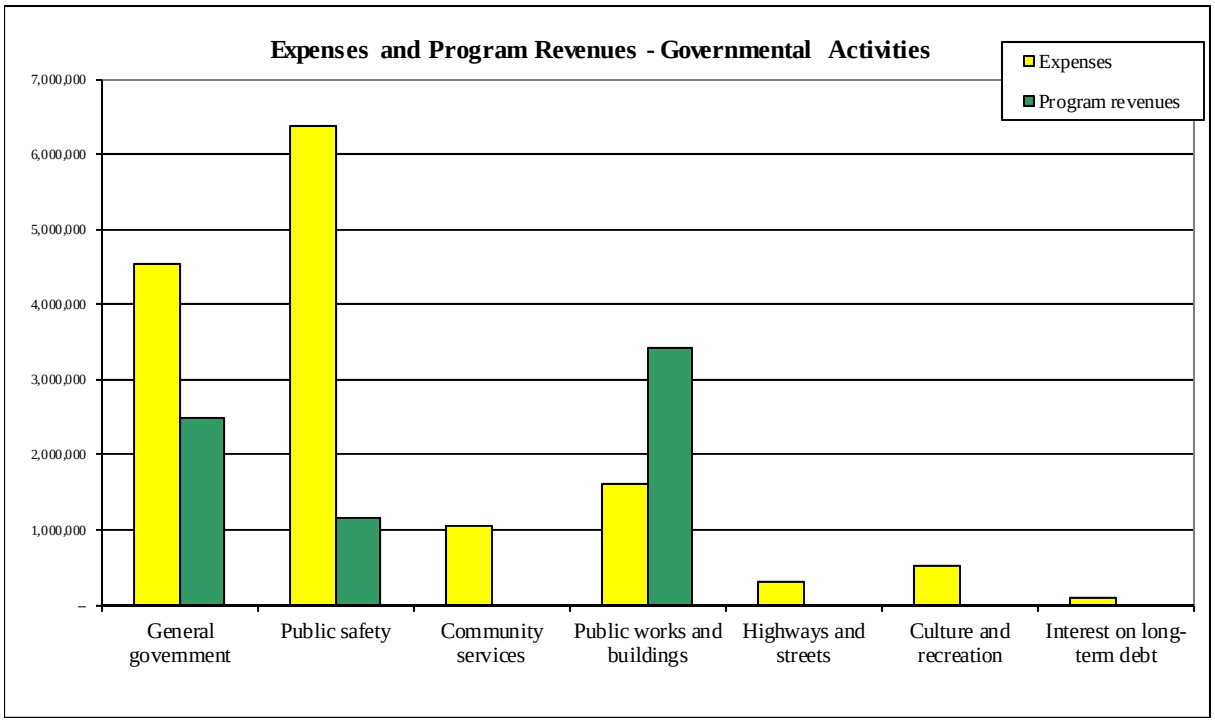
Governmental activities increased the City's net assets by $2,089,732. The key elements in this change were a large transfer from the Gas Fund to the General Fund, continued collection in the local option sales tax and the special purpose local option sales tax proceeds, and capital grants. Business-type activities increased the City's net assets by $569,061. 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:

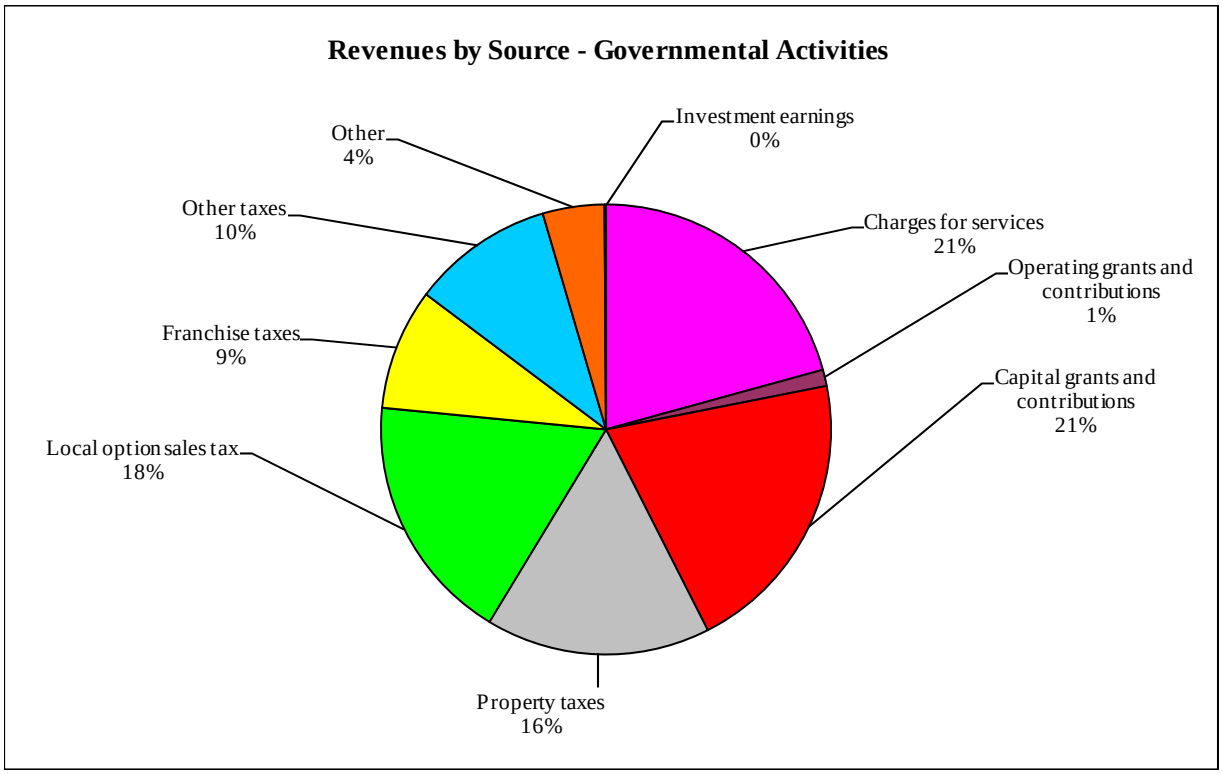
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 3,437,805	$ 3,461,269	$ 18,552,111	$ 17,523,394	$ 21,989,916	$ 20,984,663
Operating grants and contributions	194,631	196,933	--	--	194,631	196,933
Capital grants and contributions	3,423,999	2,865,718	387,328	--	3,811,327	2,865,718
General revenues:						
Property taxes	2,678,293	2,410,680	--	--	2,678,293	2,410,680
Local option sales tax	2,965,459	2,762,450	--	--	2,965,459	2,762,450
Franchise taxes	1,445,071	1,388,433	--	--	1,445,071	1,388,433
Other taxes	1,694,591	1,749,917	--	--	1,694,591	1,749,917
Investment earnings	16,950	20,144	63,280	65,584	80,230	85,728
Total revenues	15,856,799	14,855,544	19,002,719	17,588,978	34,859,518	32,444,522
Expenses:						
General government	4,526,939	4,555,414	--	--	4,526,939	4,555,414
Public safety	6,383,386	6,156,895	--	--	6,383,386	6,156,895
Community services	1,063,213	1,007,080	--	--	1,063,213	1,007,080
Public works and buildings	1,617,064	994,660	--	--	1,617,064	994,660
Highways and streets	308,513	829,092	--	--	308,513	829,092
Culture and recreation	519,263	505,632	--	--	519,263	505,632
Interest on long-term debt	84,243	299,630	--	--	84,243	299,630
Water and sewer	--	--	5,548,753	5,508,811	5,548,753	5,508,811
Gas	--	--	8,528,329	6,634,411	8,528,329	6,634,411
Sanitation	--	--	2,494,970	2,365,998	2,494,970	2,365,998
Riverview Golf Course	--	--	468,869	435,045	468,869	435,045
Telecommunications	--	--	657,183	636,577	657,183	636,577
Total expenses	14,502,621	14,348,403	17,698,104	15,580,842	32,200,725	29,929,245
Increase in net assets before transfers	1,354,178	507,141	1,304,615	2,008,136	2,658,793	2,515,277
Transfers	735,554	637,499	(735,554)	(637,499)	--	--
Change in net assets	2,089,732	1,144,640	569,061	1,370,637	2,658,793	2,515,277
Net assets, beginning of year	32,400,609	31,255,969	38,071,940	36,701,303	70,472,549	67,957,272
Net assets, ending	$ 34,490,341	$ 32,400,609	$ 38,641,001	$ 38,071,940	$ 73,131,342	$ 70,472,549

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 $14,502,621.
- However, the amount that our taxpayers paid for these activities through City taxes was $8,783,414. Some of the cost was paid by:
  - Those who directly benefited from the programs $3,437,805.
  - Other governments and organizations that subsidized certain programs with grants and contributions $3,618,630.
  - Net transfers to the General Fund of $735,554 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 $5,230,910 in fiscal year 2012. Public safety comprised 44.0% of total expenses in 2012.
- Community services comprised 7.3% of total expenses in fiscal year 2012.
- Public works and buildings comprised 11.2% of total expenses in fiscal year 2012.
- Highways and streets comprised 2.1% of total expenses in fiscal year 2012.
- Culture and recreation comprised 3.6% of total expenses in fiscal year 2012.
- Interest on long-term debt comprised 0.6% of total expenses in fiscal year 2012.
- General government comprised 31.2% of total expenses and reflected a decrease of $28,475 from the prior year. For every one dollar of general government expenses in fiscal year 2012, 55 cents came from charges for services to pay for the expenses and increases in interest rates.

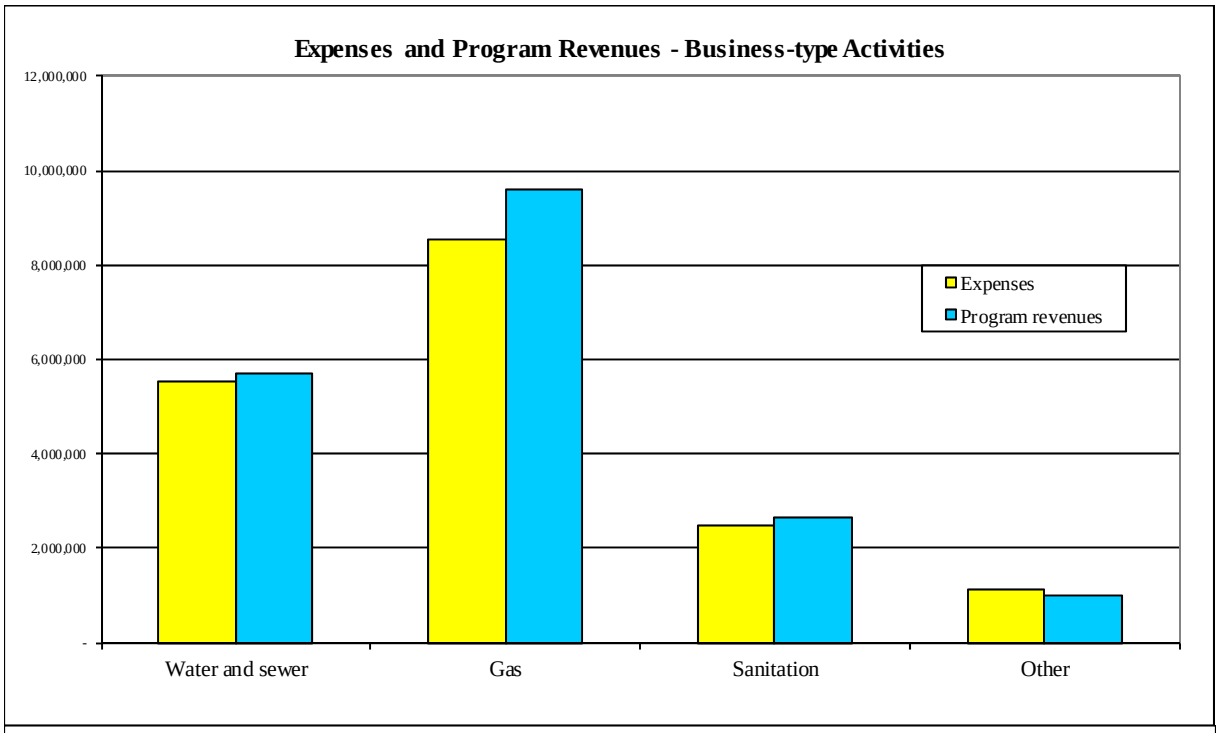


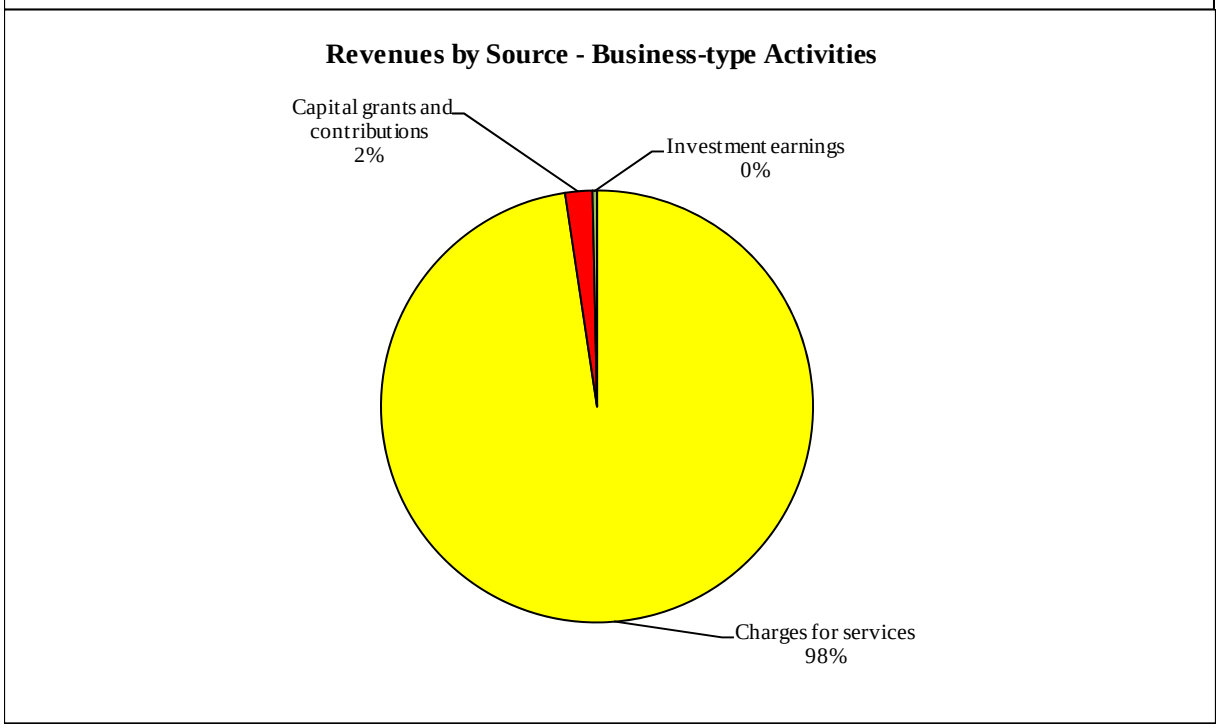


Business-Type Activities

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 $17,698,104.
- Revenues generated by the gas function comprised 51.3% of program revenues for business-type activities. Water and sewer, sanitation and other comprised 29.2%, 14.1%, and 5.4%, respectively.
- Investment earnings decreased by approximately $2,304 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
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
Expenses
Program revenues
Water and sewer
Gas
Sanitation
Other


Revenues by Source - Business-type Activities
Capital grants and contributions 2%
Investment earnings 0%
Charges for services 98%

FINANCIAL ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $13,105,589 an increase of $551,722 in comparison with the prior year. $6,860,807or 52.4% 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 $6,860,807 while the total fund balance reached $7,495,524. 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 42.1% of total general fund expenditures, while total fund balance represents 80.4% of that same amount.

The fund balance of the City's General Fund decreased by $247,066 during the current fiscal year. This is a 3.2% decrease from the prior year. This decrease is primarily attributable to an increase in general government expenditures. At June 30, 2012, the fund balance of the City's General Fund represented 57.2% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2006 fund increased by $831,616, during the current fiscal year. This increase is primarily to the repayment of principal and interest relating to the special assessment bonds issued in FY 2008 made in advance for fiscal year 2012 in fiscal year 2011. At June 30, 2012, the fund balance of the City's SPLOST Capital Projects - 2006 fund represented 42.7% of the total governmental fund balance.

The fund balance of the City's SPLOST Capital Projects - 2003 fund decreased by $32,828 during the current fiscal year. This is an 62.1% 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, 2012, the fund balance of the City's SPLOST Capital Projects - 2003 fund represented 0.1% 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 $569,061 as a result of operations in the proprietary funds. This resulted primarily from a $480,657 increase in net assets by the Natural Gas System Fund after transferring $600,00 to the City's General Fund, and a $197,566 increase in net assets of the Water and Sewerage System Fund. The increases in the Natural Gas and Water and Sewerage System Funds were due mostly in part to increases in charges for services and stabilization of gas prices.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted expenditures increased by 1.3 % from the prior year. Actual expenditures decreased approximately 1.4% 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 125.48% over budget due to budgeting a Georgia Department of Transportation grant for in 2011, however the improvement was not actually incurred until 2012. Interest income was 13.0% over budget due to an increase in the City's cash and investments accounts throughout the year. For expenditures, city attorney were 16.3% under budget because travel expenditures budgeted for did not occur. Non-departmental expenditures were 37.0% under budget because of capital outlays that were budgeted for but not purchased in the current fiscal year. Police department crossing guards was 52.1% under budget because a guard quit and was not replaced.

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, 2012, amounts to $127,166,360, net of accumulated depreciation of $71,501,503 leaving a net book value of $55,664,857. 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 increased about 2.0% in terms of net book value. However, actual expenditures to purchase or construct capital assets were $4,546,230 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, purchase capital equipment including police cars as well as road and other capital improvements designated by the SPLOST 2006 funds. Depreciation charges for the year totaled $3,433,377 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 $9,130,000. This debt is secured solely by specified revenue sources (i.e., revenue bonds). The City's bonded debt decreased by $390,000 as a result of current year principal payments. The City also had $2,691,270 of debt from capital leases and notes payable, excluding interfund notes payable. This is a $1,595,834 increase over the prior year as a result of current year draws on the GEFA "construction period loan". 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 12.8%, which is an increase from a rate of 12.3% a year ago.
- Inflationary trends in the region compare favorably to national indices.
- The City is expecting the national economy, the Patient and Affordable Care Act, the Health Care and Education Reconciliation Act of 2010 and potential reductions in Federal spending 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 6.4 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, 2012

	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	$ 69,639	$ 2,844,691	$ 2,914,330	$ --	$ --
Equity in investment pool	14,960,554	199,455	15,160,009	--	--
Cash	2,419,921	1,210,539	3,630,460	936,374	233,301
Certificates of deposit	1,005,249	172,734	1,177,983	--	--
Taxes receivable, net	171,504	--	171,504	--	--
Accounts receivable, net	--	1,840,305	1,840,305	32,038	--
Other receivables, net	134,350	46,743	181,093	--	--
Accrued interest receivable	9,633	7,264	16,897	--	--
Due from other governments	243,443	--	243,443	--	--
Due from component units	214	--	214	--	--
Internal balances	(8,347,916)	8,347,916	--	--	--
Inventories, at cost	174,245	12,280	186,525	--	--
Prepaid items	168,504	50,475	218,979	22,877	--
Restricted assets:					
Equity in investment pool	--	399,112	399,112	--	--
Cash	3,075,283	4,265	3,079,548	--	--
Certificates of deposits	--	2,664,157	2,664,157	--	--
Capital assets not being depreciated:					
Land	1,336,192	565,757	1,901,949	--	126,150
Construction in progress	--	50,151	50,151	--	--
Capital assets, net of accumulated depreciation:					
Buildings and plant	4,852,639	29,035,398	33,888,037	5,370,857	474,875
Improvements other than buildings	1,559,411	2,405	1,561,816	--	123,191
Machinery and equipment	1,634,334	899,641	2,533,975	269,666	1,605
Infrastructure	15,728,929	--	15,728,929	--	--
Total assets	$39,196,128	$48,353,288	$87,549,416	$ 6,631,812	$ 959,122

	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	$ 763,016	$ 162,161	$ 925,177	$ 21,240	$ --
Accrued interest payable	--	145,973	145,973	--	--
Deposits and bonds	20,500	--	20,500	--	--
Payables from restricted assets:					
Customer deposits	--	623,679	623,679	--	--
Revenue bonds payable - current	3,000,000	405,000	3,405,000	--	--
Noncurrent liabilities:					
Due within one year:					
Capital leases payable	199,832	--	199,832	--	--
Compensated absences	32,684	11,579	44,263	--	--
Note payable - other	--	73,761	73,761	79,106	85,367
Due in more than one year:					
Capital leases payable	315,921	--	315,921	--	--
Compensated absences	373,834	192,640	566,474	37,934	--
Note payable - other	--	2,521,887	2,521,887	637,864	--
Revenue bonds payable	--	5,575,607	5,575,607	--	--
Total liabilities	4,705,787	9,712,287	14,418,074	776,144	85,367
NET ASSETS					
Invested in capital assets, net of related debt	21,595,752	21,977,097	43,572,849	4,923,553	640,454
Restricted assets:					
Restricted for debt service	3,075,283	2,038,855	5,114,138	--	--
Restricted for capital projects	5,610,065	--	5,610,065	--	--
Unrestricted	4,209,241	14,625,049	18,834,290	932,115	233,301
Total net assets	34,490,341	38,641,001	73,131,342	5,855,668	873,755
Total liabilities and net assets	$39,196,128	$48,353,288	$87,549,416	$ 6,631,812	$ 959,122

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 4,526,939	$ 2,479,460	$ 500	$ --
Public safety	6,383,386	958,345	194,131	--
Community services	1,063,213	--	--	--
Public works and buildings	1,617,064	--	--	3,423,999
Highways and streets	308,513	--	--	--
Culture and recreation	519,263	--	--	--
Interest on long-term debt	84,243	--	--	--
Total governmental activities	14,502,621	3,437,805	194,631	3,423,999
Business-type activities:				
Water and Sewer	5,548,753	5,318,138	--	387,328
Gas	8,528,329	9,586,776	--	--
Sanitation	2,494,970	2,637,296	--	--
Riverview Golf Course	468,869	371,405	--	--
Telecommunications	657,183	638,496	--	--
Total business-type activities	17,698,104	18,552,111	--	387,328
Total primary government	$ 32,200,725	$ 21,989,916	$ 194,631	$ 3,811,327
Component units:				
Dublin-Laurens County Recreation Authority	$ 1,858,292	$ 146,064	$ 1,238,608	$ 185,005
Main Street Dublin Downtown Development Authority	100,363	--	--	--
Total component units	$ 1,958,655	$ 146,064	$ 1,238,608	$ 185,005
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				

	Net (Expense) Revenue and Changes in Net Assets				
	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Dublin-Laurens County Recreation Authority	Main Street Dublin Downtown Development Authority
	$ (2,046,979)	$ --	$ (2,046,979)		
	(5,230,910)	--	(5,230,910)		
	(1,063,213)	--	(1,063,213)		
	1,806,935	--	1,806,935		
	(308,513)	--	(308,513)		
	(519,263)	--	(519,263)		
	(84,243)	--	(84,243)		
	(7,446,186)	--	(7,446,186)		
	--	156,713	156,713		
	--	1,058,447	1,058,447		
	--	142,326	142,326		
	--	(97,464)	(97,464)		
	--	(18,687)	(18,687)		
	--	1,241,335	1,241,335		
	(7,446,186)	1,241,335	(6,204,851)		
				$ (288,615)	$ --
				--	(100,363)
				(288,615)	(100,363)
	2,678,293	--	2,678,293	--	--
	2,965,459	--	2,965,459	--	--
	524,588	--	524,588	137,590	--
	410,108	--	410,108	--	--
	1,445,071	--	1,445,071	--	--
	759,895	--	759,895	--	--
	--	--	--	12,154	4,275
	16,950	63,280	80,230	20,164	--
	--	--	--	--	98,674
	735,554	(735,554)	--	(260,583)	260,583
	9,535,918	(672,274)	8,863,644	(90,675)	363,532
	2,089,732	569,061	2,658,793	(379,290)	263,169
	32,400,609	38,071,940	70,472,549	6,234,958	610,586
	$ 34,490,341	$ 38,641,001	$ 73,131,342	$ 5,855,668	$ 873,755

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

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

	General	SPLOST Capital Projects - 2006	Nonmajor Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash	$ --	$ --	$ 69,639	$ 69,639
Equity in investment pool	14,960,554	--	--	14,960,554
Cash	697,742	1,702,184	19,995	2,419,921
Certificates of deposit	--	1,005,249	--	1,005,249
Cash - restricted for bond debt service	--	3,075,283	--	3,075,283
Taxes receivable, net	171,504	--	--	171,504
Other receivables, net	134,350	--	--	134,350
Accrued interest receivable	1,279	8,354	--	9,633
Due from other governments - State of Georgia - local option sales tax	243,443	--	--	243,443
Due from component units- Dublin-Laurens County Recreation Authority	214	--	--	214
Due from other funds	28,584	--	--	28,584
Inventories, at cost	174,245	--	--	174,245
Prepaid items	168,504	--	--	168,504
Total assets	$ 16,580,419	$ 5,791,070	$ 89,634	$ 22,461,123
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued costs	$ 520,961	$ 201,000	$ 41,055	$ 763,016
Deferred revenue	195,518	--	--	195,518
Due to other funds	8,347,916	--	28,584	8,376,500
Distilled spirits bond deposits	20,500	--	--	20,500
Total liabilities	9,084,895	201,000	69,639	9,355,534
FUND BALANCES				
Nonspendable	342,749	--	--	342,749
Restricted	--	5,590,070	19,995	5,610,065
Committed	291,968	--	--	291,968
Assigned	--	--	--	--
Unassigned	6,860,807	--	--	6,860,807
Total fund balances	7,495,524	5,590,070	19,995	13,105,589
Total liabilities and fund balances	$ 16,580,419	$ 5,791,070	$ 89,634	$ 22,461,123

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, 2012

Amounts reported for governmental activities in the statement of net assets are different because:	
Total governmental fund balance (page 30)	$ 13,105,589
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	25,111,505
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	195,518
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.	(3,922,271)
Net assets of governmental activities (page 27)	$ 34,490,341

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
FOR THE YEAR ENDED JUNE 30, 2012

	General	SPLOST Capital Projects - 2006	Nonmajor Funds	Total Governmental Funds
REVENUES:				
General property taxes	$ 2,672,295	$ --	$ --	$ 2,672,295
Other taxes	5,777,254	--	524,588	6,301,842
Licenses and permits	561,865	--	--	561,865
Fines and forfeitures	843,393	--	--	843,393
Intergovernmental	994,920	2,918,936	--	3,913,856
Interest on investments	16,950	17,697	--	34,647
Miscellaneous income	1,452,858	--	--	1,452,858
Total revenues	12,319,535	2,936,633	524,588	15,780,756
EXPENDITURES:				
Current:				
General government	4,479,223	--	--	4,479,223
Public safety	6,428,739	--	--	6,428,739
Community services	1,063,213	--	--	1,063,213
Public works and buildings	1,330,980	--	--	1,330,980
Culture and recreation	--	--	524,588	524,588
Debt Service:				
Principal	--	90,354	--	90,354
Interest	--	84,243	--	84,243
Bond issuance costs	--	500	--	500
Capital Outlay:				
Highways and streets	--	597,554	32,828	630,382
Special assessments	--	1,658,367	--	1,658,367
Total expenditures	13,302,155	2,431,018	557,416	16,290,589
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(982,620)	505,615	(32,828)	(509,833)
OTHER FINANCING SOURCES:				
Capital lease proceeds	--	326,001	--	326,001
Transfer in	735,554	--	--	735,554
Total other financing sources	735,554	326,001	--	1,061,555
NET CHANGE IN FUND BALANCES	(247,066)	831,616	(32,828)	551,722
FUND BALANCES, Beginning	7,742,590	4,758,454	52,823	12,553,867
FUND BALANCES, Ending	$ 7,495,524	$ 5,590,070	$ 19,995	$ 13,105,589

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, 2012

Amounts reported for governmental activities in the statement of activities (page 28) are different because:	
Net change in fund balances - total governmental funds (page 31)	$ 551,722
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,745,846
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,998
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.	(204,083)
In the statement of activities, certain operating expenses - compensated absences (vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). During this year, compensated absences increased by $9,751.	(9,751)
Change in net assets of governmental activities (page 28)	$ 2,089,732

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, 2012

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
ASSETS		
CURRENT ASSETS:		
Equity in pooled cash	$ 2,298,530	$ 46,012
Equity in investment pool	--	15,882
Cash	415,301	300
Certificate of deposit	--	172,734
Notes receivable from Water and Sewerage System Fund - current	--	45,939
Accounts receivable, net	180,989	1,306,213
Other receivables, net	46,743	--
Accrued interest receivable	7,124	120
Due from other funds	--	6,700,000
Inventories, at cost	--	--
Prepaid items	12,715	22,542
Restricted assets:		
Customer deposits - certificate of deposit	--	220,302
Customer deposits - equity in investment pool	399,112	--
Customer deposits	--	4,265
Revenue bond debt service:		
Cash - reserve account - certificate of deposit	2,443,855	--
Total current assets	5,804,369	8,534,309
NONCURRENT ASSETS:		
CAPITAL ASSETS:		
Land	151,381	324,914
Construction in progress	--	50,150
Buildings and plant	38,259,849	14,794,637
Improvements other than buildings	--	--
Machinery and equipment	2,175,197	803,459
Less - accumulated depreciation	(19,502,956)	(9,006,404)
Capital assets - net	21,083,471	6,966,756
OTHER ASSETS:		
Note receivable - water and sewerage system fund - long-term portion	--	374,192
Total other assets	--	374,192
Total non-current assets	21,083,471	7,340,948
Total assets	$ 26,887,840	$ 15,875,257

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
$	500,149	$ --	$ 2,844,691
	183,573	--	199,455
	300	794,638	1,210,539
	--	--	172,734
	--	--	45,939
	134,643	218,460	1,840,305
	--	--	46,743
	20	--	7,264
	1,840,940	--	8,540,940
	--	12,280	12,280
	13,476	1,742	50,475
	--	--	220,302
	--	--	399,112
	--	--	4,265
	--	--	2,443,855
	2,673,101	1,027,120	18,038,899
	89,462	--	565,757
	--	--	50,150
	--	3,584,885	56,639,371
	--	197,027	197,027
	3,430,795	1,209,029	7,618,480
	(2,840,372)	(3,167,701)	(34,517,433)
	679,885	1,823,240	30,553,352
	--	--	374,192
	--	--	374,192
	679,885	1,823,240	30,927,544
$	3,352,986	$ 2,850,360	$ 48,966,443

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, 2012

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ --	$ 36,000
Accrued expenses	23,869	16,632
Note payable to natural gas system fund - current portion	45,939	--
Note payable GEFA - current portion	73,761	--
Due to other funds	--	--
Accrued interest payable	145,973	--
Compensated absences payable	5,992	1,321
Payable from restricted assets:		
Customer deposits	399,112	224,567
Revenue bonds payable- current portion	405,000	--
Total current liabilities	1,099,646	278,520
LONG TERM LIABILITIES:		
Compensated absences payable	99,683	21,982
Note payable - natural gas system fund - long-term portion	374,192	--
Note payable - GEFA - long-term portion	2,521,887	--
Revenue bonds payable - long-term portion	5,575,607	--
Total long-term liabilities	8,571,369	21,982
Total liabilities	9,671,015	300,502
NET ASSETS:		
Invested in capital assets, net of related debt	12,507,216	6,966,756
Restricted assets -		
Restricted for debt service	2,038,855	--
Unrestricted	2,670,754	8,607,999
Total net assets	17,216,825	15,574,755
Total liabilities and net assets	$ 26,887,840	$ 15,875,257

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
$	37,935	$ 28,891	$ 102,826
	15,050	3,784	59,335
	--	--	45,939
	--	--	73,761
	--	193,024	193,024
	--	--	145,973
	3,741	525	11,579
	--	--	623,679
	--	--	405,000
	56,726	226,224	1,661,116
	62,241	8,734	192,640
	--	--	374,192
	--	--	2,521,887
	--	--	5,575,607
	62,241	8,734	8,664,326
	118,967	234,958	10,325,442
	679,885	1,823,240	21,977,097
	--	--	2,038,855
	2,554,134	792,162	14,625,049
	3,234,019	2,615,402	38,641,001
$	3,352,986	$ 2,850,360	$ 48,966,443

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, 2012

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 33)	$	48,966,443
Elimination of interfund receivables relating to cash overdrafts reflected as due from other funds		(193,024)
Elimination of interfund note receivable - water and sewerage system fund		(420,131)
Total assets for Statement of Net Assets - Business-type Activities (page 27)	$	48,353,288

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 34)	$	10,325,442
Elimination of interfund payables relating to cash overdrafts reflected as due to other funds		(193,024)
Elimination of interfund note payable - water and sewerage system fund		(420,131)
Total liabilities for Statement of Net Assets - Business-type Activities (page 27)	$	9,712,287

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, 2012

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
OPERATING REVENUES:		
Sales / charges for services	$ 4,883,596	$ 8,949,337
Administrative expense reimbursement	136,026	127,930
Connection and installation	30,113	7,631
Penalties and cut-on fees	153,415	67,712
Other revenue	--	--
Total operating revenues	5,203,150	9,152,610
OPERATING EXPENSES:		
Purchases	--	5,982,054
Personnel services	1,334,601	542,292
Employee benefits	234,428	92,321
Repairs and maintenance	189,685	130,571
Amortization of bond issue cost	12,449	--
Depreciation	929,566	432,994
Other operating	1,417,881	684,081
General and administrative	1,081,900	664,016
Total operating expenses	5,200,510	8,528,329
OPERATING INCOME (LOSS)	2,640	624,281
NON-OPERATING REVENUES (EXPENSES):		
Interest expense	(348,243)	--
Interest income	40,853	22,210
Intergovernmental	387,328	--
Miscellaneous	114,988	434,166
Total non-operating revenues, net	194,926	456,376
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	197,566	1,080,657
TRANSFERS OUT	--	(600,000)
Total transfers and contributions	--	(600,000)
CHANGE IN NET ASSETS	197,566	480,657
NET ASSETS, Beginning	17,019,259	15,094,098
NET ASSETS, Ending	$ 17,216,825	$ 15,574,755

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ 2,586,264	$ 874,048	$ 17,293,245
	--	--	263,956
	--	--	37,744
	48,316	722	270,165
	--	135,131	135,131
	2,634,580	1,009,901	18,000,241
	--	--	5,982,054
	809,267	230,515	2,916,675
	145,087	39,766	511,602
	134,047	26,577	480,880
	--	--	12,449
	175,831	230,520	1,768,911
	1,087,766	598,674	3,788,402
	142,972	--	1,888,888
	2,494,970	1,126,052	17,349,861
	139,610	(116,151)	650,380
	--	--	(348,243)
	217	--	63,280
	--	--	387,328
	2,716	--	551,870
	2,933	--	654,235
	142,543	(116,151)	1,304,615
	--	(135,554)	(735,554)
	--	(135,554)	(735,554)
	142,543	(251,705)	569,061
	3,091,476	2,867,107	38,071,940
	$ 3,234,019	$ 2,615,402	$ 38,641,001

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, 2012

	Business-type Activities - Enterprise Funds	
	Water and Sewerage System Fund	Natural Gas System Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 5,124,335	$ 8,289,931
Cash received for administrative expense reimbursement	--	127,930
Cash paid to suppliers for goods and services	(1,761,858)	(6,737,288)
Cash received from other funds for meter readers	136,026	--
Cash paid to other funds for meter readers	--	(136,026)
Cash paid to employees for services	(1,328,830)	(542,742)
Cash paid for employee taxes and benefits	(531,548)	(224,890)
Cash paid for administrative expense reimbursements	(626,770)	(446,280)
Cash received from (paid to) other funds	--	(843,872)
Other non-operating revenue	114,988	434,166
Net cash provided (used) by operating activities	1,126,343	(79,071)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out	--	(600,000)
Net cash used by noncapital financing activities	--	(600,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(900,844)	(75,923)
Interest income on note receivable from water and sewerage system fund	--	22,208
Proceeds from principal reduction on note receivable from water and sewerage system fund	--	43,703
Principal paid on note payable - natural gas system fund	(43,703)	--
Intergovernmental grant	387,328	--
Principal received on GEFA loans	1,641,616	--
Principal paid on GEFA loans	(325,133)	--
Interest and fees paid on revenue bonds, notes and capital lease payables	(215,873)	--
Principal paid on revenue bond maturities	(390,000)	--
Net cash used for capital and related financing activities	153,391	(10,012)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income on investments	40,895	17
Purchase of investments	(5,090)	--
Redemption of certificates of deposit	2,212,483	--
Purchase of certificates of deposit	(2,125,262)	--
Net cash used by investing activities	123,026	17
NET INCREASE (DECREASE) IN CASH	1,402,760	(689,066)
CASH, Beginning	1,710,183	755,525
CASH, Ending	$ 3,112,943	$ 66,459

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ 2,616,976	$ 830,903	$ 16,862,145
	--	--	127,930
	(929,573)	(559,258)	(9,987,977)
	--	--	136,026
	--	--	(136,026)
	(814,714)	(238,053)	(2,924,339)
	(399,392)	(77,051)	(1,232,881)
	(142,972)	--	(1,216,022)
	(1,840,940)	103,191	(2,581,621)
	2,716	--	551,870
	(1,507,899)	59,732	(400,895)
	--	(135,554)	(735,554)
	--	(135,554)	(735,554)
	(123,601)	(35,550)	(1,135,918)
	--	--	22,208
	--	--	43,703
	--	--	(43,703)
	--	--	387,328
	--	--	1,641,616
	--	--	(325,133)
	--	--	(215,873)
	--	--	(390,000)
	(123,601)	(35,550)	(15,772)
	217	--	41,129
	--	--	(5,090)
	--	--	2,212,483
	--	--	(2,125,262)
	217	--	123,260
	(1,631,283)	(111,372)	(1,028,961)
	2,315,305	906,010	5,687,023
	$ 684,022	$ 794,638	$ 4,658,062

(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, 2012

	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	$ 1,316,065	$ 751,267
Restricted	394,118	4,258
Total	1,710,183	755,525
Net increase (decrease)		
Current	1,397,766	(689,073)
Restricted	4,994	7
Total	1,402,760	(689,066)
Cash, ending		
Current	$ 2,713,831	62,194
Restricted	399,112	4,265
Total	$ 3,112,943	$ 66,459
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net operating income (loss)	$ 2,640	$ 624,281
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	929,566	432,994
Amortization of bond issue cost	12,449	--
Other non-operating revenue	114,988	434,166
Decrease (increase) in assets:		
Accounts receivable - trade	49,241	(732,973)
Due from other funds	--	(843,872)
Prepaid expenses	--	(895)
(Decrease) increase in liabilities:		
Accounts payable	--	25,430
Accrued expenses	(808)	(15,976)
Due to (from) other funds	--	--
Customer deposits	12,496	(1,776)
Compensated absences payable	5,771	(450)
Total adjustments	1,123,703	(703,352)
Net cash provided (used) by operating activities	$ 1,126,343	$ (79,071)

	Business-type Activities - Enterprise Funds		
	Sanitation System Fund	Nonmajor Funds	Total
	$ 2,315,305	$ 906,010	$ 5,288,647
	--	--	398,376
	2,315,305	906,010	5,687,023
	(1,631,283)	(111,372)	(1,033,962)
	--	--	5,001
	(1,631,283)	(111,372)	(1,028,961)
	684,022	794,638	4,254,685
	--	--	403,377
	$ 684,022	$ 794,638	$ 4,658,062
	$ 139,610	$ (116,151)	$ 650,380
	175,831	230,520	1,768,911
	--	--	12,449
	2,716	--	551,870
	(17,604)	(178,998)	(880,334)
	(1,840,940)	--	(2,684,812)
	--	--	(895)
	37,935	28,891	92,256
	(3,022)	(183)	(19,989)
	--	103,191	103,191
	--	--	10,720
	(2,425)	(7,538)	(4,642)
	(1,647,509)	175,883	(1,051,275)
	$ (1,507,899)	$ 59,732	$ (400,895)

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 FUND
JUNE 30, 2012

ASSET	
Equity in pooled cash	$ 38,983
Total assets	$ 38,983
LIABILITY	
Due to Dublin Board of Education	$ 38,983
Total liabilities	$ 38,983

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 (RC) and is required to pay annual dues thereto. During its year ended June 30, 2012, the City paid $17,509 in such dues. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC of Georgia. The RC 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 RC. 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 2012, sales to ten major customers represented approximately 72.0% 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, 2012, 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 the State Treasurer. 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, 2012, 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, 2012. 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, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital items at the estimated fair value of the item as the date of its donation.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. During the fiscal year ended June 30, 2012, there was no interest capitalized by the City's business-type activities relating to the construction of capital assets.

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	$ 3,410,311
Depreciation expense	(1,664,465)
Net adjustment to decrease *net changes in fund balance - total governmental funds*, to arrive at changes in *net assets of governmental activities*	$ 1,745,846

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)	$ 3,000,000
Capital leases payable	515,753
Compensated absences	406,518
Net adjustment to reduce *fund balance - total governmental funds,* to arrive at changes in *net assets of governmental activities*	$ 3,922,271

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, 2012.

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, 2012 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 - Main Street Program	$ 52,891	$ 52,500	$ (391)
General government - Finance	$ 162,241	$ 160,590	$ (1,651)
General government - Police Department CID	$ 618,876	$ 614,026	$ (4,850)
General government - Fire Department Combat	$ 2,087,460	$ 2,072,028	$ (15,432)
General government - Community Services Cemetary	$ 103,168	$ 102,327	$ (841)
General government - Community Services Appropriations	$ 959,864	$ 947,663	$ (12,201)
General government - Public works	$ 1,015,440	$ 979,181	$ (36,259)
General government - Mechanical Maintenance	$ 311,466	$ 307,620	$ (3,846)
HOTEL/MOTEL TAX FUND:			
Hotel/Motel - Culture and Recreation	$ 524,588	$ 480,000	$ (44,588)

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 $183,443 as of June 30, 2012. 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, 2012 follows:

Account Balances	
Petty Cash	2,400
Demand deposits	10,791,613
Certificates of deposit	3,842,140
Investments	15,559,121
	$ 30,195,274

Ownership of Funds	
Primary Government	
Governmental funds:	
Equity in pooled cash	$ 69,639
Equity in investment pool	14,960,554
Cash	2,419,921
Certificates of deposit	1,005,249
Restricted cash	3,075,283
	21,530,646
Proprietary funds:	
Equity in pooled cash	$ 2,844,691
Equity in investment pool	199,455
Cash	1,210,539
Certificates of deposit	172,734
Restricted equity in investment pool	399,112
Restricted cash	4,265
Restricted certificates of deposit	2,664,157
	7,494,953
Component Units	
Cash and cash equivalents	1,169,675
Total reporting entity	$ 30,195,274

At June 30, 2012, the City has the following investments:

Investment	Maturity Date	Fair Value
Georgia Fund 1 (investment pool)	07/28/2012	$ 15,559,121
Certificate of Deposit - SPLOST 2006	08/18/2012	1,005,249
Certificate of Deposit - Gas Fund	07/16/2012	393,036
Certificate of Deposit - Water Fund	11/17/2012	1,215,666
Certificate of Deposit - Water Fund	12/14/2012	410,340
Certificate of Deposit - Water Fund	02/09/2013	817,849

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, 2012 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 2011, 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 2011 was $414,113,752 on property in the City including mobile homes and vehicles.

Sources of the calendar year 2011 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	$ 374,521,777	$ 9,776,891	$ 7,379,952	$ 2,396,939
Public utilities	9,255,595	241,617	182,381	59,236
Motor vehicles	30,336,380	791,931	597,778	194,153
Total	$ 414,113,752	$ 10,810,439	$ 8,160,111	$ 2,650,328

C. Receivables

As of June 30, 2012 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, 2012:

	General	Proprietary	Total
Receivables:			
Taxes	$ 191,504	$ --	$ 191,504
Less allowance for uncollectible accounts	(20,000)	--	(20,000)
Net taxes receivable	$ 171,504	$ --	$ 171,504
Accounts and other	$ 134,350	$ 1,986,929	$ 2,121,279
Less allowance for uncollectible accounts	--	(99,881)	(99,881)
Net accounts receivable	$ 134,350	$ 1,887,048	$ 2,021,398

D. Receivables from Other Governments

General fund receivables from other governments as of June 30, 2012, are as follows:

State of Georgia - local option sales tax	$ 243,443

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, 2012, was $2,965,455.

F. Interfund Receivables, Payables, and Transfers

A summary of individual interfund receivable and payable balances at June 30, 2012, and a summary of fund transfers for the year then ended follows:

	Payable to		
Payable from:	General Fund	Natural Gas System Fund	Sanitation System Fund
Governmental funds:			
General	$ --	$ 6,700,000	$ 1,647,916
Hotel/Motel	28,584	--	--
Riverview Golf Course	--	--	193,024
	$ 28,584	$ 6,700,000	$ 1,840,940

The outstanding balance between fund results mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. 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, 2012, 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	$ 600,000
Telecommunications Fund	135,554
	$ 735,554

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 bond contingency	$ 3,075,283

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

Customer deposits	$ 623,679
Revenue bond debt service	2,443,855
	$ 3,067,534

H. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

Primary Government

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
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	2,153,127	--	(816,935)	1,336,192
Capital assets, being depreciated:				
Buildings and plants	10,235,487	24,482	--	10,259,969
Improvements other than buildings	9,612,976	--	--	9,612,976
Machinery and equipment	7,639,268	734,942	(6,218)	8,367,992
Infrastructure	29,050,622	3,467,822	--	32,518,444
Total capital assets being depreciated	56,538,353	4,227,246	(6,218)	60,759,381
Less accumulated depreciation for:				
Buildings and plants	5,178,150	229,180	--	5,407,330
Improvements other than buildings	7,904,864	148,701	--	8,053,565
Machinery and equipment	6,344,164	395,712	(6,218)	6,733,658
Infrastructure	15,898,643	890,872	--	16,789,515
Total accumulated depreciation	35,325,821	1,664,465	(6,218)	36,984,068
Total capital assets being depreciated, net	21,212,532	2,562,781	--	23,775,313
Governmental activities capital assets, net	$23,365,659	$ 2,562,781	$ (816,935)	$25,111,505

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 565,757	$ --	$ --	$ 565,757
Construction in progress	141,318	50,151	(141,318)	50,151
Total capital assets not being depreciated	707,075	50,151	(141,318)	615,908
Capital assets, being depreciated:				
Buildings and plants	55,573,209	1,066,162	--	56,639,371
Improvements other than buildings	197,027	--	--	197,027
Machinery and equipment	7,575,139	160,924	(117,582)	7,618,481
Total capital assets being depreciated	63,345,375	1,227,086	(117,582)	64,454,879
Less accumulated depreciation for:				
Buildings and plants	26,178,414	1,425,559	--	27,603,973
Improvements other than buildings	193,860	762	--	194,622
Machinery and equipment	6,493,831	342,591	(117,582)	6,718,840
Total accumulated depreciation	32,866,105	1,768,912	(117,582)	34,517,435
Total capital assets being depreciated, net	30,479,270	(541,826)	--	29,937,444
Business-type activities capital assets, net	$31,186,345	$ (491,675)	$ (141,318)	$30,553,352

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

Governmental activities:	
General government	$ 993,174
Public safety	82,019
Public works and buildings	394,184
Highways and streets	195,088
Total depreciation expense-governmental activities	$ 1,664,465
Business-type activities:	
Water and sewer	$ 929,566
Gas	432,995
Sanitation	175,831
Riverview Golf Course	2,251
Telecommunications	228,269
Total depreciation expense-business-type activities	$ 1,768,912

Discretely Presented Component Units

Activity for **Dublin-Laurens County Recreation Authority** for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Adjustment (1)	Adjusted Balance July 1, 2011	Increases	Decreases (2)	Balance June 30, 2012
Capital assets, being depreciated:						
Buildings and plants	$ 7,203,783	$ (121,702)	$ 7,082,081	$ 30,695	$ --	$ 7,112,776
Improvements other than buildings	499,922	(13,367)	486,555	--	(138,447)	348,108
Machinery and equipment	862,868	--	862,868	8,595	--	871,463
Total capital assets being depreciated	8,566,573	(135,069)	8,431,504	39,290	(138,447)	8,332,347
Less accumulated depreciation for:						
Buildings and plants	1,473,165	(3,511)	1,469,654	272,265	--	1,741,919
Improvements other than buildings	327,300	(4,160)	323,140	42,874	(65,265)	300,749
Machinery and equipment	629,475	--	629,475	19,681	--	649,156
Total accumulated depreciation	2,429,940	(7,671)	2,422,269	334,820	(65,265)	2,691,824
Dublin-Laurens County Recreation Authority capital assets, net	$ 6,136,633	$ (127,398)	$ 6,009,235	$ (295,530)	$ (73,182)	$ 5,640,523

Activity for **Main Street Dublin-Downtown Development Authority** for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Adjustment (1)	Adjusted Balance July 1, 2011	Increases (2)	Decreases	Balance June 30, 2012
Capital assets, being depreciated:						
Buildings and plants	$ 351,144	$ 121,702	$ 472,846	$ 87,030	$ --	$ 559,876
Improvements other than buildings	43,520	13,367	56,887	138,447	--	195,334
Machinery and equipment	1,957	--	1,957	1,632	--	3,589
Total capital assets being depreciated	396,621	135,069	531,690	227,109	--	758,799
Less accumulated depreciation for:						
Buildings and plants	67,274	3,511	70,785	14,216	--	85,001
Improvements other than buildings	1,951	4,160	6,111	66,032	--	72,143
Machinery and equipment	1,957	--	1,957	27	--	1,984
Total accumulated depreciation	71,182	7,671	78,853	80,275	--	159,128
Dublin-Laurens County Recreation Authority capital assets, net	$ 325,439	$ 127,398	$ 452,837	$ 146,834	$ --	$ 599,671

(1) The capital assets were restated due to an error on the prior year report. Capital assets had been incorrectly recorded on the Dublin-Laurens County Recreation Authority's financial statements because they included improvements made on the property of another governmental entity, Main Street Dublin-Downtown Authority.

(2) On March 14, 2012 all assets of Theatre Dublin were transferred to Main Street Dublin-Downtown Development Authority.

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 2013 is $93,336.

The annual requirements to amortize the remaining balance of $189,752 as of June 30, 2012, including interest payments of $9,442 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2013	$ 93,336	$ 6,261	$ 99,597
2014	96,416	3,181	99,597
Total	$ 189,752	$ 9,442	$ 199,194

During fiscal year 2012, the City entered into a capital lease agreement with the Georgia Municipal Association, Inc. for the purchase of ten 2012 Chevrolet Caprice Police Cars with an original amount of $326,001. Shortly after the initial agreement, the lease was assigned and transferred to Branch Bank & Trust. Annual payments are $112,249 beginning September 4, 2012 and ending June 4, 2015 at an interest rate of 2.01%. The current portion of the lease due in FY 2013 is $106,496.

The annual requirements to amortize the remaining balance of $326,001 as of June 30, 2012, including interest payments of $10,746 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2013	$ 106,496	$ 5,753	$ 112,249
2014	108,652	3,597	112,249
2015	110,853	1,396	112,249
Total	$ 326,001	$ 10,746	$ 336,747

The assets acquired through these capital leases are as follows:

	Governmental Activities	Business Type Activities
Machinery and equipment	$ 956,001	$ --
Less accumulated depreciation	(141,933)	--
Total	$ 814,068	$ --

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, 2012. The annual requirements to amortize the remaining balance of $420,131 to maturity, including interest of $86,823 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
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	56,086	9,816	65,902
2018-2020	165,700	11,744	177,444
Total	$ 420,131	$ 86,823	$ 506,954

K. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2012:

Primary Government

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Governmental activities:						
Revenue bonds payable	$ 3,000,000	$ --	$ --	$ 3,000,000	$ 3,000,000	$ --
Less deferred amounts for:						
Bond premiums	70,046	--	(70,046)	--	--	--
Issuance discounts	(38,482)	--	38,482	--	--	--
Total bonds payable	3,031,564	--	(31,564)	3,000,000	3,000,000	--
Compensated absences payable	396,767	314,492	(304,741)	406,518	32,684	373,834
Capital leases payable	280,105	326,001	(90,353)	515,753	199,832	315,921
Governmental activity-long-term liabilities	$ 3,708,436	$ 640,493	$ (426,658)	$ 3,922,271	$ 3,232,516	$ 689,755

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Business-type activities:						
Revenue bonds payable	$6,520,000	$ --	$ (390,000)	$6,130,000	$ 405,000	$5,725,000
Less deferred amounts for-Issuance discounts	(161,842)	--	12,449	(149,393)	--	(149,393)
Total bonds payable	6,358,158	--	(377,551)	5,980,607	405,000	5,575,607
Compensated absences payable	208,861	144,896	(149,538)	204,219	11,579	192,640
Notes payable-GEFA	1,222,766	--	(70,431)	1,152,335	73,761	1,078,574
Notes payable-GEFA construction period loan	56,399	1,641,616	(254,702)	1,443,313	--	1,443,313
Notes payable-Natural Gas System	463,834	--	(43,703)	420,131	45,939	374,192
Business-type activity-long-term liabilities	$8,310,018	$1,786,512	$ (895,925)	$9,200,605	$ 536,279	$8,664,326

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, 2012, 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, 2012	$	3,000,000
Current portion		3,000,000
Long-term portion	$	--

The annual requirements to amortize outstanding revenue bonds as of June 30, 2012, including interest payments of $150,000 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2013	$ 3,000,000	$ 75,000	$ 3,075,000

The bond was paid off on July 1, 2012.

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, 2012, 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, 2012	$	6,130,000
Current portion		405,000
Long-term portion	$	5,725,000

The annual requirements to amortize outstanding revenue bonds as of June 30, 2012, including interest payments of $1,921,709 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
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	470,000	197,932	667,932
2018-2022	2,685,000	666,070	3,351,070
2023-2024	1,255,000	88,757	1,343,757
Total	$ 6,130,000	$ 1,921,709	$ 8,051,709

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 $73,761with the long-term portion making up the remaining balance of $1,078,574.

The annual requirements to amortize the remaining balance of $1,152,335 as of June 30, 2012, including interest payments of $338,000 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
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	87,685	35,026	122,711
2018-2022	499,864	113,691	613,555
2023-2025	249,944	13,281	263,225
Total	$ 1,152,335	$ 338,000	$ 1,490,335

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, 2012 the City had drawn $1,698,015 on this loan. The agreement has a 15% debt forgiveness portion that is recorded as a capital grant. 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. As of June 30, 2012 the loan was not fully disbursed. When the loan is fully disbursed, principal and interest becomes 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	$ 42,641	$ 21,901	$ (26,608)	$ 37,934	$ --	$ 37,934
Notes payable-Farmers State Bank	793,548	--	(76,578)	716,970	79,106	637,864
Dublin-Laurens County Recreation Authority long-term liabilities	$ 836,189	$ 21,901	$ (103,186)	$ 754,904	$ 79,106	$ 675,798

Note payable to Farmers State Bank is a loan combining 2 other loans used for the construction at Southern Pines Recreation Complex and for the Splash Pad, interest rate is 3.5% and maturity is December 30, 2014. The note is being repaid with collections from a Special Purpose Local Option Sales Tax. The note 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 of $716,970 as of June 30, 2012, including interest payments of $82,773 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2013	$ 79,106	$ 24,894	$ 104,000
2014	81,875	22,125	104,000
2015	84,740	19,260	104,000
2016	471,249	16,494	487,743
Total	$ 716,970	$ 82,773	$ 799,743

Main Street Dublin-Downtown Development Authority:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Notes payable-Morris Bank	$ --	$ 85,367	$ --	$ 85,367	$ 85,367	$ --
Main Street Dublin-Downtown Development Authority long-term liabilities	$ --	$ 85,367	$ --	$ 85,367	$ 85,367	$ --

Note payable to Morris Bank is a loan to purchase 114 West Jackson Street, interest rate is 3.0% and maturity was February 15, 2012 but was renewed for six months. The note calls for a single payment due on August 15, 2012.

The annual requirements to amortize the balance of $85,367 as of June 30, 2012, including interest payments of $1,938 are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2013	$ 85,367	$ 1,938	$ 87,305

The note was repaid on August 5, 2012.

L. Fund Balance

The composition of the City's fund balances as of June 30, 2012 is as follows:

	General	SPLOST Capital Projects - 2006	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Inventory	$ 174,245	$ --	$ --	$ 174,245
Prepaids	168,504	--	--	168,504
Restricted for:				
Debt service	--	3,075,283	--	3,075,283
Capital projects	--	2,514,787	19,995	2,534,782
Committed for:				
General government	275,048	--	--	275,048
Public safety	15,257	--	--	15,257
Public works and buildings	1,663	--	--	1,663
Assigned				
Unassigned	6,860,807	--	--	6,860,807
	$ 7,495,524	$ 5,590,070	$ 19,995	$ 13,105,589

M. 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, 2012.

Business type activities-	Net Assets
Riverview Golf Course	$ (183,443)

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 $10,000 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 2012 are as follows:

	Fiscal Year Ended	
	June 30, 2012	June 30, 2011
Unpaid claims, beginning of fiscal year	$ 20,000	$ 50,000
Current year claims, premiums and changes in estimates	56,241	44,781
Claims payments	(56,241)	(74,781)
Unpaid claims, end of fiscal year	$ 20,000	$ 20,000

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 $10,000 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, 2012, June 30, 2011, or June 30, 2010.

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, 2012. A summary of the transactions for the year ending June 30, 2012 follows:

	Amount	Percentage of Tax Receipts
Lodging tax receipts	$ 524,588	
Expended under contract with the Dublin – Laurens County Chamber of Commerce and the Tourism Resource Enhancement and Events Organization for promotion of tourism	(131,147)	25.00%
Expended under contract with Theatre Dublin to market and operate theater facilities	(65,573)	12.50%
Expended under contract with Dublin – Laurens County Recreation Authority for general recreation purposes	(131,147)	25.00%
Expended for promotion of tourism, operation of theater facilities and general recreational purposes	(196,721)	37.50%
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, 2012
Retirees and beneficiaries currently receiving benefits	98
Vested terminated employees	50
Active employees:	
Vested	147
Nonvested	73
Total membership in the plan	368

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, 2011, was $1,043,747, which was 12.8% of the covered payroll. This percentage was 11.7% and 11.5% of the covered payroll at December 31, 2010 and December 31, 2009, respectively. Employees are not required to contribute to the fund.

3. Annual Pension Cost

For 2012, the City's annual pension cost of $1,043,747, for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2012 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
- inflation rate 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
6/30/2010	$ 902,672	100%	$ --
6/30/2011	$ 938,307	100%	$ --
6/30/2012	$ 1,043,747	100%	$ --

5. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2012, was as follows:

Actuarial accrued liability (AAL)	$ 19,800,848
Actuarial value of plan assets	16,608,608
Unfunded actuarial accrued liability (UAAL)	3,192,240
Funded ratio (actuarial value of plan assets/AAL)	83.9%
Covered payroll (active plan members)	$ 8,182,278
UAAL as a percentage of covered payroll	39.0%

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, 2012 through December 21, 2012 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. On September 14, 2012 the City received $601,817 in satisfaction of their debt.

No events have occurred that would require adjustment to or disclosure in the financial statements which were issued on December 21, 2012.

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

	Acturial Valuation Date		
	1/1/2010	1/1/2011	1/1/2012
Actuarial Accrued Liability (AAL) Entry Age (b)	$ 17,603,169	$ 18,598,183	$ 19,800,848
Actuarial Value of Assets (a)	15,044,038	15,855,337	16,608,608
Unfunded AAL (Funding excess) (UAAL) (b-a)	$ 2,559,131	$ 2,742,846	$ 3,192,240
Funded Ratio (a/b)	85.5%	85.3%	83.9%
Covered Payroll (c)	$ 7,719,153	$ 7,855,490	$ 8,182,278
UAAL as a Percentage of covered Payroll ((b-a)/c)	33.2%	34.9%	39.0%

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, 2012

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES:			
General property taxes -			
Current year's levy	$ 2,695,100	$ 2,672,295	$ (22,805)
Other taxes:			
Local option sales	2,700,000	2,965,459	265,459
Hotel-Motel	180,000	196,721	16,721
Alcoholic beverage	409,000	410,108	1,108
Franchise	1,401,000	1,445,071	44,071
Insurance premium	855,000	759,895	(95,105)
Total	5,545,000	5,777,254	232,254
Licenses and permits:			
General business licenses	475,000	496,549	21,549
Inspection permits	90,300	65,316	(24,984)
Total	565,300	561,865	(3,435)
Fines and forfeitures -			
Police recorders court	831,400	843,393	11,993
Intergovernmental:			
Reimbursement from other governments	261,036	268,868	7,832
Federal Housing Authority - payment in lieu of taxes	12,000	44,055	32,055
Other	168,200	681,997	513,797
Total	441,236	994,920	553,684
Interest on investments	15,000	16,950	1,950
Miscellaneous income:			
Reimbursement of administrative expenses - other funds	671,787	671,787	--
Miscellaneous	846,540	781,071	(65,469)
	1,518,327	1,452,858	(65,469)
Total General Fund Revenues	$ 11,611,363	$ 12,319,535	$ 708,172

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, 2012

	Original and Final Budgeted Amounts	Actual Non-GAAP Budget Basis	Variance with Final Budget - (Over) Under
EXPENDITURES:			
General government:			
Legislative	$ 232,019	$ 209,713	$ 22,306
City manager	240,099	233,138	6,961
Main Street program	52,500	52,891	(391)
City clerk	180,976	178,333	2,643
Human resources	171,749	165,329	6,420
Tax department	109,165	108,514	651
Finance department	160,590	162,241	(1,651)
City attorney	140,968	138,767	2,201
City judge	245,797	205,779	40,018
Engineering	390,009	381,575	8,434
Purchasing	194,877	191,737	3,140
Inspections	380,028	347,018	33,010
Non-departmental	2,258,990	1,423,408	835,582
Total general government	4,757,767	3,798,443	959,324
Public safety:			
Police department - administrative	619,246	614,732	4,514
Police department - patrol	3,132,744	2,959,931	172,813
Police department - C.I.D.	614,026	618,876	(4,850)
Police department - crossing guards	8,772	4,205	4,567
Fire department - administrative	143,415	137,282	6,133
Fire department - combat	2,072,028	2,087,460	(15,432)
Total public safety	6,590,231	6,422,486	167,745
Community services:			
Cemetery	102,327	103,168	(841)
Appropriations	947,663	959,864	(12,201)
Total community services	1,049,990	1,063,032	(13,042)
Public works and buildings:			
Public works	979,181	1,015,440	(36,259)
Mechanical maintenance	307,620	311,466	(3,846)
Total public works and buildings	1,286,801	1,326,906	(40,105)
Total expenditures	13,684,789	12,610,867	1,073,922
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,073,426)	(291,332)	1,782,094
OTHER FINANCING SOURCES (USES)-			
Transfer in	469,286	735,554	266,268
Total other financing sources (uses)	469,286	735,554	266,268
NET CHANGE IN FUND BALANCES		444,222	
FUND BALANCE, Beginning		6,759,334	
FUND BALANCE, Ending		$ 7,203,556	

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 and the Hotel/Motel Tax 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 (a major fund) on the budget basis to the generally accepted accounting principles (GAAP) basis are as follows:

2011 Expenditures	General Fund
Budget Basis Expenditures	$ 12,610,867
Encumbrances, June 30, 2012	(291,968)
Encumbrances, June 30, 2011	983,256
GAAP Basis Expenditures	$ 13,302,155
Fund Balances - End of Year	
Budgetary Basis	$ 7,203,556
Encumbrances, June 30, 2012	291,968
GAAP Basis	$ 7,495,524

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 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	59,024	--	--	59,024	63,257	4,233
Services	72,972	2,662	2,165	72,475	89,162	16,687
Utilities	1,425	--	--	1,425	2,000	575
Supplies	7,189	--	--	7,189	8,000	811
Total	210,210	2,662	2,165	209,713	232,019	22,306
City Manager:						
Salaries	153,153	--	--	153,153	154,190	1,037
Employee Benefits	66,210	--	--	66,210	66,680	470
Services	3,977	--	--	3,977	7,200	3,223
Repairs & Maintenance	7,800	--	--	7,800	7,800	--
Utilities	1,376	--	--	1,376	1,900	524
Supplies	701	79	--	622	1,329	707
Capital Outlay	--	--	--	--	1,000	1,000
Total	233,217	79	--	233,138	240,099	6,961
Main Street Program:						
Utilities	345	--	--	345	--	(345)
Supplies	52,546	--	--	52,546	52,500	(46)
Total	52,891	--	--	52,891	52,500	(391)
Subtotal	$ 496,318	$ 2,741	$ 2,165	$ 495,742	$ 524,618	$ 28,876

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 496,318	$ 2,741	$ 2,165	$ 495,742	$ 524,618	$ 28,876
City Clerk:						
Salaries	124,553	--	--	124,553	124,756	203
Employee Benefits	38,532	--	60	38,592	37,953	(639)
Services	6,109	847	1,120	6,382	8,047	1,665
Repairs & Maintenance	7,800	--	--	7,800	7,800	--
Utilities	195	--	--	195	220	25
Supplies	811	--	--	811	1,600	789
Capital Outlay	--	--	--	--	600	600
Total	178,000	847	1,180	178,333	180,976	2,643
Human Resources:						
Salaries	97,068	--	--	97,068	97,070	2
Employee Benefits	34,425	--	--	34,425	34,092	(333)
Services	1,978	780	449	1,647	3,745	2,098
Repairs & Maintenance	99	--	--	99	200	101
Utilities	213	--	--	213	227	14
Supplies	2,101	--	--	2,101	1,900	(201)
Energy	183	--	--	183	200	17
Other	29,861	505	237	29,593	33,615	4,022
Capital Outlay	--	--	--	--	700	700
Total	165,928	1,285	686	165,329	171,749	6,420
Subtotal	$ 840,246	$ 4,873	$ 4,031	$ 839,404	$ 877,343	$ 37,939

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 840,246	$ 4,873	$ 4,031	$ 839,404	$ 877,343	$ 37,939
Tax Department:						
Salaries	66,165	--	--	66,165	66,324	159
Employee Benefits	26,702	--	--	26,702	26,504	(198)
Services	--	--	--	--	700	700
Supplies	7,695	--	--	7,695	7,695	--
Other	7,354	--	10	7,364	7,354	(10)
Capital Outlay	588	--	--	588	588	--
Total	108,504	--	10	108,514	109,165	651
Finance Department:						
Salaries	113,147	--	--	113,147	113,442	295
Employee Benefits	46,948	--	--	46,948	43,748	(3,200)
Services	--	--	--	--	200	200
Repairs & Maintenance	120	--	--	120	200	80
Supplies	1,104	--	922	2,026	3,000	974
Total	161,319	--	922	162,241	160,590	(1,651)
Subtotal	$ 1,110,069	$ 4,873	$ 4,963	$ 1,110,159	$ 1,147,098	$ 36,939

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 1,110,069	$ 4,873	$ 4,963	$ 1,110,159	$ 1,147,098	$ 36,939
City Attorney:						
Salaries	101,485	--	--	101,485	101,820	335
Employee Benefits	33,089	--	--	33,089	32,926	(163)
Services	3,359	15	--	3,344	4,740	1,396
Utilities	665	--	--	665	710	45
Supplies	206	22	--	184	772	588
Total	138,804	37	--	138,767	140,968	2,201
City Judge:						
Salaries	30,000	--	--	30,000	30,000	--
Employee Benefits	13,859	--	--	13,859	13,116	(743)
Services	11,761	--	--	11,761	13,400	1,639
Utilities	195	--	--	195	200	5
Supplies	1,426	181	--	1,245	3,181	1,936
Other	148,719	--	--	148,719	185,900	37,181
Total	205,960	181	--	205,779	245,797	40,018
Subtotal	$ 1,454,833	$ 5,091	$ 4,963	$ 1,454,705	$ 1,533,863	$ 79,158

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 1,454,833	$ 5,091	$ 4,963	$ 1,454,705	$ 1,533,863	$ 79,158
Engineering:						
Salaries	258,678	--	--	258,678	259,267	589
Employee Benefits	97,412	--	--	97,412	100,436	3,024
Services	5,437	--	--	5,437	8,175	2,738
Repairs & Maintenance	2,171	--	--	2,171	2,200	29
Utilities	3,048	--	--	3,048	3,350	302
Supplies	4,714	232	--	4,482	5,268	786
Energy	7,581	--	--	7,581	8,000	419
Other	762	--	--	762	1,000	238
Capital Outlay	2,004	--	--	2,004	2,313	309
Total	381,807	232	--	381,575	390,009	8,434
Purchasing:						
Salaries	126,375	--	--	126,375	127,819	1,444
Employee Benefits	44,626	202	162	44,586	46,813	2,227
Services	2,252	--	--	2,252	2,980	728
Repairs & Maintenance	4,432	--	--	4,432	3,390	(1,042)
Utilities	9,835	--	--	9,835	7,470	(2,365)
Supplies	1,842	--	65	1,907	2,905	998
Energy	1,434	--	--	1,434	1,000	(434)
Inventory Over/Short	(85)	--	--	(85)	--	85
Capital Outlay	554	--	447	1,001	2,500	1,499
Total	191,265	202	674	191,737	194,877	3,140
Subtotal	$ 2,027,905	$ 5,525	$ 5,637	$ 2,028,017	$ 2,118,749	$ 90,732

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 2,027,905	$ 5,525	$ 5,637	$ 2,028,017	$ 2,118,749	$ 90,732
Inspections:						
Salaries	224,664	--	--	224,664	243,496	18,832
Employee Benefits	96,648	--	80	96,728	101,372	4,644
Services	2,724	--	--	2,724	6,876	4,152
Repairs & Maintenance	1,796	--	--	1,796	1,892	96
Utilities	1,119	--	--	1,119	1,200	81
Supplies	1,710	--	--	1,710	2,800	1,090
Energy	7,242	--	--	7,242	7,000	(242)
Other	10,874	142	88	10,820	15,142	4,322
Capital Outlay	--	--	215	215	250	35
Total	346,777	142	383	347,018	380,028	33,010
Non-Departmental:						
Insurance	74,074	--	--	74,074	87,000	12,926
Contingency	140,939	--	--	140,939	202,203	61,264
Services	46,980	--	--	46,980	75,800	28,820
Repairs & Maintenance	121,407	--	--	121,407	122,500	1,093
Utilities	180,818	--	--	180,818	220,000	39,182
Energy	340,978	1,132	--	339,846	286,132	(53,714)
Other	184,781	4,786	3,139	183,134	209,111	25,977
Capital Outlay	1,014,564	944,243	265,889	336,210	1,056,244	720,034
	2,104,541	950,161	269,028	1,423,408	2,258,990	835,582
Total General Government	$ 4,479,223	$ 955,828	$ 275,048	$ 3,798,443	$ 4,757,767	$ 959,324

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
PUBLIC SAFETY						
Police Department - Administrative:						
Salaries	$ 294,270	$ --	$ --	$ 294,270	$ 302,784	$ 8,514
Employee Benefits	114,996	--	--	114,996	117,882	2,886
Services	4,835	--	--	4,835	9,782	4,947
Repairs & Maintenance	7,533	--	--	7,533	10,910	3,377
Utilities	36,862	--	--	36,862	36,352	(510)
Rent	3,274	--	--	3,274	4,500	1,226
Supplies	4,798	50	--	4,748	4,500	(248)
Energy	28	--	--	28	--	(28)
Other	148,172	--	--	148,172	131,260	(16,912)
Capital Outlay	228	214	--	14	1,276	1,262
Total	614,996	264	--	614,732	619,246	4,514
Police Department - Patrol:						
Salaries	1,861,510	--	--	1,861,510	1,953,584	92,074
Employee Benefits	747,820	2,181	2,981	748,620	845,526	96,906
Services	9,764	1,950	--	7,814	17,690	9,876
Repairs & Maintenance	38,431	622	--	37,809	30,622	(7,187)
Utilities	3,166	--	--	3,166	3,836	670
Supplies	25,606	4,773	2,347	23,180	36,751	13,571
Energy	155,451	--	--	155,451	125,000	(30,451)
Other	14,386	--	--	14,386	7,500	(6,886)
Capital Outlay	106,071	--	1,924	107,995	112,235	4,240
Total	2,962,205	9,526	7,252	2,959,931	3,132,744	172,813
Subtotal	$ 3,577,201	$ 9,790	$ 7,252	$ 3,574,663	$ 3,751,990	$ 177,327

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 3,577,201	$ 9,790	$ 7,252	$ 3,574,663	$ 3,751,990	$ 177,327
Police Department - C.I.D.:						
Salaries	402,405	--	--	402,405	403,006	601
Employee Benefits	166,177	--	--	166,177	159,454	(6,723)
Services	70	--	70	140	3,695	3,555
Repairs & Maintenance	7,522	--	--	7,522	3,000	(4,522)
Utilities	2,646	--	--	2,646	3,000	354
Supplies	10,230	2,575	62	7,717	13,076	5,359
Energy	25,314	--	--	25,314	17,000	(8,314)
Capital Outlay	6,955	--	--	6,955	11,795	4,840
Total	621,319	2,575	132	618,876	614,026	(4,850)
Police Department - Crossing Guards:						
Salaries	3,770	--	--	3,770	7,540	3,770
Employee Benefits	435	--	--	435	932	497
Supplies	--	--	--	--	300	300
Total	4,205	--	--	4,205	8,772	4,567
Subtotal	$ 4,202,725	$ 12,365	$ 7,384	$ 4,197,744	$ 4,374,788	$ 177,044

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
Subtotal brought forward	$ 4,202,725	$ 12,365	$ 7,384	$ 4,197,744	$ 4,374,788	$ 177,044
Fire Department - Administrative:						
Salaries	94,628	--	--	94,628	96,990	2,362
Employee Benefits	33,144	--	--	33,144	34,275	1,131
Services	624	--	--	624	1,700	1,076
Repairs & Maintenance	1,005	--	--	1,005	1,000	(5)
Utilities	4,648	--	--	4,648	5,300	652
Supplies	846	--	--	846	1,000	154
Energy	2,277	--	--	2,277	3,000	723
Capital Outlay	110	--	--	110	150	40
Total	137,282	--	--	137,282	143,415	6,133
Fire Department - Combat:						
Salaries	1,388,401	--	--	1,388,401	1,334,988	(53,413)
Employee Benefits	577,378	880	--	576,498	571,089	(5,409)
Services	100	--	--	100	1,170	1,070
Repairs & Maintenance	22,469	110	1,779	24,138	32,772	8,634
Utilities	24,424	--	--	24,424	26,000	1,576
Supplies	15,541	74	1,284	16,751	19,833	3,082
Energy	21,374	--	--	21,374	18,000	(3,374)
Capital Outlay	39,045	8,081	4,810	35,774	68,176	32,402
Total	2,088,732	9,145	7,873	2,087,460	2,072,028	(15,432)
Total Public Safety	$ 6,428,739	$ 21,510	$ 15,257	$ 6,422,486	$ 6,590,231	$ 167,745

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
COMMUNITY SERVICES						
Cemetery:						
Salaries	$ 66,103	$ --	$ --	$ 66,103	$ 64,893	$ (1,210)
Employee Benefits	29,859	181	--	29,678	30,222	544
Repairs & Maintenance	449	--	--	449	550	101
Utilities	910	--	--	910	1,000	90
Supplies	3,090	--	--	3,090	1,700	(1,390)
Energy	1,738	--	--	1,738	2,162	424
Capital Outlay	1,200	--	--	1,200	1,800	600
Total	103,349	181	--	103,168	102,327	(841)
Appropriations:						
Dublin-Laurens County Recreation Authority	650,000	--	--	650,000	650,000	--
Library	188,663	--	--	188,663	188,663	--
Dublin-Laurens Museum	7,500	--	--	7,500	7,500	--
Dublin-Laurens Development Authority	65,000	--	--	65,000	50,000	(15,000)
Regional Development Center	16,201	--	--	16,201	17,500	1,299
Humane Society	31,500	--	--	31,500	31,500	--
Battered Women's Shelter	--	--	--	--	1,500	1,500
MLK Committee	1,000	--	--	1,000	1,000	--
Total	959,864	--	--	959,864	947,663	(12,201)
Total Community Services	$ 1,063,213	$ 181	$ --	$ 1,063,032	$ 1,049,990	$ (13,042)

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
PUBLIC WORKS AND BUILDINGS						
Public Works:						
Salaries	$ 438,291	$ --	$ --	$ 438,291	$ 440,228	$ 1,937
Employee Benefits	209,245	956	96	208,385	227,422	19,037
Services	1,536	--	--	1,536	1,100	(436)
Repairs & Maintenance	280,708	4,383	182	276,507	230,733	(45,774)
Utilities	9,524	--	--	9,524	8,800	(724)
Supplies	21,958	398	868	22,428	20,898	(1,530)
Energy	58,769	--	--	58,769	50,000	(8,769)
Total	1,020,031	5,737	1,146	1,015,440	979,181	(36,259)
Mechanical Maintenance:						
Salaries	189,333	--	--	189,333	185,476	(3,857)
Employee Benefits	77,502	--	304	77,806	78,054	248
Services	2,399	--	--	2,399	4,465	2,066
Repairs & Maintenance	1,349	--	--	1,349	2,125	776
Utilities	9,323	--	--	9,323	6,500	(2,823)
Supplies	11,992	--	23	12,015	12,850	835
Energy	5,649	--	--	5,649	4,000	(1,649)
Capital Outlay	13,402	--	190	13,592	14,150	558
Total	310,949	--	517	311,466	307,620	(3,846)
Total Public Works and Buildings	$ 1,330,980	$ 5,737	$ 1,663	$ 1,326,906	$ 1,286,801	$ (40,105)

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES BY FUNCTION – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	GAAP Expenditures	2011 Encumbrances	2012 Encumbrances	Budget Basis Expenditures	Original and Final Budgeted Amounts	Variance (Over)/Under Budget
TOTAL EXPENDITURES	$ 13,302,155	$ 983,256	$ 291,968	$ 12,610,867	$ 13,684,789	$ 1,073,922

CITY OF DUBLIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	SPLOST Capital Projects - 2003	Hotel/Motel Tax	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash	$ --	$ 69,639	$ 69,639
Cash	19,995	--	19,995
Total assets	$ 19,995	$ 69,639	$ 89,634
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued costs	$ --	$ 41,055	$ 41,055
Due to other funds	--	28,584	28,584
Total liabilities	--	69,639	69,639
FUND BALANCES			
Restricted	19,995	--	19,995
Total fund balances	19,995	--	19,995
Total liabilities and fund balances	$ 19,995	$ 69,639	$ 89,634

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

	SPLOST Capital Projects - 2003	Hotel-Motel Tax	Total Nonmajor Governmental Funds
REVENUES-			
Other taxes	$ --	$ 524,588	$ 524,588
Total revenues	--	524,588	524,588
EXPENDITURES:			
Current -			
Culture and recreation	--	524,588	524,588
Capital outlay -			
Highways and streets	32,828	--	32,828
Total expenditures	32,828	524,588	557,416
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(32,828)	--	(32,828)
NET CHANGE IN FUND BALANCES	(32,828)	--	(32,828)
Fund Balances Beginning	52,823	--	52,823
Fund Balances, Ending	$ 19,995	$ --	$ 19,995

CITY OF DUBLIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – HOTEL/MOTEL TAX
FOR THE YEAR ENDED JUNE 30, 2012

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES -			
Other taxes	$ 480,000	$ 524,588	$ 44,588
EXPENDITURES -			
Culture and recreation:			
General fund 3%	180,000	196,721	(16,721)
Chamber of Commerce and Tourism Resource Enhancements and Events Organization 2%	120,000	131,147	(11,147)
Dublin-Laurens County Recreation Authority 2%	120,000	131,147	(11,147)
Theatre Dublin 1%	60,000	65,573	(5,573)
Total	480,000	524,588	(44,588)
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, 2012

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSET				
Equity (deficit) in pooled cash	$ 32,609	$ 7,422,500	$ 7,416,126	$ 38,983
Total assets	$ 32,609	$ 7,422,500	$ 7,416,126	$ 38,983
LIABILITY				
Due to (from) Dublin Board of Education	$ 32,609	$ 7,422,500	$ 7,416,126	$ 38,983
Total liabilities	$ 32,609	$ 7,422,500	$ 7,416,126	$ 38,983

CITY OF DUBLIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Riverview Golf Course Fund	Telecommunications Fund	Total
ASSETS			
CURRENT ASSETS:			
Cash	$ 1,300	$ 793,338	$ 794,638
Accounts receivable, net	--	218,460	218,460
Inventories, at cost	12,280	--	12,280
Prepaid items	1,742	--	1,742
Total current assets	15,322	1,011,798	1,027,120
NONCURRENT ASSETS -			
CAPITAL ASSETS:			
Buildings and plant	273,767	3,311,118	3,584,885
Improvements other than buildings	197,027	--	197,027
Machinery and equipment	683,249	525,780	1,209,029
Less - accumulated depreciation	(1,148,942)	(2,018,759)	(3,167,701)
Capital assets, net	5,101	1,818,139	1,823,240
Total assets	$ 20,423	$ 2,829,937	$ 2,850,360
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	$ --	$ 28,891	$ 28,891
Accrued expenses	3,784	--	3,784
Due to other funds	193,024	--	193,024
Compensated absences payable	400	125	525
Total current liabilities	197,208	29,016	226,224
LONG TERM LIABILITIES -			
Compensated absences payable	6,658	2,076	8,734
Total long-term liabilities	6,658	2,076	8,734
Total liabilities	203,866	31,092	234,958
NET ASSETS:			
Invested in capital assets, net of related debt	5,101	1,818,139	1,823,240
Unrestricted	(188,544)	980,706	792,162
Total net assets	(183,443)	2,798,845	2,615,402
Total liabilities and net assets	$ 20,423	$ 2,829,937	$ 2,850,360

CITY OF DUBLIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Riverview Golf Course Fund	Telecommunications Fund	Total
OPERATING REVENUES:			
Sales / charges for services	$ 250,578	$ 623,470	$ 874,048
Penalties and cut-on fees	--	722	722
Other revenue	120,827	14,304	135,131
Total operating revenues	371,405	638,496	1,009,901
OPERATING EXPENSES:			
Personnel services	178,599	51,916	230,515
Employee benefits	29,859	9,907	39,766
Repairs and maintenance	23,110	3,467	26,577
Depreciation	2,251	228,269	230,520
Other operating	235,050	363,624	598,674
Total operating expenses	468,869	657,183	1,126,052
OPERATING INCOME (LOSS)	(97,464)	(18,687)	(116,151)
NET INCOME (LOSS) BEFORE TRANSFERS	(97,464)	(18,687)	(116,151)
TRANSFERS OUT	--	(135,554)	(135,554)
Total transfers and contributions	--	(135,554)	(135,554)
CHANGE IN NET ASSETS	(97,464)	(154,241)	(251,705)
NET ASSETS, Beginning	(85,979)	2,953,086	2,867,107
NET ASSETS, Ending	$ (183,443)	$ 2,798,845	$ 2,615,402

CITY OF DUBLIN, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Riverview Golf Course Fund	Telecommunications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 371,405	$ 459,498	$ 830,903
Cash paid to suppliers for goods and services	(228,086)	(331,172)	(559,258)
Cash paid to employees for services	(186,394)	(51,659)	(238,053)
Cash paid for employee taxes and benefits	(60,116)	(16,935)	(77,051)
Cash received from and (paid to) other funds	103,191	--	103,191
Net cash provided by operating activities	--	59,732	59,732
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	--	(135,554)	(135,554)
Net cash used by noncapital financing activities	--	(135,554)	(135,554)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -			
Acquisition and construction of capital assets	--	(35,550)	(35,550)
Net cash used for capital and related financing activities	--	(35,550)	(35,550)
CASH FLOWS FROM INVESTING ACTIVITIES -			
Interest income on investments	--	--	--
Net cash provided by investing activities	--	--	--
NET INCREASE IN CASH	--	(111,372)	(111,372)
CASH, Beginning	1,300	904,710	906,010
CASH, Ending	$ 1,300	$ 793,338	$ 794,638

CITY OF DUBLIN, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Riverview Golf Course Fund	Telecommunications Fund	Total
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET:			
Cash, beginning			
Current	$ 1,300	$ 904,710	$ 906,010
Restricted	--	--	--
Total	1,300	904,710	906,010
Net increase			
Current	--	(111,372)	(111,372)
Restricted	--	--	--
Total	--	(111,372)	(111,372)
Cash, ending			
Current	1,300	793,338	794,638
Restricted	--	--	--
Total	$ 1,300	$ 793,338	$ 794,638
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net operating income (loss)	$ (97,464)	$ (18,687)	$ (116,151)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,251	228,269	230,520
Decrease (increase) in assets:			
Accounts receivable - trade	--	(178,998)	(178,998)
Increase (decrease) in liabilities:			
Accounts payable	--	28,891	28,891
Accrued expenses	(183)	--	(183)
Due to other funds	103,191	--	103,191
Compensated absences payable	(7,795)	257	(7,538)
Total adjustments	97,464	78,419	175,883
Net cash provided (used) by operating activities	$ --	$ 59,732	$ 59,732

CITY OF DUBLIN, GEORGIA
BALANCE SHEET
MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2012

ASSETS		
Cash	$	233,301
Total assets	$	233,301
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to City of Dublin general fund	$	-
Total liabilities		--
FUND BALANCES		
Reserved for encumbrances		--
Unreserved, undesignated		233,301
Total fund balances		233,301
Total liabilities and fund balances	$	233,301

CITY OF DUBLIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
MAIN STREET DUBLIN DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2012

Amounts reported for governmental activities in the statement of net assets are different because:		
Total fund balance - Main Street Dublin Downtown Development Authority (page 94)	$	233,301
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		725,821
Long-term liabilities, such as compensated absences, capital leases, and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.		(85,367)
Net assets of Main Street Dublin Downtown Development Authority (page 27)	$	873,755

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, 2012

REVENUES:		
Program income	$ 98,674	
Miscellaneous income	4,275	
Total revenues	102,949	
EXPENDITURES -		
Current -		
Downtown development	84,097	
Debt Service -		
Interest	1,256	
Capital Outlay:		
Building	87,030	
Improvements	73,182	
Equipment	1,632	
Total expenditures	247,197	
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(144,248)	
OTHER FINANCING SOURCES :		
Notes payable proceeds	85,367	
Transfer in	260,583	(1)
	345,950	
NET CHANGE IN FUND BALANCES	201,702	
NET ASSETS, Beginning	31,599	
NET ASSETS, Ending	$ 233,301	

(1) On March 14, 2012 all assets of Theatre Dublin were transferred to Main Street Dublin-Downtown Development Authority.

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, 2012

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

Net change in fund balance - Main Street Dublin Downtown Development Authority (page 96)	$ 201,702
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.	146,834
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.	(85,367)
Change in net assets of Main Street Dublin Downtown Development Authority (page 28)	$ 263,169

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL LOCAL OPTION SALES TAX PROCEEDS - 2003
FOR THE YEAR ENDED JUNE 30, 2012

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	$6,245,627	$ 32,828	$6,278,455
Farmers Market Facility	250,000	350,000	351,144	--	351,144
TOTAL	$5,062,000	$5,162,000	$6,596,771	$ 32,828	$6,629,599

CITY OF DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL LOCAL OPTION SALES TAX PROCEEDS - 2006
FOR THE YEAR ENDED JUNE 30, 2012

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Transportation and Drainage	$ 7,190,000	$ 7,190,000	$ 1,459,454	$ 597,554	$ 2,057,008
Water and Sewer System	4,750,000	4,750,000	2,007,730	608,999	2,616,729
City Facilities	2,037,870	2,037,870	4,378,563	201,168	4,579,731
Capital Equipment	1,062,870	1,062,870	1,708,672	607,568	2,316,240
Gas System Improvements	1,500,000	1,500,000	2,024,979	240,632	2,265,611
Debt Service *					
Principal	--	12,630,000	9,349,894	90,354	9,440,248
Interest	--	1,959,682	1,790,994	84,243	1,875,237
Bond issuance costs	--	192,406	193,906	500	194,406
TOTAL	$16,540,740	$31,322,828	$22,914,192	$ 2,431,018	$25,345,210

* 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. 100

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 106

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. 114

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. 120

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. 122

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	$ 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	$ 21,595,752
Restricted	--	860,468	2,050,650	2,173,934	1,470,803	14,749,184	9,136,553	5,221,507	10,216,238	8,685,348
Unrestricted	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	4,209,241
Total governmental activities net assets	$ 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	$ 34,490,341
Business-type activities:										
Invested in capital assets, net of related debt	$ 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	$ 21,977,097
Restricted	973,780	619,536	557,594	1,107,107	1,317,260	1,519,925	1,714,370	1,803,160	2,143,488	2,038,855
Unrestricted	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	14,625,049
Total business-type activities net assets	$ 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	$ 38,641,001
Primary government:										
Invested in capital assets, net of related debt	$ 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	$ 43,572,849
Restricted	973,780	619,536	557,594	3,281,041	2,788,063	16,269,109	10,850,923	7,024,667	12,359,726	10,724,203
Unrestricted	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	18,834,290
Total primary government net assets	$ 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	$ 73,131,342

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	$ 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	$ 4,526,939
Public Safety	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	6,383,386
Community services	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	1,063,213
Public works and buildings	916,930	1,016,363	579,928	1,200,045	163,003	1,187,688	1,657,001	1,271,004	994,660	1,617,064
Highways and streets	--	--	21,958	71,915	1,757,891	254,093	225,694	618,639	829,092	308,513
Culture and recreation	414,826	433,240	440,447	437,527	468,633	472,161	495,566	475,326	505,632	519,263
Interest on long-term debt	--	--	--	--	--	584,245	508,001	414,924	299,630	84,243
Total governmental activities expenses	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	14,502,621
Business-type activities:										
Water and sewer	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	5,548,753
Gas	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	8,528,329
Sanitation	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	2,494,970
Riverview Golf Course	535,184	523,238	493,561	521,626	542,731	548,692	450,072	391,218	435,045	468,869
Telecommunications	527,451	494,629	580,905	689,960	609,786	647,050	704,563	600,070	636,577	657,183
Total business-type activities expenses	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	17,698,104
Total primary government expenses	$ 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	$ 32,200,725

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 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	$ 2,479,460
Public safety	567,206	569,389	701,022	724,580	791,470	896,570	1,046,221	925,861	935,672	958,345
Public works and buildings	--	--	--	--	35,650	--	--	25,000	--	--
Operating grants and contributions	20,000	23,350	--	--	--	3,000	--	214,015	196,933	194,631
Capital grants and contributions	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	3,423,999
Total governmental activities program revenue	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	7,056,435
Business-type activities:										
Charges for services:										
Water and sewer	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	5,450,764
Gas	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	9,586,776
Sanitation	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	2,637,296
Riverview Golf Course	377,366	406,155	380,812	417,551	503,524	469,745	455,885	337,981	351,009	371,405
Telecommunications	316,843	337,934	544,423	628,559	836,451	809,855	928,013	695,527	711,114	638,496
Operating grants and contributions	--	--	--	--	--		--	--	--	--
Capital grants and contributions	688,921	365,514	349,606	274,394	353,875	662,984	313,322	173,715	--	254,702
Total business-type activities program revenue	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	18,939,439
Total primary government program revenue	$ 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	$ 25,995,874
Net (expense)/revenue:										
Governmental activities	$ (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)	$ (7,446,186)
Business-type activities	232,659	156,094	271,779	255,369	3,542,902	3,000,589	1,184,402	2,518,874	1,942,552	1,241,335
Total primary government net expense	$ (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)	$ (6,204,851)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property	$ 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	$ 2,678,293
Local option sales	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	2,965,459
Hotel/Motel	405,958	428,427	436,433	434,176	465,603	541,069	492,536	472,296	497,782	524,588
Alcoholic beverage	382,128	386,541	395,110	405,798	402,233	414,985	424,484	403,398	398,524	410,108
Franchise	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	1,445,071
Insurance premium	631,993	681,139	738,170	794,174	830,905	866,726	887,488	879,162	853,611	759,895
Unrestricted investment earnings	50,370	28,803	68,386	150,283	221,748	241,508	82,762	18,258	20,144	16,950
Gain on sale of capital assets	--	--	--	--	--	--	--	59,616	--	--
Intragovernmental	--	--	--	--	--	--	--	--	--	--
Transfers	1,300,000	488,825	988,000	1,300,000	650,000	238,843	650,000	562,499	637,499	735,554
Total governmental activities	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	9,535,918
Business-type activities:										
Unrestricted investment earnings	136,896	82,267	106,753	170,362	230,085	188,345	68,089	72,228	65,584	63,280
Transfers	(1,300,000)	(488,825)	(988,000)	(1,300,000)	(650,000)	(238,843)	(650,000)	(562,499)	(637,499)	(735,554)
Total business-type activities	(1,163,104)	(406,558)	(881,247)	(1,129,638)	(419,915)	(50,498)	(581,911)	(490,271)	(571,915)	(672,274)
Total primary government	$ 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	$ 8,863,644
Change in Net Assets										
Governmental activities	$ (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	$ 2,089,732
Business-type activities	(930,445)	(250,464)	(609,468)	(874,269)	3,122,987	2,950,091	602,491	2,028,603	1,370,637	569,061
Total primary government	$ (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	$ 2,658,793

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable	$ 65,221	$ 69,341	$ 248,658	$ 264,008	$ 256,756	$ 250,432	$ 375,325	$ 322,069	$ 349,373	$ 342,749
Restricted	266,171	206,040	265,138	503,491	916,502	391,439	486,425	413,228	--	--
Committed	200,950	136,699	193,391	239,482	67,611	141,007	111,100	91,159	983,256	291,968
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	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	6,860,807
Total General Fund	$ 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	$ 7,495,524
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	5,610,065
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	$ 5,610,065

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General property taxes	$ 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	$ 2,672,295
Other taxes	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	6,301,842
Licenses and permits	508,110	504,871	537,428	518,562	635,953	578,685	573,180	556,122	590,957	561,865
Fines and forfeitures	447,777	450,469	579,451	591,683	658,664	749,175	925,128	813,986	804,640	843,393
Intergovernmental	538,346	330,490	272,990	371,152	380,252	648,739	324,168	3,501,948	3,513,723	3,913,856
Interest on investments	50,370	29,532	108,927	246,701	343,488	867,788	404,947	96,244	68,244	34,647
Miscellaneous income	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	1,452,858
Total revenues	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	15,780,756
Expenditures										
General government	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	4,479,223
Public safety	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	6,428,739
Community services	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	1,063,213
Public works and buildings	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	1,330,980
Highways and streets	--	--	1,149,858	1,642,094	2,717,212	--	--	--	--	--
Culture and recreation	409,006	428,427	436,433	434,176	465,603	541,069	492,536	472,296	497,782	524,588
Debt service:										
Principal	--	--	--	--	93,431	178,783	4,170,027	2,334,673	2,837,467	90,354
Interest	--	--	--	--	--	584,245	508,001	414,924	299,630	84,243
Bond issuance costs	--	--	--	--	--	192,406	500	500	500	500
Capital Outlay:										
Highways and Streets	--	--	--	--	--	609,426	512,631	1,190,295	1,042,655	630,382
Special Assessments	--	--	--	--	--	2,035,599	3,619,558	2,071,822	581,721	1,658,367
Total expenditures	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	16,290,589
Excess of revenues over(under) expenditures	(1,612,403)	(768,387)	630,572	451,684	(294,753)	535,423	(5,530,038)	(2,769,493)	(1,964,663)	(509,833)
Other financing sources(uses)										
Sale of capital assets	--	--	--	--	--	--	--	250,000	--	--
Transfers in	1,350,000	591,586	1,000,000	1,300,000	650,000	650,000	650,000	562,499	637,499	735,554
Transfers out	(50,000)	(102,761)	(12,000)	--	--	(411,157)	--	--	--	--
Capital leases	--	--	--	--	264,487	630,000	--	--	--	326,001
Bonds issued	--	--	--	--	--	12,000,000	--	--	--	--
Premium on bonds issued	--	--	--	--	--	350,238	--	--	--	--
Total other financing sources(uses)	1,300,000	488,825	988,000	1,300,000	914,487	13,219,081	650,000	812,499	637,499	1,061,555
Change in fund balance	$ (312,403)	$ (279,562)	$ 1,618,572	$ 1,751,684	$ 619,734	$13,754,504	$(4,880,038)	$(1,956,994)	$(1,327,164)	$ 551,722
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	6.24%	26.51%	20.12%	31.20%	1.32%

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
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
2012	2,678,293	2,965,459	524,588	--	2,868,936	410,108	1,445,071	759,895	11,652,350

(1) First year of tax

CITY OF DUBLIN, GEORGIA
TAXABLE SALES BY CATEGORY
LAURENS COUNTY
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010 *	2011	2012
Accomodations	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 54,345	$ 79,381	$ 72,073
Apparel	123,088	121,507	129,068	122,228	125,894	127,103	119,254	49,576	--	--
Auto	1,154,910	1,159,589	1,191,666	1,200,614	1,509,548	1,265,927	1,922,964	1,067,824	737,069	777,512
Construction	--	--	--	--	--	--	--	18,979	29,074	33,213
Food/bars	1,720,583	1,684,299	1,852,665	2,005,958	2,515,121	2,734,905	1,887,285	1,417,551	1,209,201	1,190,070
General Merchandise	1,001,598	1,039,827	1,010,383	1,020,642	1,027,463	1,070,849	1,279,957	1,300,483	1,233,122	1,234,528
Home Furnishings	315,694	328,545	273,137	361,562	317,745	399,218	346,079	398,968	517,755	319,610
Lumber	351,508	363,062	421,802	572,114	615,062	658,152	441,414	113,542	--	--
Manufacturing	562,310	518,580	685,229	669,242	773,931	706,689	754,044	706,695	405,192	672,145
Miscellaneous	507,411	614,701	588,451	543,357	726,443	794,673	960,706	312,457	--	--
Miscellaneous Services	295,085	298,539	310,943	303,534	293,730	314,826	488,734	472,279	571,266	571,033
Other Retail	--	--	--	--	--	--	--	596,287	1,049,921	1,313,752
Other Services	--	--	--	--	--	--	--	76,845	110,445	107,414
Utility	536,985	578,779	684,237	776,594	739,221	693,705	808,385	761,131	674,619	712,258
Wholesale	--	--	--	--	--	--	--	661,244	1,672,494	1,507,918
Total	$ 6,569,172	$ 6,707,428	$ 7,147,581	$ 7,575,845	$ 8,644,158	$ 8,766,047	$ 9,008,822	$ 8,008,206	$ 8,289,539	$ 8,511,526
City of Dublin Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

* As of May 2009 there was a change to the categories tracked

Source: Georgia Department of Revenue

CITY OF DUBLIN, GEORGIA
COMPUTATION OF DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City of Dublin Direct Rate	Laurens County Rate	State Rate
2003	1.00%	3.00%	4.00%
2004	1.00%	3.00%	4.00%
2005	1.00%	3.00%	4.00%
2006	1.00%	3.00%	4.00%
2007	1.00%	3.00%	4.00%
2008	1.00%	3.00%	4.00%
2009	1.00%	3.00%	4.00%
2010	1.00%	3.00%	4.00%
2011	1.00%	3.00%	4.00%
2012	1.00%	3.00%	4.00%

Source: City of Dublin, Georgia financial records.

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			
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%
2012	$ 374,521,777	$ 9,255,595	$ 30,336,380	$ 414,113,752	6.400	$ 1,035,284,380	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 FISCAL YEARS

Tax Levy Period Calendar Year	Maintenance and Operations	Sales Tax Rollback	Total City	School District	State and County	Total Direct & Overlapping Rates
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
2011	12.94	(6.54)	6.40	19.71	6.52	32.63

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 TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	December 31, 2011			December 31, 2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Fairview Park Hospital	$16,009,609	1	3.87%	$9,356,463	3	2.18%
Best Buy Loc. #77	15,376,082	2	3.71%	12,656,625	2	2.95%
YKK Corporation	12,692,319	3	3.06%	20,776,558	1	4.84%
Wal-Mart	9,837,180	4	2.38%	4,292,651	6	1.00%
Warehouse Home Furnishings	7,359,287	5	1.78%	3,414,350	7	
Rockwell Automation-Allen Bradley	6,029,613	6	1.46%	8,868,623	4	2.07%
Fred's Distribution	4,901,307	7	1.18%			
Parko Hannifin Controls	3,563,098	8	0.86%			0.00%
Dublin Mall	3,371,217	9		2,743,145	10	0.64%
Flexsteel Industries	3,324,734	10	0.80%	2,921,754	9	0.68%
Bassett Furniture				3,357,739	8	0.78%
Dublin Community Hospital				5,550,251	5	1.29%
	$82,464,446		19.10%	$73,938,159		16.44%

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
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%	$ 353,081	$ 9,349,062	99.7%
2008	$ 9,616,757	$ 9,261,965	96.3%	$ 297,147	$ 9,559,112	99.4%
2009	$ 9,966,108	$ 9,522,636	95.6%	$ 364,135	$ 9,886,771	99.2%
2010	$ 10,428,595	$ 9,417,695	90.3%	$ 904,035	$ 10,321,730	99.0%
2011	$ 10,138,736	$ 9,714,722	95.8%	$ 212,064	$ 9,926,786	97.9%
2012	$ 10,018,508	$ 9,518,592	95.0%	$ --	$ 9,518,592	95.0%

(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 2012		
Taxpayer	Charges for Gas by Customer	Rank	Percentage of Total Gas Sales
SP Newsprint	$3,039,293	1	33.96%
Griffin Industries	1,340,339	2	14.98%
YKK Corporation	833,511	3	9.31%
Carl Vinson Medical Center	453,128	4	5.06%
Hi-tek Rations	228,076	5	2.55%
Dublin Housing Authority	217,890	6	2.43%
Fairview Park Hospital	195,491	7	2.18%
Mohawk Industries	57,227	8	0.64%
Best Buy	51,860	9	0.58%
Golden Corral	27,008	10	0.30%
	$ 6,443,823		72.00%

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
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Term Loans	Capital Leases	Water & Sewer Bonds	Term Loans	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita
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	7.86%	682
2012	$ 3,000,000	$ --	$ 515,753	$ 6,130,000	$ 2,595,648	$ --	$ 12,241,401	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 120 for personal income and population data.

CITY OF DUBLIN, GEORGIA
RATIO 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
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
2012	3,000,000		--	3,000,000	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, 2012

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
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$42,887,857	$43,240,263	$44,188,243	$45,590,258	$47,576,730	$48,787,439	$50,247,469	$51,193,126	$41,757,063	$ 41,411,375
Total net debt applicable to limit	--	--	--	--	--	9,496,363	7,814,365	5,744,451	2,973,486	--
Legal debt margin	$42,887,857	$43,240,263	$44,188,243	$45,590,258	$47,576,730	$39,291,076	$42,433,104	$45,448,675	$38,783,577	$ 41,411,375
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	19.46%	15.55%	11.22%	7.12%	0.00%

Legal Debt Margin Calculation for Current Fiscal Year:	
Assessed value	$414,113,752
Debt limit (10% of total assessed value)	41,411,375
Debt applicable to limit:	
General obligation bonds	3,000,000
Less: amount set aside for repayment of general obligation debt	(3,000,000)
Total net debt applicable to limit	--
Legal debt margin	$ 41,411,375

Source: City of Dublin, Georgia Finance Department

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

SPLOST Revenue Bonds

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principle	Interest	
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
2012	2,868,936	3,000,000	75,283	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	
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
2012	5,746,319	4,270,944	1,475,375	405,000		267,187	2.2

(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
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	$ 1,410,323	$ 29,124	36.50	2,660	12.3%
2011	16,234	N/A	N/A	37.90	2,683	12.8%

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
PRINCIPLE EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2012			Fiscal Year 2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Carl Vinson Medical Center	1,140	1	5.14%	725	1	4.17%
Fairview Park Hospital	628	2	2.83%	575	2	3.31%
YKK AP America, Inc.	350	3	1.58%	370	4	2.13%
Flexsteel Industries, Inc.	300	4	1.35%	405	3	2.33%
Best Buy Distribution	300	5	1.35%	238	7	1.37%
Farmers Furniture Co.	293	6	1.32%	252	6	1.45%
SP Fiber Technologies, LLC	276	7	1.24%	352	5	2.02%
Parker Aerospace	210	8	0.95%	206	9	1.18%
Fred's Distribution	206	9	0.93%	102	10	0.59%
Easter Seals Middle Georgia	102	10	0.46%	214	8	1.23%
	3,805		17.16%	3,439		19.78%

Source: Dublin-Laurens County Chamber of Commerce

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General Government										
Management-City Mgr & City Attorney	2	2	3	3	3	3	3	3	3	3
Finance	5	5	5	5	5	5	5	5	5	5
Building Inspections	5	5	5	5	5	5	6	6	6	6
Other	11	11	11	11	11	10	13	11	11	11
Public Safety										
Police										
Officers and personnel	59	63	60	61	57	60	59	64	63	62
Fire										
Firefighters and officers	32	32	32	32	32	32	35	35	35	35
Public Works										
Engineering	5	5	5	5	7	7	7	7	6	6
Other	13	13	13	13	13	13	15	15	15	15
Sanitation	32	28	24	24	24	24	24	24	24	25
Gas	14	14	14	14	14	14	15	17	17	17
Golf Course	15	13	13	13	13	12	5	3	3	3
Telecommunications	1	1	1	1	1	1	1	1	1	1
Water and Sewer	33	33	33	33	33	33	32	30	31	35
Total	227	225	219	220	218	219	220	221	220	224

Source: City of Dublin, Georgia Finance Department

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Police										
Physical arrests	N/A	1,657	2,143	1,737	1,783	1,765	1,921	2,183	2,500	1,465
Parking violations	N/A	13	68	14	10	10	9	16	18	6
Traffic violations	N/A	2,947	5,017	3,810	3,621	4,560	4,730	6,064	5,884	4,656
Fire										
Number of calls answered	801	891	902	823	892	942	919	904	959	909
Highways and streets										
Street resurfacing (miles)	1.3	8.0	5.8	7.2	1.7	N/A	1.1	1.0	2.0	3.3
Potholes repaired	1,198	1,195	1,158	1,205	1,226	1,127	1,150	1,250	1,235	1,276
Sanitation										
Refuse collected (tons/day)	55	59	58	57	58	60	55	56	57	58
Water										
New connections	120	125	130	150	82	98	82	101	156	61
Water mains breaks	442	418	426	436	425	420	430	436	426	114
Average daily consumption (thousands of gallons)	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,200

Source: Various government departments.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	35	38	38	38	50	50	50	50	53
Fire stations	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	20	20	20	20	20	24	20	20	20	20
Highways and streets										
Streets (miles)	100	100	100	100	100	101	101	102	103	103
Streetlights	1,613	1,648	1,670	1,702	1,702	1,710	1,715	1,720	1,739	1,742
Traffic signals	32	33	34	34	34	34	34	40	41	41
Water										
Water mains (miles)	183	184	185	186	186	186	187	193	194	194
Fire hydrants	849	858	914	928	928	928	928	935	975	982
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	154	155	157	159	159	165	170	171	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)	226	227	228	229	229	230	232	232	233	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, 2012, which collectively comprise the City of Dublin, Georgia's basic financial statements and have issued our report thereon dated December 21, 2012. 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 21, 2012.

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 21, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

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

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Dublin, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Dublin, Georgia's compliance with those requirements. In our opinion, City of Dublin, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items.

Internal Control over Compliance

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

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

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

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

This report is intended solely for the information and use of management, Mayor, City Council, others within the entity, 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 21, 2012

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Pass through Georgia Department of Transportation:			
Highway Planning and Construction	20.205	PI#0007588	$ 319,811
Highway Planning and Construction Federal-Aid Highway Program	20.205	PI#0007588	167,555
			487,366
Pass through Governor's Office of Highway Safety			
State and Community Highway Safety	20.600	GA-2012-395-00356	36,335
Total U.S. Department of Transportation			523,701
U.S. Department of Housing and Urban Development			
Pass through Georgia Department of Community Affairs:			
Community Development Block Grants/ Entitlement Grants	14.218	10p-x-087-2-5223	132,626
Environmental Protection Agency			
Pass through Georgia Environmental Finance Authority			
Capitalization Grant for Clean Water State Revolving Funds	66.458	CWSRF 09-084	254,702
U.S. Department of Justice			
Public Safety Partnerships and Community Policing Grants	16.710	2009RKW0285	143,731
Total Expenditures of Federal Awards			$ 1,054,760

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF DUBLIN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

A. General

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Dublin, Georgia under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

B. Basis of Accounting

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for States, Local, and Indian Tribal Governments*. Expenditures represent only the federally funded portions of the program. City records should be consulted to determine amounts expended from non-federal sources.

CITY OF DUBLIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:
a. Material weaknesses identified? No
b. Significant deficiency identified not considered to be a material weakness? None noted

Noncompliance material to the financial statements noted: No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major programs:
a. Material weaknesses identified? No
b. Significant deficiency identified not considered to be a material weakness? None noted

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? None

Identification of major programs:
CFDA Number: 20.205
Name of Federal Program: Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS:

None Reported

SECTION III – FEDERAL AWARD FINDINGS:

None Reported

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