CITY OF EAST DUBLIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared under authority
of the Office of the
City Clerk

CITY OF EAST DUBLIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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CITY OF EAST DUBLIN, GEORGIA

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CITY OF EAST DUBLIN

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CHARLES "BUDDY" BUTLER, JUDGE

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ALLEN RICKS, FIRE CHIEF
WILLIAM LUECKE, POLICE CHIEF

October 7, 2011

Honorable George Gornto, Mayor
And Members of the City Council
City of East Dublin
East Dublin, Georgia 31027

Mayor and Council Members:

The comprehensive annual financial report of the City of East Dublin, Georgia for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is divided into an introductory section, financial section, and statistical section. The introductory section includes this transmittal letter, a title page, and a table of contents, the government's organizational chart, a list of principal officials, and a copy of the Certificate of Achievement for Excellence in Financial Reporting (CAFR). The financial section includes the independent auditors' report, basic financial statements, the combining and individual fund and statements and schedules, and other supplementary information. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of East Dublin's MD&A can be found immediately following the report of the independent auditors. The final section is the statistical section, which includes selected financial and demographic information.

The City is required to have an audit in conformity with Governmental Auditing Standards. The auditors' report on compliance and internal control over financial reporting and the status of prior year findings is included in this report.

This report includes all funds of the government. The government provides a full range of services. These services include police protection, fire protection, the construction and maintenance of streets and drainage improvements, planning and zoning, engineering, building and code enforcement, and water and sewer service.

A Mayor and five (5) City Council members serve the City of East Dublin. The Mayor and two City Council members are elected at large. Three City Council members are elected from districts. All serve four (4) year terms. The Mayor and City Council serve as the legislative body responsible for enacting City ordinances, resolutions, appropriating funds, and providing policy direction to City staff. The City Council appoints a City Administrator, City Attorney, City

COUNCIL: LEN TANNER, Mayor Pro-Tem; BRAXTON BROWN, JR.; AL WILLIAMS; ZILMON YOUNG; DENT JACKSON, JR.

Auditor, Municipal Court Judge, a zoning board and an appeals board. The City Council annually adopts a balanced budget and establishes a tax rate for the support of the City programs. The City Administrator and Department Directors have the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council.

General Information. The City of East Dublin is located in Laurens County. East Dublin was incorporated on February 12, 1952.

Economic Condition and Outlook

The City of East Dublin is located in central Laurens County, which is located in the central part of the state, approximately 135 miles south of Atlanta. Growth has been reflected in the City's General Fund revenues, which have increased from $1,266,207 in 2002 to $1,955,438 in 2011. The economic condition and outlook of the City remain strong as the area is predicted to have a sustained growth pattern through 2012. City leaders have recognized and plans have been developed and/or implemented to maintain balanced, controlled and planned developments in concert with an economic development plan that encourage appropriate growth. The economic growth has also placed increased demands on services, but the City has adopted a conservative approach and implemented programs to meet these demands. The City has still been able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

The financial position of the City has continued to be strong. This is primarily a result of careful budget management and expenditure of funds. The City has been able to maintain or reduce the millage rate on Ad Valorem taxes for the past two years. A new special local option sales tax was passed and collections began in FYE 6/30/07. The current year is the fifth year that the collections have been received. The total amount received during the current year from this SPLOST was $419,228. The City expects to collect $2,591,790 over a period of six years.

Future stability for the City of East Dublin is good based upon the solid fund equity balance that is maintained in our funds. This shows that we have goals and objectives that the City can meet in the public service area; police and fire protection, street and drainage improvements, and infrastructure.

Major Initiatives

Mayor and City Council:

Overall Goals and Objectives - (1). Achieve all goals while striving for the lowest total cost for public services with a minimal property tax millage rate. (2). Maintain a managed growth policy that requires quality development in concert with our economic development strategy. (3). Provide for the public safety and welfare by committing appropriate resources to police, fire, streets, recreation, water and sewer. (4). Continue cooperative efforts with other governments. (5). Preserve our historic and cultural heritage.

Finance and Administration:

Overview - The Finance and Administrative Department consists of the City Administrator, City Clerk, and support personnel. The City Administrator is appointed by the Mayor and City Council and is responsible for the execution of policies and legislative action of the City Council, direction, control and coordination of operational agencies. The City Clerk is responsible for City Council agenda preparation, minutes and custodian of City records. The City Clerk also acts

in a support role to the Mayor and City Council. The Clerk is responsible for planning, developing, implementing, and maintaining the administrative and financial operations of the City including purchasing, water administrative, and assisting the Mayor with preparing the annual budget and capital improvement plan.

Accomplishments:

- Continue implementing and updating the administrative policy manual.
- Received the Certificate of Achievement for Excellence in Financial Reporting. This is the twentieth year.
- Continue to create computerized reports for financial use.
- Participating in Governor's "Go Fish" Program. Buckeye Park has completed the construction of new bathrooms and paving of a parking lot.
- Currently constructing a new Public Safety Building to house the fire department and municipal courtroom.
- Awarded grant from the Georgia Emergency Management Agency to provide two new tornado warning sirens and improve the existing tornado sirens.

Municipal Court:

Overview - The Municipal Court of East Dublin is dedicated to the principle of equal and timely access to justice so that all individuals are treated with integrity, honesty, equality, respect for the rule of law, and the rights of all. The Court uses all staff members in a collaborative effort to operate the court efficiently and effectively while maintaining public trust and confidence. The Municipal Court prepares and processes records, citations, warrants and other legal papers for the Court. Court personnel receive and deposit monies collected for fines and fees, set court dates, issue subpoenas and warrants, prepare various reports, records, and other documents pertinent to the operation of the Court and those required by the State of Georgia.

Accomplishments:

- Continued training of staff with required knowledge of court procedures.
- Judge and Clerk sent to training sessions for handling court sessions and add-on fines.
- Worked with private probation company to alleviate jail fees paid by the City for housing inmates.
- Continue to work to reduce backlog of old dockets off the books.
- Community service workers used by public works department to clean streets, thereby saving City funds.
- The department now has a trained Certified Municipal Court Clerk.

Police:

Overview - The men and women of the East Dublin Police Department are committed to protect life, property, and the constitutional guarantees of all citizens of East Dublin and those who travel through our City. With community partnership as our foundation, we, as a department, are entrusted to enhance the quality of life, seek solutions to community problems and foster a sense of peace and security for all people within our City. We will honor this trust placed in us by holding ourselves to the highest standards of professional police conduct.

Accomplishments:

- The City continues to remain below the national average for criminal activity compared to cities across the state and nation with similar populations.
- The department continues to actively partner with neighborhood watch programs and schools targeting crime prevention, to continue a proactive effort toward criminal activity.

- ❖ The department continues to conduct other community involvement activities during the year, and train businesses on how to spot fake ID's and minors who are attempting to purchase alcohol.
- ❖ The department continues to encourage professional development. The average number of training hours for FY2011 was 100 hours per officer.
- ❖ Have a full-time certified law enforcement officer assigned to East Laurens School Complex.
- ❖ Member of the governor's office of Highway Safety Traffic Enforcement Network.
- ❖ Member of Crime Stoppers – citizens can receive cash rewards for turning in criminals.
- ❖ Awarded a COPS Hiring Recovery Grant for one officer; to be hired with the use of federal funds through the U.S. Department of Justice.
- ❖ Installed state-of-the-art video cameras and audio equipment for each patrol car.
- ❖ Applied for Governor's Office of Highway Safety Grant for the purpose of onboard computers to be installed in each patrol car.

Fire:

Overview - The City of East Dublin Fire Department responds to various types of emergency incidents including all types of fires, motor vehicle and other accidents, rescue calls, severe weather and flooding emergencies. Fire department personnel perform numerous prevention and public relations functions, fire safety inspections, annual hydrant maintenance, emergency management functions, and other specialty programs. The City of East Dublin provides for a volunteer service to supplement career resources. The volunteer section maintains a rank structure for supervision on training exercises, emergency scenes, work details, and to provide general maintenance of the program. Volunteer Services supplements through emergency response, stand by at stations or other assistance for special events or work details.

Accomplishments:

- ❖ Continues to maintain lowest average response time on east side of county for emergency responses.
- ❖ Continues to enhance training levels of personnel to address increased threat of terrorism.
- ❖ Continues to work with other City departments in the development of City's threat level plan.
- ❖ Updating firefighter training to maintain First Responder's Certification.
- ❖ Visited schools, day-care centers and Head Start to promote fire safety education.
- ❖ Continues to maintain I.S.O. rating of five for past 6 years, thereby saving citizens of East Dublin a substantial amount on insurance premiums.
- ❖ Continuing education/training for core competency to maintain state certification.

Public Works:

Overview - The City of East Dublin Public Works Department is responsible for the maintenance of all streets, sidewalks and drainage facilities located on public property. The department is also responsible for grass cutting along City streets and State highways. The department provides landscaping services for public property. In addition, this department is responsible for traffic control and the resurfacing of City streets in association with the Georgia Department of Transportation Local Assistance Road Program (LARP). The Public Works Department provides emergency services including road closing and sandbagging flood prone areas. The department assists Police with traffic control during City Events.

Accomplishments:

- Continues to work on the Transportation Enhancement Project; a $150,000 grant received from the Georgia Department of Transportation. This grant is for planting trees, flowers, and shrubbery and installing a new sprinkler system from the river bridge to Nathaniel Drive. The city will be funding 20% of this project.
- Continues to identify city streets that are in need of being paved or resurfaced.

Planning and Zoning:

Overview - The Planning and Zoning Department strives to maintain and improve the overall quality of life for all citizens of the City of East Dublin by promoting sustainable development, encouraging a stable and enduring economic base, providing for the safety, health and education and preserving the natural, cultural and historic assets of the City of East Dublin. The Planning and Zoning Department coordinates the development and implementation of the City of East Dublin's Comprehensive Plan, special area studies, plan review process, Zoning Ordinance, Sign Ordinance, Landscape Ordinance and GIS program. The Planning and Zoning Department expeditiously review and respond to all inquiries, applications and studies dealing with current planning, zoning, subdivision and land development to achieve a well designed, planned and quality community in accordance with adopted ordinances, resolutions and policies. The Planning and Zoning Department provides all necessary land use, economic, environmental and social data upon which to base effective governmental decision resulting in orderly growth and development and a high quality of life for present and future citizens.

Water and Sewer:

Overview - The Water and Sewer Department is responsible for supplying water to City of East Dublin residents for potable and fire fighting uses. They are also responsible for the treatment and disposal of the wastewater generated by the City of East Dublin as per regulations set forth by all state and federal agencies.

Accomplishments:

- Backflow prevention program continuing.
- Continues to work with the USDA on a project to upgrade the City's wastewater treatment pond.
- Control Points for mapping system established.
- Continuing to replace older water meters with new models which will yield more accurate readings and should increase water revenues. This is an ongoing project.
- Applied for Community Development Block Grant to replace/upgrade the Rice Street and Oakwood sanitary sewer lift stations.

Financial information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principals generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Basis of accounting. The basis of accounting used determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Governmental fund types and expendable trust funds use the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The financial statements for the proprietary fund types are accounted for on the accrual basis of accounting. Under this method revenues are recorded when earned, and expenses are recognized when the liability is incurred.

Accounting systems. In developing and evaluating the City's accounting control system, consideration is given in the adequacy of internal accounting controls. Internal accounting controls comprise the plan of organization and the procedures and records concerned with safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Budgetary control. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The level of budgetary control is on a departmental basis. A budget is legally adopted for all Governmental Fund types and Proprietary Fund types. Formal budgetary integration is employed as a management control device during the year. The budget is based on the same method of accounting as the fund it represents. Transfers of appropriations within a department budget or within a nondepartmental expenditure category require the approval of the finance director. Increase in appropriations in a departmental budget or in a nondepartmental expense category requires approval of the governing body in the form of amendments to the budget ordinance.

General government functions. Municipal activities and services are accounted for in the General Fund, Capital Improvement Fund, Special Revenue Funds, and Enterprise Funds.

Capital Improvement Fund The capital improvement fund is used to account for capital projects that are being acquired or built. The City of East Dublin has one capital improvement fund: (1) SPLOST Fund

SPLOST Fund. The fund is used to account for special purpose local option sales tax proceeds for approved capital improvements. Total revenues equal $419,228. Total expenditures were made in the amount of $160,106 for approved capital projects.

Special Revenue Fund. The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City of East Dublin has one Special Revenue Fund: (1) Hotel/Motel Tax Fund.

Hotel/Motel Tax Fund. The fund is used to account for hotel/motel taxes collected for the use of tourism. Total revenues equal $20,320. Expenditures were made in the amount of $20,320 for tourism and recreation purposes.

Enterprise Fund. Business-type activities of the City of East Dublin are accounted for in the Enterprise Fund. The Enterprise Fund for the City of East Dublin is the Water and Sewer Fund.

Water and Sewer Fund. The Water and Sewer Fund charges City residents for the consumption of potable water and for the treatment of the wastewater. The Water and Sewer Fund charges a sewer proportionate share fee to cover the portion of the capacity of the sewer treatment facility. Total water and sewer revenues for fiscal year 2011 were $643,626. Total

operating expenditures for fiscal year 2011 were $557,990. The change in net assets after depreciation and non-operating revenues and/or expenses was $93,001 for the fiscal year end.

Cash management. Cash temporarily idle during the year is held in checking accounts. Cash equivalents are invested in certificates of deposits. The government's investment policy is to invest in cash or cash equivalents.

Risk management. The mission of the City of East Dublin's risk management program is to minimize the financial burden incurred by the City as a result of work-related injuries, damage to City property, and damages incurred by third parties when the City is held liable.

Under the risk management program, commercial insurance policies are carried to cover risk of workers' compensation, property damage and liability claims. The City is struggling to contain health care costs for employees and their families. This is a problem for all small groups wishing to provide this valuable fringe benefit. Alternatives are being considered that hopefully will reduce this expense.

Other Information.

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Buckley & Hopkins, LLP was selected by the city council. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. 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 East Dublin for its comprehensive annual financial report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards of preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of East Dublin, Georgia has received a Certificate of Achievement for twenty years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the clerk's office. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Sincerely,

Melissa E Bassett

Melissa E. Bassett
Chief Financial Officer

CITY OF EAST DUBLIN, GEORGIA

LIST OF PRINCIPAL OFFICIALS

MAYOR
George H. Gornto

CITY COUNCIL MEMBERS
Marvin L. Tanner, Jr., Mayor Pro-Tem
Al Williams, Jr.
Dent Jackson, Jr.
Zilmon Young
Braxton Brown, Jr.

CITY ADMINISTRATOR
Larry N. Drew

CITY CLERK
Melissa E. Bassett

POLICE CHIEF
William Leucke

FIRE CHIEF
Allen Ricks

PUBLIC WORKS SUPERINTENDENT
H. T. Scarborough

WATER AND SEWER SUPERINTENDENT
Dwayne Lake

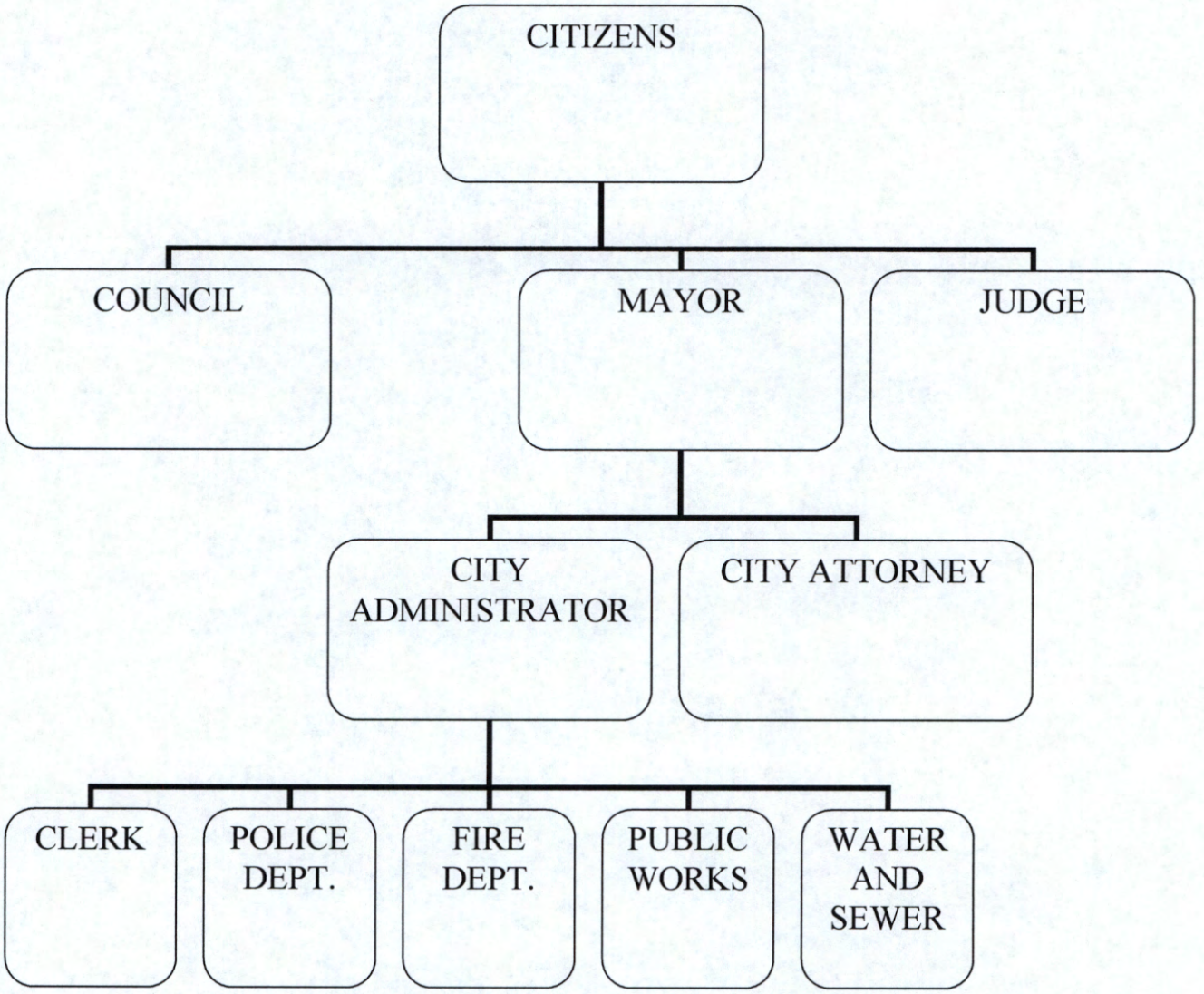
MUNICIPAL COURT JUDGE
Charles C. Butler

CITY ATTORNEY
Emily Kight

CITY AUDITOR
Albert P. Hopkins, Jr., C.P.A.

CITY OF EAST DUBLIN, GEORGIA

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of East Dublin

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

BUCKLEY & HOPKINS, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Hon. Mayor and Members of
City Council
City of East Dublin
East Dublin, Georgia

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2011, on our consideration of the City of East Dublin, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal controls 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis (on pages 3 through 10) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual nonmajor fund financial statements, introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by Official Code of Georgia §48-8-121 and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables and data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Buckley & Hopkins, LLP

Forsyth, Georgia
October 7, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(UNAUDITED)

This management discussion and analysis of the City of East Dublin, Georgia's financial performance provides an overall review of the City's financial activities for the fiscal year ended June 30, 2011. It is designed to give the reader an objective and easily readable analysis of the City's financial performance. The primary intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the letter of transmittal, notes to the basic financial statements, and the financial statements to enhance their understanding of the City's financial performance. The reader should note that this fiscal year (FY2011) is the City's seventh year of implementation of GASB Statement #34, the new reporting model, and that prior year data (in the new reporting format) is available and is provided in this year's discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the City's primary government activities' assets exceeded its liabilities as of June 30, 2011, by $6,917,745.
- As of June 30, 2011, total net assets consisted of $5,397,564 invested in capital equipment net of related debt, $363,625 restricted, and $1,156,556 unrestricted.
- As of June 30, 2011, the City's governmental funds reported ending fund balance of $823,659, an increase of $500,870 in comparison with the prior year.
- As of June 30, 2011, the City's General Fund reported ending fund balance of $482,339, a decrease of $89,676 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of East Dublin as a financial whole, or as an entire operating entity.

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. For proprietary funds, the statements offer short and long term financial information about activities the City operates like businesses, such as water and sewer. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

The purpose of the Statement of Net Assets and the Statement of Activities is to answer the question, "How did we do financially during FY2011?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, facility conditions, and other factors.

In the Statement of Net Assets and the Statement of Activities, the City has both governmental and business type activities:

Governmental Activities
Most of the City's programs and services are reported here including general government, public safety, public works, culture and recreation. Sales taxes, property taxes, fines and forfeitures finance most of these activities.

Business-Type Activities
The City charges fees to cover the services it provides. These activities include water and sewer services, sanitation services and recycling services.

Reporting the City's Most Significant Funds

Fund financial reports provide detailed information about the City's major funds. The City uses funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

Governmental Funds

Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps you determine whether there are more financial resources that can be spent in the near future to finance governmental services. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. See Note #2 to the Financial Statements.

The capital projects funds are used to account for financial resources to be used for the acquisition, construction, or renovation of major capital assets. The City of East Dublin has one Capital Projects Fund currently referred to as the SPLOST Fund.

The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City of East Dublin has one Special Revenue Fund currently referred to as the Hotel/Motel Tax Fund.

Proprietary Funds

Proprietary funds are activities that a City operates similar to a business in that it attempts to recover costs through charges to the user. The City's only proprietary funds are enterprise funds. Enterprise funds may be used to account for any activity or service that charges a fee to external users to cover the cost of operations, including cost of depreciation and debt service. The City operates its water and sewer fund as an enterprise fund. Proprietary fund statements use the accrual basis of accounting similar to the City-wide statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As was previously stated, the FY2011 total net assets represent an increase over FY2010. See Tables 1 and 2 for a schedule of net assets and change in net assets.

TABLE 1 - NET ASSETS

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current & other assets	$ 1,033,990	$ 885,970	$ 738,395	$ 524,632	$1,772,385	$1,410,602
Capital assets, net	2,104,376	2,129,351	5,833,527	4,252,729	7,937,903	6,382,080
Total assets	3,138,366	3,015,321	6,571,922	4,777,361	9,710,288	7,792,682
Liabilities						
Current liabilities	80,582	460,375	2,229,489	179,146	2,310,071	639,521
Long-term liabilities	-	-	482,472	519,603	482,472	519,603
Total liabilities	80,582	460,375	2,711,961	698,749	2,792,543	1,159,124
Net Assets						
Invested in capital assets, net of related debt	2,104,376	1,752,850	3,293,188	3,655,144	5,397,564	5,407,994
Restricted	351,320	127,275	12,305	-	363,625	127,275
Unrestricted	602,088	674,821	554,468	423,468	1,156,556	1,098,289
Total net assets	3,057,784	2,554,946	3,859,961	4,078,612	6,917,745	6,633,558
Total liabilities and net assets	$ 3,138,366	$ 3,015,321	$6,571,922	$ 4,777,361	$9,710,288	$7,792,682

TABLE 2 - CHANGE IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for services	$ 515,744	$ 493,679	$ 643,626	$ 673,292	$1,159,370	$1,166,971
Operating grants	31,359	-	-	-	31,359	-
Capital grants/contributions	419,228	16,264	-	279,946	419,228	296,210
General Revenues						
Taxes	986,624	1,527,764	-	-	986,624	1,527,764
Investment earnings	2,492	3,637	296	482	2,788	4,119
Other	25,264	8,982	7,069	2,347	32,333	11,329
Total revenues	1,980,711	2,050,326	650,991	956,067	2,631,702	3,006,393
Expenses						
General government	716,772	712,315	-	-	716,772	712,315
Public safety	594,994	554,019	-	-	594,994	554,019
Public works	465,052	458,346	-	-	465,052	458,346
Culture and recreation	12,707	8,183	-	-	12,707	8,183
Water and sewer	-	-	557,990	538,869	557,990	538,869
Total expenses	1,789,525	1,732,863	557,990	538,869	2,347,515	2,271,732
Increase in net assets before transfers	191,186	317,463	93,001	417,198	284,187	734,661
Transfers	311,652	(175,628)	(311,652)	175,628	-	-
Change in net assets	502,838	141,835	(218,651)	592,826	284,187	734,661
Net assets, beginning	2,554,946	2,413,111	4,078,612	3,485,786	6,633,558	5,898,897
Net assets, ending	$3,057,784	$ 2,554,946	$3,859,961	$4,078,612	$6,917,745	$6,633,558

Governmental Activities

Please note that general government expenses of $716,772 represent 40% of the total governmental expenses. The next most significant program expense is public safety which totals $594,994 and 33% of the total. Expenses of general government, public safety and public works changed nominal amounts during FY2011.

Business-Type Activities

The only business-type activity of the City is the Water and Sewer Department. The majority of its revenue was derived from user fees charged for product and service.

Cost of Program Services

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental and business-type activities, the combined total cost of services and the combined net cost of services, that is, it identifies the cost of these services supported by tax revenue.

Although program revenues make up a significant percentage (44%) of the combined revenues, the City is dependent upon tax revenues for governmental activities. The net cost of services ($737,558) which is 74% of our total tax receipts of $986,624.

TABLE 3 - Governmental and Business Type Activities (Combined)

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General government	$ 716,772	$ 712,315	$ (256,777)	$ (712,315)
Public safety	594,994	554,019	(367,805)	(337,837)
Public works	465,052	458,346	(185,905)	(164,585)
Culture and recreation	12,707	8,183	(12,707)	(8,183)
Business-type activities	557,990	538,869	85,636	414,369
Total Expenses	$ 2,347,515	$ 2,271,732	$ (737,558)	$ (808,551)

Governmental Fund Balance

The General Fund's ending fund balance for the FY2011 was $482,339. The General Fund 2011 fiscal year budget included no appropriation of fund balance. The fund balance decreased by $89,676 during 2011. Outside parties restricted $10,000 of general fund resources for fire department use, city council committed $8,000 for upgrading police radios to digital and administration has assigned $198,402 for servicing claims on their self-insurance policy.

TABLE 4 - Governmental Fund Balance

	2011	2010
General	$ 482,339	$ 572,015
SPLOST	341,320	(249,226)
Other governmental funds	-	-
Total	$ 823,659	$ 322,789

Proprietary Net Assets

At the end of FY2011 the combined net assets of the City's Proprietary Funds were $3,859,961. The decrease in net assets is primarily due to a large transfer of $311,652 to reimburse the general fund for amounts spent on the wastewater treatment plant project.

GENERAL FUND BUDGETING HIGHLIGHTS

- The City's budget is prepared according to Georgia law. The most significant budget fund is the General Fund.

- For the General Fund, the actual revenues of $1,515,890 were less than the final budgeted amount of $1,605,700 by $89,810. The difference was primarily due to a shortfall in taxes of ($84,569) and charges for services of ($21,353).

- The actual budgeted expenditures of $1,707,549 were also less than the final budgeted amount of $1,774,950 by $67,401. This difference was primarily due to budget savings in the general government category of $38,299 and culture and recreation category of $18,477.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY2011 the City had $7,937,903 invested in capital assets. Table 5 shows FY2011 and FY2010 balances.

TABLE 5 - Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 339,597	$ 332,672	$ 58,475	$ 58,475	$ 398,072	$ 391,147
Construction in progress	24,326	18,326	2,196,753	589,071	2,221,079	607,397
Buildings	883,246	869,110	-	-	883,246	869,110
Equipment	886,739	871,835	322,769	283,300	1,209,508	1,155,135
Infrastructure	977,136	950,136	5,590,972	5,534,341	6,568,108	6,484,477
Total capital assets	3,111,044	3,042,079	8,168,969	6,465,187	11,280,013	9,507,266
Accumulated depreciation	(1,006,668)	(912,728)	(2,335,442)	(2,212,458)	(3,342,110)	(3,125,186)
Total capital assets	$2,104,376	$2,129,351	$5,833,527	$4,252,729	$7,937,903	$6,382,080

During FY2011 the primary increase in the General Fund occurred with the purchase of several new vehicles. In the Water and Sewer Fund the primary increase occurred with the wastewater treatment plant construction.

Additional information on the City's capital assets can be found in Note 3 of this report.

Long-Term Debt

The amount of outstanding long-term debt is $482,472, consisting of $682 owed to employees for compensated absences and $481,790 owed to the Georgia Environmental Facilities Administration to finance the cost of a surface water supply, a water treatment and transmission facilities and a new gravity sewer line to connect the East Laurens schools.

TABLE 6 - Outstanding Long-term Liabilities

	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
Compensated Absences	$ -	$ -	$ 682	$ -
Notes Payable	-	-	481,790	519,603
Total long-term liabilities	$ -	$ -	$ 482,472	$ 519,603

Additional information on the City's long-term liabilities can be found in Note 3 of this report.

Economic Outlook

The City of East Dublin is located in central Laurens County, which is located in the central part of the state, approximately 135 miles south of Atlanta. According to U.S. Census figures, the City of East Dublin had a small decline in its population from 2000 to 2010. The 2000 Census population figure for the City of East Dublin was 2,850 and the 2010 U.S. Census population figure was 2,441. Even with a decline in population, growth has been reflected in the City's governmental revenues, which has increased from $1,266,207 in 2002 to $1,955,438 in 2011. The economic condition and outlook of the City remains strong as the City continues to expand. City leaders have recognized this growth pattern and plans have been developed and/or implemented to maintain balanced, controlled and planned developments in concert with an economic development plan that encourages appropriate growth. The economic growth has also placed increased demands on services, but the City has adopted a conservative approach and implemented programs to meet these demands. The City has been able to provide its services at a cost per capita that is comparable to other communities with similar demographic and economic characteristics.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Melissa Bassett, Clerk, City of East Dublin, at 116 Savannah Avenue, East Dublin, Georgia 31027, 478-272-6883.

BASIC FINANCIAL STATEMENTS

CITY OF EAST DUBLIN, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 221,111	$ 614,608	$ 835,719
Receivables, net of allowance			
Taxes	172,104	-	172,104
Accounts	23,968	68,686	92,654
Due from (to) other funds	38,500	(38,500)	
Due from other governments	147,643	-	147,643
Restricted assets:			
Cash and cash equivalents	425,428	12,305	437,733
Inventories	5,236	42,796	48,032
Capital assets:			
Land and construction in progress	363,923	2,255,228	2,619,151
Other capital assets, net of accumulated depreciation	1,740,453	3,578,299	5,318,752
Total Assets	3,138,366	6,533,422	9,671,788
LIABILITIES			
Accounts payable	39,152	12,191	51,343
Customer deposits	2,200	86,290	88,490
Accrued liabilities	-	22,062	22,062
Noncurrent liabilities			
Due within one year	39,230	2,070,446	2,109,676
Due in more than one year	-	482,472	482,472
Total Liabilities	80,582	2,673,461	2,754,043
NET ASSETS			
Invested in capital assets, net of related debt	2,104,376	3,293,188	5,397,564
Restricted:			
Restricted for capital outlay	341,320	-	341,320
Restricted for fire department use	10,000	-	10,000
Restricted for debt service	-	12,305	12,305
Unrestricted	602,088	554,468	1,156,556
Total Net Assets	$ 3,057,784	$ 3,859,961	$ 6,917,745

The accompanying notes are an integral part of these statements.

CITY OF EAST DUBLIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total
Primary Government:							
Governmental Activities							
General government	$ 711,421	$ 40,767	$ -	$ 419,228	$ (251,426)	$ -	$ (251,426)
Public safety	594,994	195,830	31,359	-	(367,805)	-	(367,805)
Public works	465,052	279,147	-	-	(185,905)	-	(185,905)
Culture and recreation	12,707	-	-	-	(12,707)	-	(12,707)
Interest on long-term debt	5,351	-	-	-	(5,351)	-	(5,351)
Total governmental activities	1,789,525	515,744	31,359	419,228	(823,194)	-	(823,194)
Business-type Activities:							
Water & Sewer	557,990	643,626	-	-	-	85,636	85,636
Total business-type activities	557,990	643,626	-	-	-	85,636	85,636
Total Primary Government	$ 2,347,515	$ 1,159,370	$ 31,359	$ 419,228	(823,194)	85,636	(737,558)
General Revenues							
Property tax					179,782	-	179,782
Sales tax					380,442	-	380,442
Franchise tax					165,795	-	165,795
Insurance premium tax					133,718	-	133,718
Other taxes					126,887	-	126,887
Investment and interest revenue					2,492	296	2,788
Miscellaneous					25,264	7,069	32,333
Transfers					311,652	(311,652)	-
Total General Revenues and Transfers					1,326,032	(304,287)	1,021,745
Change in Net Assets					502,838	(218,651)	284,187
Net Assets - Beginning of Year					2,554,946	4,078,612	6,633,558
Net Assets - End of Year					$ 3,057,784	$ 3,859,961	$ 6,917,745

The accompanying notes are an integral part of these statements.

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

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 221,111	$ -	$ -	$ 221,111
Receivables, net of allowance				
Taxes receivable	172,104	-	-	172,104
Accounts receivable, net of allowance	23,968	-	-	23,968
Due from other fund	-	38,500	-	38,500
Due from other governments	71,849	75,794	-	147,643
Restricted assets:				
Cash and cash equivalents	198,402	227,026	-	425,428
Inventories	5,236	-	-	5,236
Total Assets	$ 692,670	$ 341,320	$ -	$ 1,033,990
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 39,152	$ -	$ -	$ 39,152
Deferred revenue	168,979	-	-	168,979
Customer deposits	2,200	-	-	2,200
Total Liabilities	210,331	-	-	210,331
Fund Balances:				
Unspendable	5,236	-	-	5,236
Restricted for:				
Capital outlay	-	341,320	-	341,320
Fire department use	10,000	-	-	10,000
Unrestricted (deficit), reported in:				
Committed	8,000	-	-	8,000
Assigned	198,402	-	-	198,402
Unassigned	260,701	-	-	260,701
Total Fund Balances	482,339	341,320	-	823,659
Total Liabilities and Fund Balances	$ 692,670	$ 341,320	$ -	$ 1,033,990

The accompanying notes are an integral part of these statements.

CITY OF EAST DUBLIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Total Fund Equity per Balance Sheet of Governmental Funds	$ 823,659
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Cost of the assets	3,111,044
Accumulated depreciation	(1,006,668)
Revenues	
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Receivables, taxes	168,979
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:	
Compensated absences	(39,230)
Total Adjustments	2,234,125
Net Assets of Governmental Activities	$ 3,057,784

The accompanying notes are an integral part of these statements.

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

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes				
Property tax	$ 154,509	$ -	$ -	$ 154,509
Sales tax	380,442	-	-	380,442
Other taxes	406,080	-	20,320	426,400
License and permits	40,767	-	-	40,767
Intergovernmental	31,359	418,896	-	450,255
Fines and forfeitures	195,830	-	-	195,830
Charges for services	279,147	-	-	279,147
Interest income	2,492	332	-	2,824
Other revenues	25,264	-	-	25,264
Total Revenues	1,515,890	419,228	20,320	1,955,438
Expenditures:				
Current:				
General government	690,851	-	-	690,851
Public safety	577,211	-	-	577,211
Public works	432,964	-	-	432,964
Culture and recreation	6,523	-	20,320	26,843
Capital outlays	-	33,000	-	33,000
Debt service				
Interest	-	5,351	-	5,351
Total Expenditures	1,707,549	38,351	20,320	1,766,220
Excess (Deficiency) of Revenues Over (Under) Expenditures	(191,659)	380,877	-	189,218
Other Financing Sources (Uses):				
Transfers in (out)				
From other funds	433,407	331,424	-	764,831
To other funds	(331,424)	(121,755)	-	(453,179)
Total other financing sources (uses)	101,983	209,669	-	311,652
Net change in fund balances	(89,676)	590,546	-	500,870
Fund Balance, beginning of year	572,015	(249,226)	-	322,789
Fund Balance, end of year	$ 482,339	$ 341,320	$ -	$ 823,659

The accompanying notes are an integral part of these statements.

CITY OF EAST DUBLIN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITUTES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	$ 500,870
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the Following:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total capital outlays	95,948
Total depreciation	(120,923)
Current Liabilities	
Change in property tax refunds payable	11,518
Revenues	
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds.	
Deferred revenues increased by this amount during the fiscal year.	13,755
Compensated Absences	
Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Government Funds.	
Compensated absences decreased by this amount during the fiscal year.	1,670
Total Adjustments	1,968
Change in Net Assets of Governmental Activities	$ 502,838

The accompanying notes are an integral part of statements.

CITY OF EAST DUBLIN, GEORGIA,
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 1,043,000	$ 1,025,600	$ 941,031	$ (84,569)
Licenses and permits	47,000	45,600	40,767	(4,833)
Intergovernmental	25,000	32,000	31,359	(641)
Fines and forfeitures	197,000	197,000	195,830	(1,170)
Charges for services	310,500	300,500	279,147	(21,353)
Interest income	4,200	2,000	2,492	492
Other revenues	5,000	3,000	25,264	22,264
Total Revenues	1,631,700	1,605,700	1,515,890	(89,810)
Expenditures:				
General government	662,900	729,150	690,851	38,299
Police	389,800	430,000	427,307	2,693
Fire	140,000	147,900	147,612	288
Insect Control	6,500	6,500	2,292	4,208
Public works	226,500	240,000	239,515	485
Sanitation	196,000	196,400	193,449	2,951
Culture and recreation	10,000	25,000	6,523	18,477
Total Expenditures	1,631,700	1,774,950	1,707,549	67,401
Excess (deficiency) of revenues over (under) expenditures	-	(169,250)	(191,659)	(22,409)
Other Financing Sources (Uses):				
Transfers in (out)				
From other funds	-	169,250	433,407	264,157
To other funds	-	-	(331,424)	(331,424)
Total other financing sources and uses	-	169,250	101,983	(67,267)
Net change in fund balance	$ -	$ -	(89,676)	$ (89,676)
Fund balance, beginning of year			572,015	
Fund balance, end of year			$ 482,339	

The accompanying notes are an integral part of these statements.

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

	Water and Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 626,913
Accounts receivable, net of allowances	68,686
Inventories	42,796
Total current assets	738,395
Noncurrent assets	
Capital assets, non-depreciable	2,255,228
Capital assets, depreciable, net of accumulated depreciation	3,578,299
Total noncurrent assets	5,833,527
Total Assets	6,571,922
LIABILITIES	
Current liabilities	
Accounts payable	12,191
Accrued liabilities	22,062
Due to other fund	38,500
Compensated absences, current portion	11,897
Notes payable, current portion	2,058,549
Customer deposits	86,290
Total current liabilities	2,229,489
Long-term liabilities	
Compensated absences, net of current portion	682
Notes payable, net of current portion	481,790
Total long-term liabilities	482,472
Total Liabilities	2,711,961
NET ASSETS	
Invested in capital assets, net of related debt	3,293,188
Restricted, debt service	12,305
Unrestricted	554,468
Total Net Assets	$ 3,859,961

The accompanying notes are an integral part of these statements.

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

	Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water sales	$ 486,719
Sewer sales	156,907
Other fees and charges	7,069
Total operating revenues	650,695
Operating expenses:	
Personnel costs	226,850
Contracted services	31,653
Supplies	45,970
Other operating expenses	95,439
Depreciation	122,984
Total operating expenses	522,896
Total operating income	127,799
Nonoperating revenues (expenses):	
Investment income	296
Interest expense	(35,094)
Total nonoperating revenues (expenses)	(34,798)
Income before contributions and transfers	93,001
Capital contributions	-
Transfers in (out)	(311,652)
Change in net assets	(218,651)
Net assets - beginning of year	4,078,612
Net assets - end of year	$ 3,859,961

The accompanying notes are an integral part of these statements.

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

	Water and Sewer Fund
Cash Flows from Operating Activities:	
Receipts from customers	$ 667,061
Payments to suppliers and service providers	(140,806)
Payments to employees	(226,163)
Net Cash Flows Provided by (Used for) Operating Activities	300,092
Cash Flows from Noncapital Financing Activities	
Transfers to other funds	(433,407)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	(433,407)
Cash Flows from Capital and Related Financing Activities:	
Purchase of property and equipment	(1,665,281)
Principal paid on notes payable	(77,996)
Interest paid	(35,094)
Proceeds from construction loan	2,020,750
Transfer in from SPLOST Fund	121,755
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	364,134
Cash flows from Investing Activities:	
Interest on investments	296
Net Cash Flows Provided by (Used for) Investing Activities	296
Net Increase (Decrease) in Cash and Cash Equivalents	231,115
Cash and Cash Equivalents, Beginning of Year	395,798
Cash and Cash Equivalents, End of Year	$ 626,913

(Continued)

The accompanying notes are an integral part of these statements.

CITY OF EAST DUBLIN, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

	Water and Sewer Fund
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Net Operating Income (Loss)	$ 127,799
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	122,984
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	9,359
(Increase) decrease in inventories	7,993
Increase (decrease) in accrued liabilities	22,062
Increase (decrease) in compensated absences	687
Increase (decrease) in accounts payable	2,201
Increase (decrease) in customer deposits	7,007
Total Adjustments	172,293
Net Cash Provided by (Used for) Operating Activities	$ 300,092

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of East Dublin, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board SGAS 14 which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of the component unit's board and either A) the ability to impose will by the primary government, or B) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon the application of this criteria, the City of East Dublin reporting entity consists of the city itself consisting of four funds: the General Fund, Hotel/Motel Tax Fund, Water and Sewer Fund, and the SPLOST Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis* of accounting, as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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. 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also required, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the City's financial activity.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special purpose local option sales tax fund* accounts for the activities of the government's special purpose local option sales tax.

The City reports the following major proprietary fund:

> The *water and sewer fund* accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the government reports the following fund types:

> The *special revenue funds* account for specific revenues that are legally restricted to expenditures for particular purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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 function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The city's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no investments other than cash and these are stated at cost.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. *Inventories*

Inventories are valued at cost, which approximates market, using the first in, first out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

4. *Prepaid expenditures/expenses*

Payments made to vendors for services that will benefit period beyond June 30, 2011 are recorded as prepaid items.

5. *Restricted assets*

Certain proceeds of enterprise fund block grants, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited.

6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two years. 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.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following useful lives:

Asset	Years
Land improvements	30
Buildings	30-40
Public domain infrastructure	25
System infrastructure	25-50
Vehicles & Equipment	3-20
Computer Equipment	5

7. *Compensated absences*

Accumulated unused sick pay benefits up to ten (10) days per employee have been recorded in the accounts. Accumulated unpaid vacation costs are accrued when incurred in the government-wide and proprietary financial statements. The liability has decreased from the June 30, 2010 amount by $1,670 for the governmental activities and increased $687 for the business-type activities.

8. *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. The City has no bond obligations at the present time.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

9. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In 2010, the city adopted GASB no. 54 which changed the terminology used to describe fund balances. The new terminology uses the terms nonspendable, restricted, committed, assigned, and unassigned to describe the level of restrictions on fund balances.

The City's policies require that committed fund balances can only be established by city council and released from those restrictions by city council. Also the City allows the mayor, city administrator and city clerk to assign fund balances for specific purposes that will benefit the city without council approval; however these assigned designations can be released by council or city administration.

When committed, assigned, and unassigned funds are available for use, it is the City's policy to use committed resources first, and then assigned resources, then unassigned resources as they are needed.

10. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed. Actual expenditures and amounts payable are compared to budget at each meeting. The mayor and council feel that they have sufficient control in this manner, especially as this is a relatively small municipality.

12. *Infrastructure*

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

On or before June 30 of each year, all departments of the government submit requests for appropriation to the government's mayor and council so that a budget may be prepared. The budget is prepared by fund, function, and department, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before June 30, the proposed budget is presented to the government's council for review. The government'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 mayor and council or the revenue estimates must be changed by an affirmative vote of a majority of the council.

The legal level of budgetary control is the departmental level within individual funds. The city administrator is authorized to transfer budgeted amounts within departments. Any revisions that alter total expenditures must be approved by the mayor and council. During the year, the budget may be amended by council if necessary.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Enterprise fund budgets are prepared and utilized as a management tool to assess the operations of the enterprise funds. All annual appropriations lapse at fiscal year end.

B. Expenditures in Excess of Appropriations

There was no material expenditures in excess of appropriations during the year ended June 30, 2011.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk - Deposits
The custodial credit risk of deposits is the risk that in the event of failure of a bank the government will not be able to recover deposits. The City has a policy of only using FDIC insured banks and they require pledges on balances not covered by FDIC insurance. As June 30, 2011 the carrying amount of the City's deposits was $1,273,452, and the bank balance was $1,234,887. Of the bank balance, $1,432,927 was covered by federal depository insurance, or by collateral held by the City's agent or pledging financial institution.

Investments
Investments are stated at fair value.

State statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements and other political subdivisions of Georgia.

Interest Rate Risk – 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 – State statutes authorize the City to invest obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by U.S. government agency of the United States.

Obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

As of June 30, 2011, the City had no investments in financial securities.

B. Receivables

Receivables at June 30, 2011 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Water and Sewer Fund	Total
Receivables:			
Taxes	$ 172,104	$ -	$ 172,104
Accounts	27,969	69,650	97,619
Gross Receivables	200,073	69,650	269,723
Less: allowance for uncollectibles	(4,001)	(964)	(4,965)
Total net receivables	$ 196,072	$ 68,686	$ 264,758

C. Capital Assets

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

Primary Government

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 332,672	$ 6,925	$ -	$ 339,597
Construction in Progress	18,326	6,000	-	24,326
Total	350,998	12,925	-	363,923
Capital assets, being depreciated:				
Buildings	869,110	14,136	-	883,246
Infrastructure	950,136	27,000	-	977,136
Equipment	871,835	41,887	(26,983)	886,739
Total	2,691,081	83,023	(26,983)	2,747,121
Less accumulated depreciation for:				
Buildings	(165,273)	(20,296)	-	(185,569)
Infrastructure	(128,123)	(39,085)	-	(167,208)
Equipment	(619,332)	(61,542)	26,983	(653,891)
Total	(912,728)	(120,923)	26,983	(1,006,668)
Total assets, being depreciated	1,778,353	(37,900)	-	1,740,453
Governmental activities capital assets, net	$ 2,129,351	$ (24,975)	$ -	$ 2,104,376

Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 58,475	$ -	$ -	$ 58,475
Construction in Progress	589,072	1,607,681	-	2,196,753
Total	647,547	1,607,681	-	2,255,228
Capital assets, being depreciated:				
Water plant and distribution system	2,296,506	27,688	-	2,324,194
Sewer plant and extensions	3,237,835	28,943	-	3,266,778
Equipment	283,300	39,469	-	322,769
Total	5,817,641	96,100	-	5,913,741
Less accumulated depreciation for:				
Water plant and distribution system	(772,093)	(45,540)	-	(817,633)
Sewer plant and extensions	(1,174,271)	(65,593)	-	(1,239,864)
Equipment	(266,094)	(11,851)	-	(277,945)
Total	(2,212,458)	(122,984)	-	(2,335,442)
Total assets, being depreciated, net	3,605,183	(26,884)	-	3,578,299
Business-type activities capital assets, net	$ 4,252,730	$ 1,580,797	$ -	$ 5,833,527

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

Governmental activities:	
General government	$ 23,756
Public safety	49,888
Public works	47,279
Total depreciation expense – governmental activities	$ 120,923
Business-type activities:	
Water and sewer	$ 122,984
Total depreciation expense – business-type activities	$ 122,984

D. Short-term Debt

Description	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Term Note, purpose re-finance construction loan for New City Hall, $500,000 original balance, tax anticipation loan, single payment plus interest at 3.25% due 12/31/10.	376,501	-	376,501	-
Total Governmental Activities	$ 376,501	$ -	$ 376,501	$ -
Business-type Activities:				
Construction Note, purpose wastewater treatment plant upgrade $3,000,020, construction note, single payment of principal plus interest at 3.25% due 12/31/11.	$ -	$ 2,020,749	$ -	$ 2,020,749
Term Note, purpose sanitary sewer pond, constructing, original balance $150,000, tax anticipation loan, single payment of principal plus interest at 3.25% due 12/31/10.	40,909	-	40,909	-
Total Business-Type Activities	$ 40,909	$ 2,020,749	$ 40,909	$ 2,020,749

E. Capital Leases

The City was not a party to a capital lease agreement during the year ended June 30, 2011.

F. Long-term Debt

General Obligation Bonds
The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. There were no outstanding general obligation bonds payable at June 30, 2011.

Revenue Bonds
The government also has issued bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. There were no outstanding revenue bonds payable at June 30, 2011.

Notes Payable
In 2003, the City obtained a note payable totaling $788,476 from the Georgia Environmental Facilities Authority for an extension of the water and sewer system. The note consists of 80 quarterly payments in the amount of $11,982. The annual interest rate is 2.00%.

The annual requirements to pay the note outstanding at June 30, 2011 are as follows:

	Business-Type Activities GEFA	
Year	Principal	Interest
2012	37,799	10,131
2013	38,601	9,329
2014	39,359	8,571
2015	40,152	7,778
2016	40,948	6,982
2017-2021	217,537	22,113
2022-2023	105,193	2,649
Total	$ 519,589	$ 67,553

Interest included in the direct expenses of the government-wide statement of activities for FYE June 30, 2011 is $5,351 in the SPLOST fund and $35,094 in the water and sewer fund.

Long-term liability activity for the year ended June 30, 2011 is as follows:

Governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 40,900	$ 28,897	$ (30,567)	$ 39,230	$ 39,230
Governmental activities long-term liabilities	$ 40,900	$ 28,897	$ (30,567)	$ 39,230	$ 39,230

Business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 11,891	$ 9,926	$ (9,237)	$ 12,580	$ 11,898
Notes payable	556,676	-	(37,087)	519,589	37,799
Business-type activity long-term liabilities	$ 568,567	$ 9,926	$ (46,324)	$ 532,169	$ 49,697

G. Interfund Receivable, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
SPLOST Fund	Water/Sewer Fund	$ 38,500	Reimburse SPLOST for improper expenditure

The composition of interfund transfers as of June 30, 2011, is as follows:

Transfer Out	Transfer In	Amount	Purpose
General Fund	SPLOST Fund	$ 331,424	Pay Off Tax Anticipation Loan
SPLOST Fund	Water/Sewer Fund	121,755	Water and Sewer Capital Improvements
Water/Sewer Fund	General Fund	433,407	Reimburse Wastewater Treatment Plant Costs

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

H. Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the seventeen county central Georgia area, is a member of the Heart of Georgia Altamaha Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2011, the City paid $2,780 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the RDC in Georgia. The RDC Board membership includes the chief elected

official of each county and municipality of the area. OCGS 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023.

I. Defined Contribution Pension Plan

The City has a voluntary matching savings plan whereby the City will match employees' contributions to an IRA established and maintained by the employee. Contributions for the fiscal year by the City totaled $14,584 by the General Fund and $3,225 by the Water Fund. This plan is a defined contribution plan in which the employees contributed $16,755. These amounts were matched by the City. The employees' voluntary contributions may be 2%, 4% or 6% of their salary. Plan provisions and contribution requirements are established and may be amended by the City. The plan conforms to Internal Revenue Code Section 408. At present the trustees of the accounts are the Capital City Bank, the Bank of Dudley and the Citizens Bank of Laurens County.

The City is required by Georgia law to contribute a percentage of its fines collected to the Peace Officers Annuity and Benefit Fund. The General Fund contributed $2,580 during the fiscal year. Membership is limited to Peace Officers employed by the State of Georgia or any of its political subdivisions. Upon application and acceptance, a member must pay dues in the amount of $20.00 per month. None of the officers employed by the City are members. Benefits of membership include death payments and disability retirement income. Pension benefits with different payment options are also available to qualified members. The City has no liability or fiduciary responsibility beyond its contribution to the plan and no unfunded accrued liabilities.

J. Risk Management

The City self insures for employee health insurance up to $20,000 per person covered per year. Commercial insurance covers claims in excess of this amount. Premiums are paid monthly to the insurance company and an actuarially determined amount is deposited into an account to pay employee health benefits and is restricted for that purpose. The determined amount has been deposited on a regular basis. Commercial insurance is carried to cover risk of other claims or losses. These insured risks include workers' compensation, property damage and liability. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded coverage for the current year or the three prior years.

The City has joined together with other municipalities in the state as part of the Workers' Compensation Self-Insurance Fund (WCSIF), a public entity risk pool

currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association (GMA) administers the risk pool.

As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund 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 protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The fund is 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 following represents the changes in approximate aggregate liabilities for the City from July 1, 2009 to June 30, 2011 with regard to health care. The lag claim analysis received for the three months subsequent to year-end from the administrator of the plan is the basis for estimating the liabilities for unpaid claims. Workers' compensation and tort claims are paid by insurance policies:

	Health Care
Receivable balance, July 1, 2009	$ 27,149
Claims and changes in estimates	206,149
Claims payments	(203,502)
Receivable balance, June 30, 2010	29,796
Claims and changes in estimates	260,073
Claims payments	(272,686)
Receivable balance, June 30, 2011	$ 17,183
Assets available to pay claims at June 30, 2011	$ 198,402

K. Commitments and Contingencies

Grants

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

L. Tax Revenues

Property Taxes

Property taxes for 2011 are to be levied in November 2011 on property values assessed as of January 1, 2011. Bills for one-half of the estimated levy were sent out on March 15 and due by June 30. The final bills are sent out in November with taxes due on January 15, 2012. After this date, penalties and interest are assessed by the government with active pursuance of delinquent taxes early in the following year. Liens are placed on property when taxes are delinquent more than one year from the due date.

Hotel/Motel Taxes

The City has levied a 5% lodging tax. The Official Code of Georgia Annotated §48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. Management represents that $12,192 or 60%, of the lodging tax received during the year ended June 30, 2010 was used for promoting tourism and $8,128 or 40% was paid to the Dublin-Laurens County Recreation Department per intergovernmental agreement.

M. Subsequent Events

City's management evaluated subsequent events through October 7, 2011 and found no reportable events.

SUPPLEMENTARY INFORMATION

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

	Special Revenue Funds	
	Hotel/Motel Tax Fund	Total Nonmajor Governmental Funds
Revenues:		
Taxes	$ 20,320	$ 20,320
Total revenues	20,320	20,320
Expenditures:		
Culture and recreation	20,320	20,320
Total expenditures	20,320	20,320
Excess (deficiency) of revenues over expenditures	-	-
Other financing sources (uses):		
Transfers out:		
To other funds	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	-	-
Fund balances (deficits), beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF EAST DUBLIN, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Hotel/Motel Tax Fund			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 10,000	$ 21,000	$ 20,320	$ (680)
Total Revenues	10,000	21,000	20,320	(680)
Expenditures:				
Culture and recreation	10,000	21,000	20,320	680
Total expenditures	10,000	21,000	20,320	680
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in:				
From other funds	-	-	-	-
Transfers out:				
To other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balances (deficits), beginning of year			-	
Fund balances, end of year			$ -	

CITY OF EAST DUBLIN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2011

	Original Estimated Cost	Revised Estimated Cost	Prior Year(s)	Current Year	Total	Estimated Percentage of Completion
SPLOST II						
Roads, Streets, Bridges and Drainage	$ 500,000	$ 500,000	$ 293,394	$ 27,000	$ 320,394	64.08%
Water and Sewerage Improvements	1,291,790	1,291,790	760,496	121,755	882,251	68.30%
City Hall and Associated Buildings	800,000	800,000	592,115	6,000	598,115	74.76%
	$ 2,591,790	$ 2,591,790	$ 1,646,005	$ 154,755	$ 1,800,760	

NOTE: The difference in total SPLOST expenditures of $154,755 as noted above, and total expenditures of the SPLOST Fund of $160,106 is construction note interest of $5,351. SPLOST proceeds also paid construction note principal payments of $376,501.

STATISTICAL SECTION

CITY OF EAST DUBLIN, GEORGIA
STATISTICAL SECTION INTRODUCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATISTICAL SECTION

The statistical section provides users with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to the financial statements, and for assessing the City's economic condition.

CONTENTS

Financial Trends *Page 42*

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

Revenue Capacity *Page 49*

These schedules contain information to help the reader assess the City's most significant local revenue sources, sales taxes and ad valorem taxes.

Debt Capacity *Page 55*

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

Demographic and Economic Information *Page 58*

These schedule offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information *Page 60*

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

CITY OF EAST DUBLIN, GEORGIA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	$ 417,545	$ 470,259	$ 876,380	$ 1,102,776	$ 1,347,487	$ 1,581,479	$ 1,752,850	$ 2,104,376
Restricted	-	-	-	-	-	111,704	127,275	351,320
Unrestricted	345,732	522,700	472,863	557,166	725,888	719,928	674,821	602,088
Total governmental activities net assets	763,277	992,959	1,349,243	1,659,942	2,073,375	2,413,111	2,554,946	3,057,784
Business-type activities:								
Invested in capital assets, net of related debt	2,112,763	2,307,671	2,581,680	2,811,914	2,898,749	3,270,535	3,655,144	3,293,188
Restricted	223	-	-	-	-	-	-	12,305
Unrestricted	35,627	55,857	(31,265)	144,018	160,576	215,251	423,468	554,468
Total business-type activities net assets	2,148,613	2,363,528	2,550,415	2,955,932	3,059,325	3,485,786	4,078,612	3,859,961
Primary government total:								
Invested in capital assets, net of related debt	2,530,308	2,777,930	3,458,060	3,914,690	4,246,236	4,852,014	5,407,994	5,397,564
Restricted	223	-	-	-	-	111,704	127,275	363,625
Unrestricted	381,359	578,557	441,598	701,184	886,464	935,179	1,098,289	1,156,556
Total primary government net assets	$ 2,911,890	$ 3,356,487	$ 3,899,658	$ 4,615,874	$ 5,132,700	$ 5,898,897	$ 6,633,558	$ 6,917,745

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF EAST DUBLIN, GEORGIA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
General government	$ 646,822	$ 556,324	$ 622,187	$ 596,231	$ 637,200	$ 735,044	$ 712,315	$ 716,772
Public safety	433,093	480,886	499,376	523,163	558,934	554,468	554,019	594,994
Public works	337,538	354,412	359,781	425,711	451,389	457,041	458,346	465,052
Culture and recreation	6,725	8,457	9,760	8,926	8,289	18,559	8,183	12,707
Total governmental activities expenses	1,424,178	1,400,079	1,491,104	1,554,031	1,655,812	1,765,112	1,732,863	1,789,525
Business-type activities:								
Water and sewer	445,505	467,847	546,270	544,459	555,977	565,655	538,869	557,990
Golf Course	63,736	56,126	4,564	-	-	-	-	-
Total business-type activities expenses	509,241	523,973	550,834	544,459	555,977	565,655	538,869	557,990
Total primary government expenses	1,933,419	1,924,052	2,041,938	2,098,490	2,211,789	2,330,767	2,271,732	2,347,515
Program revenues								
Governmental activities:								
Charges for services:								
General government	6,045	18,224	-	-	42,866	2,419	-	40,767
Public safety	114,820	239,871	257,925	191,047	189,149	202,052	199,918	195,830
Public works	224,583	152,916	168,363	294,550	270,707	270,886	293,761	279,147
Operating grants and contributions	10,000	29,070	-	50,000	-	-	16,264	31,359
Capital grants and contributions	64,905	55,875	98,374	130,600	-	155,541	-	419,228
Total governmental activities program revenues	420,353	495,956	524,662	666,197	502,722	630,898	509,943	966,331
Business-type activities:								
Charges for services:								
Water and sewer	510,393	554,711	537,033	583,917	639,580	694,082	673,292	643,626
Golf course	15,517	18,601	1,766	-	-	-	-	-
Capital grants and contributions	443,336	56,664	274,483	162,640	-	199,980	279,946	-
Total business-type activities program revenues	969,246	629,976	813,282	746,557	639,580	894,062	953,238	643,626
Total primary governmental program revenues	$ 1,389,599	$ 1,125,932	$ 1,337,944	$ 1,412,754	$ 1,142,302	$ 1,524,960	$ 1,463,181	$ 1,609,957

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF EAST DUBLIN, GEORGIA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS (CONTINUED)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue								
Governmental activities	$ (1,003,825)	$ (904,123)	$ (966,442)	$ (887,834)	$ (1,153,090)	$ (1,134,214)	$ (1,222,920)	$ (823,194)
Business-type activities	450,005	106,003	262,448	202,098	83,603	328,407	414,369	85,636
Total primary government expense	(553,820)	(798,120)	(703,994)	(685,736)	(1,069,487)	(805,807)	(808,551)	(737,558)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	325,074	351,478	360,956	333,744	328,669	202,498	173,591	179,782
Sales taxes	349,480	351,021	620,992	759,184	939,321	912,897	906,484	380,442
Other taxes and licenses	248,957	239,226	256,932	299,127	306,749	449,557	447,689	426,400
Investment earnings	3,795	4,642	6,249	7,848	7,335	4,271	3,637	2,492
Miscellaneous	-	3,363	3,000	1,967	4,222	2,778	8,982	25,264
Transfers	124,754	184,075	74,597	(203,337)	(19,773)	(98,051)	(175,628)	311,652
Total governmental activities	1,052,060	1,133,805	1,322,726	1,198,533	1,566,523	1,473,950	1,364,755	1,326,032
Business-type activities:								
Sales tax	117,882	280,431	-	-	-	-	-	-
Investment earnings	1,283	1,589	986	82	17	3	482	296
Miscellaneous	-	967	(1,951)	-	-	-	2,347	7,069
Transfers	(124,754)	(184,075)	(74,597)	203,337	19,773	98,051	175,628	(311,652)
Total business-type activities	(5,589)	98,912	(75,562)	203,419	19,790	98,054	178,457	(304,287)
Total primary government	1,046,471	1,232,717	1,247,164	1,401,952	1,586,313	1,572,004	1,543,212	1,021,745
Change in Net Assets								
Governmental activities	48,235	229,682	356,284	310,699	413,433	339,736	141,835	502,838
Business-type activities	444,416	204,915	186,887	405,517	103,393	426,461	592,826	(218,651)
Total primary government	$ 492,651	$ 434,597	$ 543,171	$ 716,216	$ 516,826	$ 766,197	$ 734,661	$ 284,187

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF EAST DUBLIN, GEORGIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Prior to implementation of GASB 54	Fiscal Year 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	$ 4,999	$ 5,099	$ 5,277	$ 16,341	$ 15,092	$ 14,007	$ 6,947	$ 1,520	$ -	$ -
Unreserved	219,789	229,502	250,610	368,247	372,738	375,512	237,554	269,176	-	-
Total general fund	224,788	234,601	255,887	384,588	387,830	389,519	244,501	270,696	-	-
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

After implementation of GASB 54	Fiscal Year 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Unspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,645	$ 5,236
Restricted	-	-	-	-	-	-	-	-	-	10,000
Committed	-	-	-	-	-	-	-	-	-	8,000
Assigned	-	-	-	-	-	-	-	-	189,542	198,402
Unassigned	-	-	-	-	-	-	-	-	376,828	260,701
Total general fund	-	-	-	-	-	-	-	-	572,015	482,339
All Other Governmental Funds										
Unspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	127,275	341,320
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(376,501)	-
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (249,226)	$ 341,320

Note 1: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.
Note 2: Fund balances terminology changed in June 15, 2010 with the implementation of GASB statement 54.

CITY OF EAST DUBLIN, GEORGIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	$ 758,594	$ 784,178	$ 861,146	$ 896,482	$ 1,199,533	$ 1,346,374	$ 1,531,855	$ 1,517,793	$ 1,018,750	$ 961,351
Licenses and permits	57,051	53,160	44,979	47,379	41,085	35,065	42,884	46,677	41,904	40,767
Intergovernmental	114,425	1,575	74,905	84,945	98,374	180,600	-	155,541	452,957	450,255
Fines and forfeitures	90,416	73,309	88,820	123,697	134,228	155,843	152,391	164,614	162,104	195,830
Charges for services	228,314	219,088	252,079	269,090	282,266	312,360	307,465	308,324	331,575	279,147
Investment earnings	2,658	1,570	3,795	4,642	6,249	7,848	7,335	4,271	3,637	2,824
Other revenues	14,749	9,943	4,549	18,224	66,621	17,394	42,866	2,419	7,582	25,264
Total revenues	1,266,207	1,142,823	1,330,273	1,444,459	1,828,356	2,055,484	2,084,796	2,199,639	2,018,509	1,955,438
Expenditures										
General government	507,572	535,513	643,237	551,359	616,464	590,543	648,519	974,976	824,234	696,202
Public safety	361,756	369,672	399,548	450,525	460,933	475,470	509,478	525,108	539,508	577,211
Public works	325,879	320,989	323,669	337,151	336,495	389,237	410,432	559,528	412,957	432,964
Culture and recreation	-	-	6,725	8,457	9,760	8,926	8,289	18,559	15,489	26,843
Capital outlay	159,024	35,875	60,562	155,707	479,059	388,249	637,545	-	-	33,000
Total expenditures	1,354,231	1,262,049	1,433,741	1,503,199	1,902,711	1,852,425	2,214,263	2,078,171	1,792,188	1,766,220
Excess (deficiency) of revenues over (under) expenditures	(88,024)	(119,226)	(103,468)	(58,740)	(74,355)	203,059	(129,467)	121,468	226,321	189,218
Other financing sources (uses):										
Sale of assets	-	-	-	3,363	3,000	1,967	4,222	2,778	1,400	-
Transfers in	92,219	167,611	186,856	223,596	86,219	13,389	12,455	-	2,689	764,831
Transfers out	-	(38,572)	(62,102)	(39,518)	(11,622)	(216,726)	(32,228)	(98,051)	(178,317)	(453,179)
Total other financing sources (uses)	92,219	129,039	124,754	187,441	77,597	(201,370)	(15,551)	(95,273)	(174,228)	311,652
Net change in fund balances	$ 4,195	$ 9,813	$ 21,286	$ 128,701	$ 3,242	$ 1,689	$ (145,018)	$ 26,195	$ 52,093	$ 500,870

CITY OF EAST DUBLIN, GEORGIA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Police	Fire Department	Streets and Sanitation	Total
6/30/2002	$ 507,572	$ 247,076	$ 114,680	$ 325,879	$ 1,195,207
6/30/2003	535,513	262,395	107,277	320,989	1,226,174
6/30/2004	643,237	290,446	109,102	323,669	1,366,454
6/30/2005	551,359	328,804	121,721	337,151	1,339,035
6/30/2006	616,464	333,034	127,899	336,495	1,413,892
6/30/2007	590,543	340,803	134,667	389,237	1,455,250
6/30/2008	648,519	364,885	144,593	410,432	1,568,429
6/30/2009	978,264	387,969	137,139	559,528	2,062,900
6/30/2010	839,723	401,630	137,878	412,957	1,792,188
6/30/2011	699,666	427,307	147,612	432,964	1,707,549

Notes:
(1) Source is current and prior years' fund financial statements.
(2) Capital outlay expenditures included in 2009 thru 2011 only.

CITY OF EAST DUBLIN, GEORGIA
GENERAL GOVERNMENT REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Inter-Government	Ad Valorem Taxes	Sales Taxes	Franchise Taxes Licenses & Permits	Charges for Services	Fines & Forfeits	Beer & Liquor Taxes	Insurance Premium Tax	Misc. & Interest	Total
6/30/2002	$ 114,425	$ 158,217	$ 319,957	$ 167,637	$ 228,314	$ 90,416	$ 79,605	$ 90,229	$ 17,407	$ 1,266,207
6/30/2003	1,575	164,305	332,282	164,897	219,088	73,309	76,852	99,002	11,513	1,142,823
6/30/2004	74,905	177,902	331,342	191,009	252,079	88,820	81,033	106,701	8,344	1,312,135
6/30/2005	84,945	176,692	341,739	212,866	269,090	123,697	76,213	115,634	22,866	1,423,742
6/30/2006	98,374	172,344	611,232	222,169	282,266	134,228	89,084	124,407	72,870	1,806,974
6/30/2007	180,600	170,263	759,184	221,680	312,360	155,843	85,557	130,161	39,836	2,055,484
6/30/2008	-	154,715	960,065	234,020	307,465	152,391	90,166	135,773	50,201	2,084,796
6/30/2009	155,541	202,018	912,897	220,969	308,324	164,614	89,561	139,025	6,690	2,199,639
6/30/2010	452,957	143,174	469,791	221,149	331,575	162,104	88,819	137,721	11,219	2,018,509
6/30/2011	450,255	154,509	380,442	235,012	279,147	195,830	98,437	133,718	28,088	1,955,438

CITY OF EAST DUBLIN, GEORGIA
SALES TAX COLLECTIONS AND RATES
LAST TEN FISCAL YEARS

	Sales Tax Received by East Dublin			Individual Sales Tax Rates				
				State	County		City	
Fiscal Year	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Total Collected Sales Tax	Basic Rate	County Education Rate	Special Purpose Local Option Sales Tax	Local Option Sales Tax	Total Sales Tax Rate
6/30/2002	$ 319,957	$ -	$ 319,957	4%	1%	0%	1%	6%
6/30/2003	332,282	-	332,282	4%	1%	0%	1%	6%
6/30/2004	331,342	-	331,342	4%	1%	1%	1%	7%
6/30/2005	341,739	-	341,739	4%	1%	1%	1%	7%
6/30/2006	376,901	234,331	611,232	4%	1%	1%	1%	7%
6/30/2007	393,147	366,037	759,184	4%	1%	1%	1%	7%
6/30/2008	491,784	468,281	960,065	4%	1%	1%	1%	7%
6/30/2009	429,581	483,316	912,897	4%	1%	1%	1%	7%
6/30/2010	469,791	436,693	906,484	4%	1%	1%	1%	7%
6/30/2011	380,442	418,896	799,338	4%	1%	1%	1%	7%

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

Calendar Year	Assessed Value of Taxable Property	Less Tax Exempt Real Property	Total Taxable Assesed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2002	$ 28,557,875	$ 589,000	$ 27,968,875	4.500	$ 60,761,436	47%
2003	28,973,332	589,000	28,384,332	4.150	61,645,387	47%
2004	33,677,204	589,000	33,088,204	4.090	71,653,626	47%
2005	35,390,962	589,000	34,801,962	4.054	75,299,919	47%
2006	34,678,653	589,000	34,089,653	4.054	73,784,368	47%
2007	36,405,899	589,000	35,816,899	4.020	77,459,360	47%
2008	39,087,436	589,000	38,498,436	4.010	83,164,757	47%
2009	39,767,343	589,000	39,178,343	4.058	84,611,368	47%
2010	38,597,733	589,000	38,008,733	4.058	82,122,836	47%
2011	38,259,699	1,901,508	36,358,191	4.076	81,403,615	47%

Sources: Prior East Dublin Financial Statements, Georgia's Consolidated Tax Digest and East Dublin Tax Digest Reports

CITY OF EAST DUBLIN, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date		Outstanding Deliquent Taxes	Outstanding Delinquent Taxes as Percentage of Current Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy		
6/30/2002	158,217	151,251	95.60%	6,966	158,217	100.00%	-	0.00%
6/30/2003	164,305	156,575	95.30%	7,730	164,305	100.00%	-	0.00%
6/30/2004	177,902	171,400	96.35%	6,502	177,902	100.00%	-	0.00%
6/30/2005	176,692	168,304	95.25%	6,955	175,259	99.19%	1,433	0.81%
6/30/2006	172,344	164,967	95.72%	5,931	170,898	99.16%	1,446	0.84%
6/30/2007	170,261	158,611	93.16%	7,124	165,735	97.34%	4,526	2.66%
6/30/2008	154,714	137,892	89.13%	4,431	142,323	91.99%	12,391	8.01%
6/30/2009	151,191	124,025	82.03%	9,017	133,042	88.00%	18,149	12.00%
6/30/2010	151,159	126,654	83.79%	-	126,654	83.79%	24,505	16.21%
6/30/2011	149,977	40,324	26.89%	-	40,324	26.89%	109,653	73.11%

Notes: (1) 2009 and 2010 Final Tax Digests were delayed from mass appeals on property valuations.
(2) Tax levies for one calendar year are levied in two separate fiscal years.

Sources: Digest Reports of East Dublin, Property Tax Collection Reports,
Property Tax Deliquent Accounts Reports, Prior East Dublin Financial Reports

CITY OF EAST DUBLIN, GEORGIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
(PER $1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Tax Levy Period Calendar Year	Direct	Overlapping		
	City	State and County	County School System	Total
2002	4.50	7.50	15.25	27.25
2003	4.15	6.98	13.05	24.18
2004	4.09	6.95	13.04	24.08
2005	4.054	6.95	13.04	24.044
2006	4.054	6.95	13.04	24.044
2007	4.02	6.556	11.945	22.521
2008	4.01	6.55	11.939	22.499
2009	4.058	6.55	16.000	26.608
2010	4.058	6.55	16.000	26.608
2011	4.076	6.55	16.000	26.626

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

CITY OF EAST DUBLIN, GEORGIA
PRINCIPAL TAXPAYERS
JUNE 30, 2011

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Georgia Power	Utilities	$ 1,977,080	5.44%
East Dublin Concrete Products	Building Material	940,045	2.59%
Sea 103 LLC	Rental	877,351	2.41%
Oconee Bait & Tackle	Sporting Goods	868,696	2.39%
Southern Family Markets	Grocery	811,784	2.23%
Rite-Aid Pharmacy	Pharmacy	804,893	2.21%
Shantee Hospitality	Motel	785,230	2.16%
Rx East Dublin Investors	Commercial Building	728,627	2.00%
Mid State Investors	Rental	703,606	1.94%
Bellsouth	Public Utilities	646,841	1.78%
Capital City Bank	Bank	595,122	1.64%
Santilla Investments III, LLC	Fastfood & Convenience Store	517,671	1.42%
		$ 10,256,946	28.21%

Source: Laurens County Tax Digest

CITY OF EAST DUBLIN, GEORGIA
PRINCIPAL TAXPAYERS
JUNE 30, 2002

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Rite-Aid Corp.	Pharmacy	$ 1,778,449	2.70%
Georgia Power Co.	Utility	1,336,145	2.00%
Shantee Hospitality, LLC	Motel	1,184,042	1.80%
Oconee Holdings	Real Estate	958,760	1.40%
Bellsouth	Utility	951,677	1.40%
J. B. Clark Oil Co.	Petroleum	912,484	1.40%
East Dublin Association	Shopping Center	851,730	1.30%
D & J Properties	Convenience Store	837,145	1.30%
East Dublin Concrete Products	Concrete	812,987	1.20%
Bruno's	Grocery Store	758,500	1.10%
Farmers & Merchants	Bank	646,739	1.00%
E. Earl Edenfield	Restaurant	584,472	0.90%
		$ 11,613,130	17.50%

Source: Laurens County Tax Digest

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

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes Payable	Revenue Bonds			
6/30/2002	$ -	$ -	$ -	$ -	$ 25,000	$ 25,000	0.04%	$ 9
6/30/2003	-	-	-	788,476	-	788,476	1.21%	289
6/30/2004	-	-	-	756,073	-	756,073	1.08%	270
6/30/2005	-	-	-	731,344	-	731,344	0.98%	254
6/30/2006	-	-	-	697,790	-	697,790	0.87%	235
6/30/2007	-	-	-	663,560	-	663,560	0.78%	218
6/30/2008	-	-	-	628,641	-	628,641	0.69%	201
6/30/2009	-	-	-	593,017	-	593,017	0.61%	185
6/30/2010	-	-	-	556,676	-	556,676	0.54%	174
6/30/2011	-	-	-	2,540,339	-	2,540,339	3.21%	1,041

(1) Total revenues exclusive of grants and interest.
(2) Total operating expenses exclusive of depreciation.

Source: current and prior years' financial statements.

CITY OF EAST DUBLIN, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2011

Assessed value of all taxable property	$ 36,358,191	
Plus exempt property	1,901,508	$ 38,259,699
Debt limit - 10% of assessed value		$ 3,825,970
Debt applicable to limitation:		
Total general bonded debt	$ -	
Less assets in debt service available for payment of principal	-	
Total amount of debt applicable to debt limit		-
Legal debt margin		$ 3,825,970

Source: City of East Dublin, Georgia tax records.

CITY OF EAST DUBLIN, GEORGIA
LONG TERM DEBT BURDEN
WATER AND SEWER FUND
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Available for Debt Service	Debt Service Requirements (3)			Total Debt Burden	Per Capita
				Principal	Interest	Total		
6/30/2002	$ 446,971	$ 381,839	$ 65,132	$ 25,000	$ 1,750	$ 26,750	$ -	$ -
6/30/2003	429,279	342,331	86,948	25,000	1,750	26,750	-	-
6/30/2004	449,957	342,047	107,910	32,403	15,527	47,930	-	-
6/30/2005	554,711	355,559	199,152	33,055	14,875	47,930	-	-
6/30/2006	537,033	430,423	106,610	33,554	14,376	47,930	-	-
6/30/2007	583,917	426,501	157,416	34,230	13,700	47,930	-	-
6/30/2008	639,580	428,263	211,317	34,920	13,010	47,930	-	-
6/30/2009	694,082	436,368	257,714	35,623	12,307	47,930	-	-
6/30/2010	675,639	404,388	271,251	36,341	11,589	47,930	-	-
6/30/2011	650,695	399,912	250,783	37,799	10,131	47,930	-	-

(1) Total revenues exclusive of grants and interest.
(2) Total operating expenses exclusive of depreciation.

Source: current and prior years' financial statements.

CITY OF EAST DUBLIN, GEORGIA
DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2011

Date of incorporation	February 12, 1952
Form of government	Mayor-City Council
Area	12.97 square miles
Miles of streets	32.79 miles
Miles of sanitary sewers	18.00 miles
Number of street lights	398
Number of fire stations	1
Number of police stations	1
Number of parks	2

Fiscal Year	Population (Est)	Personal Income	Per Capita Personal Income	Unemployment Rate (County)
2002	2,644	$ 61,784,992	$ 23,368	5.1%
2003	2,724	65,111,772	23,903	5.9%
2004	2,804	70,010,272	24,968	5.5%
2005	2,884	74,586,008	25,862	5.4%
2006	2,964	80,647,476	27,209	5.2%
2007	3,044	85,198,516	27,989	5.1%
2008	3,124	90,905,276	29,099	7.1%
2009	3,200	94,432,000	29,510	10.8%
2010	3,200	102,662,400	32,082	12.5%
2011	2,441	79,095,723	32,403	12.7%

Source: Records in City Hall files, Georgia Department of Labor, and Bureau of Economic Analysis

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

	2011			2004		
Employer	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Wild Bore Machine	33	1	1.35%			
Southern Family Markets #765	32	2	1.31%			
T Lake Environmental	28	3	1.15%	15	8	0.53%
Middle Georgia Mechanical	24	4	0.98%			
Cardinal SW Houston	18	5	0.74%			
Fred's Store #1538	18	6	0.74%			
Builders Concrete	16	5	0.66%	17	3	0.61%
Mid State Machine Shop	16	6	0.66%			
Circle R Gate Company, Inc.	15	7	0.61%			
Friendly Gus #6	13	8	0.53%	13	10	0.46%
Rite Aid #1972	11	9	0.45%			
Friendly Gus #19	11	10	0.45%			
Foodmax #65				40	1	1.43%
Huddle House #412				20	2	0.71%
Grosch Irrigation				17	4	0.61%
Cloverleaf Restaurant				16	5	0.57%
Taco Bell #9473				16	6	0.57%
Popeye's Chicken #4455				16	7	0.57%
Cross Roofing				13	9	0.46%

Note: Principal employer numbers are not available prior to 2004.

Source: City of East Dublin, Occupation Licenses Reports, Bureau of Economic Analysis

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

Function	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative	3	3	3	3	3	3	3	4	4	4
Fire	3	3	3	3	3	3	3	3	3	3
Police	7	8	8	8	8	8	8	8	8	8
Public Works	3	3	3	3	3	3	3	3	3	3
Water and Sewer	5	5	5	5	5	5	5	5	4	4

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative										
Business licenses issued	322	322	322	322	314	343	348	345	259	296
Building permits issued	23	22	15	46	55	51	29	19	9	7
Police										
Citations	877	926	1,053	1,181	1,093	934	1,044	1,240	990	990
Public Works										
Garbage customers	901	901	901	901	901	901	901	941	941	916
Culture and Recreation										
Annual city-sponsored events	-	-	-	-	-	-	-	-	-	-
Annual non-city sponsored events	1	1	1	1	1	1	1	1	1	1
Water										
Average daily consumption in gallons	331,207	311,888	300,017	272,160	242,821	280,123	290,649	306,136	283,966	281,366

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative										
Vehicles	2	2	2	2	2	1	1	1	1	1
Police										
Patrol units	4	4	4	4	4	4	4	4	4	4
Fire										
Fire trucks	1	1	1	1	1	1	1	1	1	1
Public Works										
Vehicles	7	7	8	8	8	9	9	9	8	8
Street (miles)	26.28	30.78	30.78	32.16	32.16	32.79	32.79	32.79	32.79	32.79
Streetlights	362	369	372	393	397	397	398	398	398	398
Culture and Recreation										
Acreage	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Park sites	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	32.44	35.54	35.54	35.54	35.74	36.74	36.74	36.74	36.74	36.74
Sewer										
Sanitary sewers (miles)	14.90	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00

GOVERNMENT REPORTS

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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*

Honorable Mayor and Members of City Council
City of East Dublin
East Dublin, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of East Dublin, Georgia, as of and for the year ended June 30, 2011, which collectively comprise City of East Dublin, Georgia's basic financial statements and have issued our report thereon dated October 7, 2011. 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 East 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 City of East Dublin, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of East Dublin, Georgia's internal control over financial reporting.

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

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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2011-1 described in the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of East 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2011-2.

We noted certain other matters that we reported to management of City of East Dublin, Georgia in a separate letter dated October 7, 2011.

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

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

Buckley + Hopkins, LLP

Forsyth, Georgia
October 7, 2011

CITY OF EAST DUBLIN, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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:

2011-01 Recording of Construction Loan Activity

CRITERIA
Under the *full accrual method* of accounting used by proprietary funds, loan proceeds are to be booked as a liability and construction in progress as an asset.

CONDITION
During FY2011, the City recorded loan proceeds as a revenue and construction in progress as an expense.

EFFECT
An audit adjustment of $2,020,730 and $1,665,281 was required in the water and sewer fund to properly record the construction loan and construction in progress.

CAUSE
The material weakness is the result of using the *modified accrual basis of accounting*, which is appropriate for the general fund but not proprietary funds.

RECOMMENDATION
The City should use the full accrual method of accounting in the proprietary fund and develop year-end procedures to ensure accuracy of financial statements.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The City concurs with the finding and will develop procedures to ensure that the full accrual method is used for the proprietary fund.

2010-02 SPLOST Expenditures

CRITERIA

Under the current intergovernmental agreement for the use and distribution of proceeds from the 2006 special purpose local option sales tax (SPLOST) between the City and Laurens County, SPLOST proceeds can be spent on water and sewer improvements, road improvements, and general government buildings.

CONDITION

During FY2011, the City purchased an excavation vacuum system to be used by the water and sewer department for $38,500 from SPLOST proceeds.

EFFECT

The City is out of compliance with the intergovernmental agreement for the use of SPLOST proceeds.

CAUSE

The noncompliance is the result of the City not ensuring that the machinery purchase was an acceptable expense of the SPLOST proceeds.

RECOMMENDATION

The City should reimburse the SPLOST fund and develop better procedures for disbursing SPLOST proceeds.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding and will reimburse the SPLOST fund $38,500 for the machinery purchase.

CITY OF EAST DUBLIN

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Melissa E Bassett

10/07/11

COUNCIL: LEN TANNER, Mayor Pro-Tem; BRAXTON BROWN, JR.; AL WILLIAMS; ZILMON YOUNG; DENT JACKSON, JR.

CITY OF EAST DUBLIN

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Melissa E Bassett

10/07/11

COUNCIL: LEN TANNER, Mayor Pro-Tem; BRAXTON BROWN, JR.; AL WILLIAMS; ZILMON YOUNG; DENT JACKSON, JR.