CITY OF EAST DUBLIN, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012

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CITY OF EAST DUBLIN

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ALLEN RICKS, FIRE CHIEF
WILLIAM LUECKE, POLICE CHIEF

October 31, 2012

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, 2012 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** is intended to familiarize the reader with the organization structure of the City, the nature and scope of the services it provides, and the specifics of its operating environment within the context of the local economy.
- 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).
- The **statistical section** provides readers with additional historical perspective, content, and detail to assist in understanding the information in the financial statements, notes to the financial statements, required supplementary information, and for assessing the City's economic condition.

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

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

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 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 $1,142,823 in 2003 to $2,089,502 in 2012. The economic condition and outlook of the City remain strong as the area is predicted to have a sustained growth pattern through 2013. 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 low millage rates on Ad Valorem taxes for the past several years. A new special local option sales tax was passed and FYE 6/30/12 is the first year of collections. The total amount received during the current year from the prior SPLOST was $496,801. The City expects to collect $2,250,000 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 the funds. This shows that the city has goals and objectives that can be met 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 twenty-first 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.
- Completed construction of new Public Safety Building that houses both the fire department and municipal court room.
- Completed construction of three new tornado warning sirens throughout the City and moved existing siren to a better location with the use of a grant from the Georgia Emergency Management Agency.

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 certified municipal court clerk continues to maintain certification through annual training sessions.

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 FY2012 was 20 hours per officer.
- Have a full-time certified law enforcement officer assigned to East Laurens School Complex.
- Through membership in the Governor's Office of Highway Safety Traffic Enforcement Network, the city police department is now a hosting site for training area officers.
- Member of Crime Stoppers – citizens can receive cash rewards for turning in criminals.
- Hired officer with the help of federal funds through the COPS Hiring Recovery Grant.
- Continues to apply for the 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 7 years, thereby saving citizens of East Dublin a substantial amount on insurance premiums.
- Continuing education/training for core competency to maintain state certification.
- Received grant from Oconee EMC to rebuild the Fire Safety House, which is used to educate children on fire safety in the home.
- The East Dublin Fire Department is now a hosting site for joint training for area firefighters.
- Completed mandated National Incident Management Systems (NIMS) training.

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.
- Implemented new single-stream recycling program with three recycling bins placed throughout the city.

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.
- Completed project of upgrading City's wastewater treatment pond, which included a new building and testing equipment.
- 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.
- Awarded $500,000 Community Development Block Grant to replace/upgrade the Rice Street and Oakwood Drive 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 $496,801. Total expenditures were made in the amount of $320,233 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 $15,818. Expenditures were made in the amount of $10,064 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 2012 were $768,661. Total operating expenditures for fiscal year 2012 were $646,463. The change in net assets after depreciation and non-operating revenues and/or expenses was $606,742 for the fiscal year end.

Relevant Financial Policies. Throughout the year, the city administrator and city clerk administer the governing council's approved financial policies. These policies address issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. On a continuous basis, these policies are reviewed in order to maintain relativity to the changing financial needs of the government.

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, 2011. 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-one 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
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

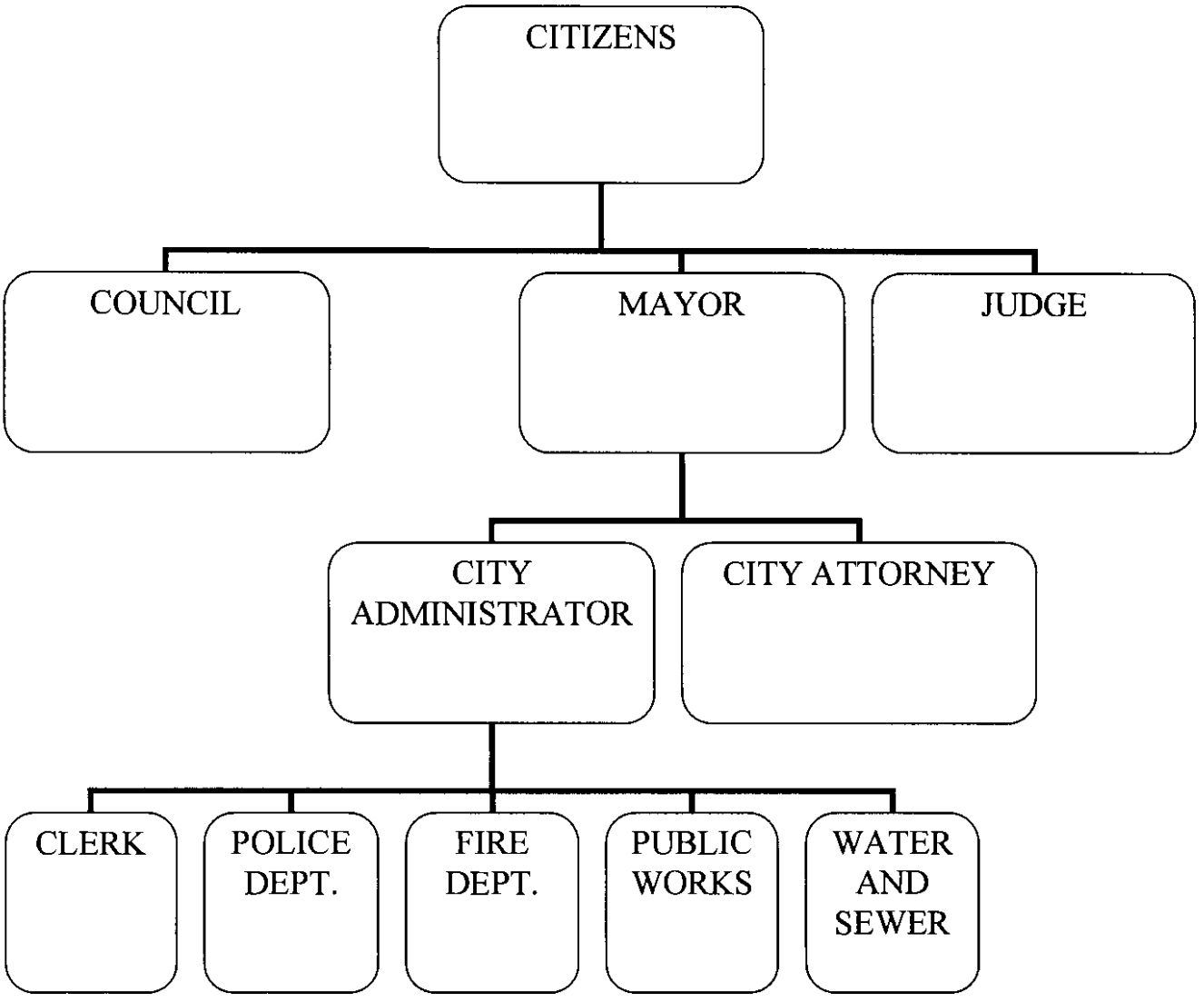
MUNICIPAL COURT JUDGE
Charles C. Butler

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, 2011

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



Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

BUCKLEY & HOPKINS, LLP
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INDEPENDENT AUDITORS' REPORT

To the Hon. Mayor and
Members of City Council
City of 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 City of East Dublin, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of East Dublin, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 31, 2012, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Dublin, Georgia's financial statements as a whole. The introductory section, individual nonmajor fund financial statements, the budgetary comparison schedule and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of projects constructed with special 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual nonmajor fund financial statements, the budgetary comparison schedule, the schedule of projects constructed with special sales tax proceeds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Berkely + Hopkins, LLP

Forsyth, Georgia
October 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF EAST DUBLIN, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(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, 2012. 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 (FY2012) is the City's eighth 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, 2012, by $7,921,712.
- As of June 30, 2012, total net assets consisted of $6,168,096 invested in capital equipment net of related debt, $643,264 restricted, and $1,110,352 unrestricted.
- As of June 30, 2012, the City's governmental funds reported ending fund balance of $1,062,849, an increase of $239,190 in comparison with the prior year. This increase is primarily the result of receiving USDA grant funds of $767,562 for the purpose of building an improved wastewater treatment facility.
- As of June 30, 2012, the City's General Fund reported ending fund balance of $420,354, a decrease of $61,985 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 FY2012?" 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 FY2012 total net assets represent an increase over FY2011. 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	
	2012	2011	2012	2011	2012	2011
Assets						
Current & other assets	$ 1,264,190	$ 1,033,990	$ 935,195	$ 738,395	$ 2,199,385	$ 1,772,385
Capital assets, net	2,266,206	2,104,376	7,584,680	5,833,527	9,850,886	7,937,903
Total assets	3,530,396	3,138,366	8,519,875	6,571,922	12,050,271	9,710,288
Liabilities						
Current liabilities	35,193	80,582	358,332	2,229,489	393,525	2,310,071
Long-term liabilities	40,194	-	3,694,840	482,472	3,735,034	482,472
Total liabilities	75,387	80,582	4,053,172	2,711,961	4,128,559	2,792,543
Net Assets						
Invested in capital assets, net of related debt	2,266,206	2,104,376	3,901,890	3,293,188	6,168,096	5,397,564
Restricted	636,741	351,320	6,523	12,305	643,264	363,625
Unrestricted	552,062	602,088	558,290	554,468	1,110,352	1,156,556
Total net assets	3,455,009	3,057,784	4,466,703	3,859,961	7,921,712	6,917,745
Total liabilities and net assets	$ 3,530,396	$ 3,138,366	$ 8,519,875	$ 6,571,922	$ 12,050,271	$ 9,710,288

TABLE 2 - CHANGE IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for services	$ 474,747	$ 515,744	$ 767,399	$ 643,626	$ 1,242,146	$ 1,159,370
Operating grants	32,408	31,359	-	-	32,408	31,359
Capital grants/contributions	550,641	419,228	767,562	-	1,318,203	419,228
General Revenues						
Taxes	1,009,790	986,624	-	-	1,009,790	986,624
Investment earnings	1,976	2,492	120	296	2,096	2,788
Other	17,109	25,264	1,262	7,069	18,371	32,333
Total revenues	2,086,671	1,980,711	1,536,343	650,991	3,623,014	2,631,702
Expenses						
General government	772,536	716,772	-	-	772,536	716,772
Public safety	597,265	594,994	-	-	597,265	594,994
Public works	469,312	465,052	-	-	469,312	465,052
Culture and recreation	7,964	12,707	-	-	7,964	12,707
Water and sewer	-	-	771,970	557,990	771,970	557,990
Total expenses	1,847,077	1,789,525	771,970	557,990	2,619,047	2,347,515
Increase in net assets before transfers	239,594	191,186	764,373	93,001	1,003,967	284,187
Transfers	157,631	311,652	(157,631)	(311,652)	-	-
Change in net assets	397,225	502,838	606,742	(218,651)	1,003,967	284,187
Net assets, beginning	3,057,784	2,554,946	3,859,961	4,078,612	6,917,745	6,633,558
Net assets, ending	$ 3,455,009	$ 3,057,784	$ 4,466,703	$ 3,859,961	$ 7,921,712	$ 6,917,745

Governmental Activities

Please note that general government expenses of $772,536 represent 42% of the total governmental expenses. General government expenses primarily consisted of personnel costs and general insurance. The next most significant program expense is public safety which totals $597,265 and 32% of the total. Public safety primary expenses were related to personnel and fuel. Expenses of general government, public safety and public works changed nominal amounts during FY2012, primarily due to budget control.

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. These greatly increased over the previous year primarily from the USDA requiring the city to increase their sewerage

rates. These increased rates were supposed to fund future debt requirements of the newly issued revenue bonds that help build their new wastewater treatment facility.

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 (72%) of the combined revenues, the City is dependent upon tax revenues for governmental activities. The net cost of services ($26,290) which is 2.6% of our total tax receipts of $1,009,790.

TABLE 3 - Governmental and Business Type Activities (Combined)

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
General government	$ 772,536	$ 716,772	$ (235,254)	$ (256,777)
Public safety	597,265	594,994	(351,547)	(367,805)
Public works	469,312	465,052	(194,516)	(185,905)
Culture and recreation	7,964	12,707	(7,964)	(12,707)
Business-type activities	771,970	557,990	762,991	85,636
Total Expenses	$ 2,619,047	$ 2,347,515	$ (26,290)	$ (737,558)

Governmental Fund Balance

The General Fund's ending fund balance for the FY2012 was $420,354. The General Fund 2012 fiscal year budget included no appropriation of fund balance. The fund balance decreased by $61,985 during 2012. City council committed $8,000 for upgrading police radios to digital and administration has assigned $205,189 for servicing claims on their self-insurance policy.

	2012	2011
General	$ 420,354	$ 482,339
SPLOST	636,741	341,320
Other governmental funds	5,754	-
Total	$ 1,062,849	$ 823,659

Proprietary Net Assets

At the end of FY2012 the combined net assets of the City's Proprietary Funds were $4,466,703. The increase in net assets is primarily due to a large United States Department of Agriculture grant of $767,562 to improve the wastewater treatment plant.

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 $1,576,130 were less than the final budgeted amount of $1,677,700 by $101,570. The difference was primarily due to a shortfall in fines and forfeitures of ($45,277) and other revenues of ($42,091).

- The actual budgeted expenditures of $1,789,788 were also less than the final budgeted amount of $1,797,500 by $7,712.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY2012 the City had $9,850,886 invested in capital assets. Table 5 shows FY2012 and FY2011 balances.

TABLE 5 - Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 339,597	$ 339,597	$ 58,475	$ 58,475	$ 398,072	$ 398,072
Construction in progress	18,326	24,326	218,135	2,196,753	236,461	2,221,079
Buildings	1,100,818	883,246	-	-	1,100,818	883,246
Equipment	977,136	886,739	329,655	322,769	1,306,791	1,209,508
Infrastructure	960,786	977,136	9,502,101	5,590,972	10,462,887	6,568,108
Total capital assets	3,396,663	3,111,044	10,108,366	8,168,969	13,505,029	11,280,013
Accumulated depreciation	(1,130,457)	(1,006,668)	(2,523,686)	(2,335,442)	(3,654,143)	(3,342,110)
Total capital assets	$ 2,266,206	$ 2,104,376	$ 7,584,680	$ 5,833,527	$ 9,850,886	$ 7,937,903

During FY2012 the primary increase in the General Fund occurred with the construction of a new public safety building. In the Water and Sewer Fund the primary increase occurred with the completion of the wastewater treatment plant.

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 $3,735,034, consisting of $52,244 owed to employees for compensated absences, $3,201,000 owed in revenue bonds for the construction of the waste water treatment plant 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	
	2012	2011	2012	2011
Compensated Absences	$ 40,194	$ 39,230	$ 12,050	$ 12,580
Bonds Payable	-	-	3,201,000	-
Notes Payable	-	-	481,790	519,589
Total long-term liabilities	$ 40,194	$ 39,230	$ 3,694,840	$ 532,169

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 $1,142,823 in 2003 to $2,089,502 in 2012. 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.

BASIC FINANCIAL STATEMENTS

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.

CITY OF EAST DUBLIN, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 357,398	$ 771,637	$ 1,129,035
Receivables, net of allowance			
Taxes	169,851	-	169,851
Accounts	26,639	88,074	114,713
Due from other governments	191,845	-	191,845
Restricted assets:			
Cash and cash equivalents	513,393	323	513,716
Inventories	5,064	40,511	45,575
Deferred bond costs	-	34,650	34,650
Capital assets:			
Land and construction in progress	357,923	276,610	634,533
Other capital assets, net of accumulated depreciation	1,908,283	7,308,070	9,216,353
Total Assets	3,530,396	8,519,875	12,050,271
LIABILITIES			
Accounts payable	33,093	185,803	218,896
Customer deposits	2,100	90,130	92,230
Accrued liabilities	-	82,399	82,399
Noncurrent liabilities			
Due within one year	38,749	72,032	110,781
Due in more than one year	1,445	3,622,808	3,624,253
Total Liabilities	75,387	4,053,172	4,128,559
NET ASSETS			
Invested in capital assets, net of related debt	2,266,206	3,901,890	6,168,096
Restricted:			
Restricted for capital outlay	636,741	-	636,741
Restricted for debt service	-	6,523	6,523
Unrestricted	552,062	558,290	1,110,352
Total Net Assets	$ 3,455,009	$ 4,466,703	$ 7,921,712

The accompanying notes are an integral part of these statements.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	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	$ 772,536	$ 39,728	$ -	$ 497,554	$ (235,254)	$ -	$ (235,254)
Public safety	597,265	160,223	32,408	53,087	(351,547)	-	(351,547)
Public works	469,312	274,796	-	-	(194,516)	-	(194,516)
Culture and recreation	7,964	-	-	-	(7,964)	-	(7,964)
Total governmental activities	1,847,077	474,747	32,408	550,641	(789,281)	-	(789,281)
Business-type Activities:							
Water & Sewer	771,970	767,399	-	767,562	-	762,991	762,991
Total business-type activities	771,970	767,399	-	767,562	-	762,991	762,991
Total Primary Government	$ 2,619,047	$ 1,242,146	$ 32,408	$ 1,318,203	(789,281)	762,991	(26,290)
General Revenues							
Property tax					177,935	-	177,935
Sales tax					410,239	-	410,239
Franchise tax					174,171	-	174,171
Insurance premium tax					114,493	-	114,493
Other taxes					132,952	-	132,952
Investment and interest revenue					1,976	120	2,096
Miscellaneous					17,109	1,262	18,371
Transfers					157,631	(157,631)	-
Total General Revenues and Transfers					1,186,506	(156,249)	1,030,257
Change in Net Assets					397,225	606,742	1,003,967
Net Assets - Beginning of Year					3,057,784	3,859,961	6,917,745
Net Assets - End of Year					$ 3,455,009	$ 4,466,703	$ 7,921,712

The accompanying notes are an integral part of these statements.

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

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 351,644	$ -	$ 5,754	$ 357,398
Receivables, net of allowance				
Taxes receivable	169,851	-	-	169,851
Accounts receivable	26,639	-	-	26,639
Due from other governments	68,497	123,348	-	191,845
Restricted assets:				
Cash and cash equivalents	-	513,393	-	513,393
Inventories	5,064	-	-	5,064
Total Assets	$ 621,695	$ 636,741	$ 5,754	$ 1,264,190
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 33,093	$ -	$ -	$ 33,093
Deferred revenue	166,148	-	-	166,148
Customer deposits	2,100	-	-	2,100
Total Liabilities	201,341	-	-	201,341
Fund Balances:				
Unspendable	5,064	-	-	5,064
Restricted for:				
Capital outlay	-	636,741	-	636,741
Unrestricted (deficit), reported in:				
Committed	8,000	-	-	8,000
Assigned	205,189	-	5,754	210,943
Unassigned	202,101	-	-	202,101
Total Fund Balances	420,354	636,741	5,754	1,062,849
Total Liabilities and Fund Balances	$ 621,695	$ 636,741	$ 5,754	$ 1,264,190

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, 2012

Total Fund Equity per Balance Sheet of Governmental Funds	$ 1,062,849
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	3,396,664
Accumulated depreciation	(1,130,458)
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	166,148
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	(40,194)
Total Adjustments	2,392,160
Net Assets of Governmental Activities	$ 3,455,009

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, 2012

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes				
Property tax	$ 180,766	$ -	$ -	$ 180,766
Sales tax	410,239	-	-	410,239
Other taxes	405,798	-	15,818	421,616
License and permits	39,728	-	-	39,728
Intergovernmental	85,495	496,801	-	582,296
Fines and forfeitures	160,223	-	-	160,223
Charges for services	274,796	-	-	274,796
Interest income	1,976	753	-	2,729
Other revenues	17,109	-	-	17,109
Total Revenues	1,576,130	497,554	15,818	2,089,502
Expenditures:				
Current:				
General government	745,102	-	-	745,102
Public safety	559,661	-	-	559,661
Public works	485,025	-	-	485,025
Culture and recreation	-	-	10,064	10,064
Capital outlays	-	208,091	-	208,091
Total Expenditures	1,789,788	208,091	10,064	2,007,943
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,658)	289,463	5,754	81,559
Other Financing Sources (Uses):				
Transfers in (out)				
From other funds	151,673	118,100	-	269,773
To other funds	-	(112,142)	-	(112,142)
Total other financing sources (uses)	151,673	5,958	-	157,631
Net change in fund balances	(61,985)	295,421	5,754	239,190
Fund Balance, beginning of year	482,339	341,320	-	823,659
Fund Balance, end of year	$ 420,354	$ 636,741	$ 5,754	$ 1,062,849

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, 2012

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	$ 239,190
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	285,619
Total depreciation	(123,789)
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 decreased by this amount during the fiscal year.	(2,831)
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 increased by this amount during the fiscal year.	(964)
Total Adjustments	158,035
Change in Net Assets of Governmental Activities	$ 397,225

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 1,025,000	$ 990,000	$ 996,803	$ 6,803
Licenses and permits	44,000	45,000	39,728	(5,272)
Intergovernmental	32,000	86,000	85,495	(505)
Fines and forfeitures	205,500	205,500	160,223	(45,277)
Charges for services	290,000	290,000	274,796	(15,204)
Interest income	2,000	2,000	1,976	(24)
Other revenues	6,200	59,200	17,109	(42,091)
Total Revenues	1,604,700	1,677,700	1,576,130	(101,570)
Expenditures:				
General government	738,640	746,890	745,102	1,788
Police	403,950	367,800	367,590	210
Fire	140,700	189,100	188,880	220
Insect Control	9,510	3,810	3,191	619
Public works	209,800	300,100	297,211	2,889
Sanitation	201,500	189,800	187,814	1,986
Total Expenditures	1,704,100	1,797,500	1,789,788	7,712
Excess (deficiency) of revenues over (under) expenditures	(99,400)	(119,800)	(213,658)	(93,858)
Other Financing Sources (Uses):				
Transfers in (out)				
From other funds	99,400	119,800	151,673	31,873
To other funds	-	-	-	-
Total other financing sources and uses	99,400	119,800	151,673	31,873
Net change in fund balance	$ -	$ -	(61,985)	$ (61,985)
Fund balance, beginning of year			482,339	
Fund balance, end of year			$ 420,354	

The accompanying notes are an integral part of these statements.

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

	Water and Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 771,960
Accounts receivable, net of allowances	88,074
Inventories	40,511
Total current assets	900,545
Noncurrent assets	
Capital assets, non-depreciable	276,610
Capital assets, depreciable, net of accumulated depreciation	7,308,070
Unamortized bond costs	34,650
Total noncurrent assets	7,619,330
Total Assets	8,519,875
LIABILITIES	
Current liabilities	
Accounts payable	185,803
Accrued liabilities	82,399
Compensated absences, current portion	12,050
Notes payable, current portion	59,982
Customer deposits	90,130
Total current liabilities	430,364
Long-term liabilities	
Notes payable, net of current portion	3,622,808
Total long-term liabilities	3,622,808
Total Liabilities	4,053,172
NET ASSETS	
Invested in capital assets, net of related debt	3,901,890
Restricted, debt service	6,523
Unrestricted	558,290
Total Net Assets	$ 4,466,703

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, 2012

	Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water sales	$ 490,244
Sewer sales	277,155
Other fees and charges	1,262
Total operating revenues	768,661
Operating expenses:	
Personnel costs	261,707
Contracted services	30,786
Supplies	31,381
Other operating expenses	123,346
Depreciation	199,243
Total operating expenses	646,463
Total operating income	122,198
Nonoperating revenues (expenses):	
Intergovernmental income	767,562
Investment income	120
Interest expense	(125,507)
Total nonoperating revenues (expenses)	642,175
Income before transfers	764,373
Transfers in	112,142
Transfers out	(269,773)
Change in net assets	606,742
Net assets - beginning of year	3,859,961
Net assets - end of year	$ 4,466,703

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, 2012

	Water and Sewer Fund
Cash Flows from Operating Activities:	
Receipts from customers	$ 753,113
Payments to suppliers and service providers	50,721
Payments to employees	(262,236)
Net Cash Flows Provided by (Used for) Operating Activities	541,598
Cash Flows from Noncapital Financing Activities	
Subsidy from federal grant	767,562
Payment on due to other fund	(38,500)
Transfers to other funds	(269,773)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	459,289
Cash Flows from Capital and Related Financing Activities:	
Purchase of property and equipment	(1,950,396)
Principal paid on notes payable	(3,037,819)
Interest paid	(125,507)
Bond issuance cost	(34,650)
Proceeds from bond and note issuance	4,180,270
Transfer in from SPLOST Fund	112,142
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(855,960)
Cash flows from Investing Activities:	
Interest on investments	120
Net Cash Flows Provided by (Used for) Investing Activities	120
Net Increase (Decrease) in Cash and Cash Equivalents	145,047
Cash and Cash Equivalents, Beginning of Year	626,913
Cash and Cash Equivalents, End of Year	$ 771,960

(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, 2012
(CONTINUED)

	Water and Sewer Fund
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Net Operating Income (Loss)	$ 122,198
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	199,243
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(19,388)
(Increase) decrease in inventories	2,285
Increase (decrease) in accrued liabilities	60,337
Increase (decrease) in compensated absences	(529)
Increase (decrease) in accounts payable	173,612
Increase (decrease) in customer deposits	3,840
Total Adjustments	419,400
Net Cash Provided by (Used for) Operating Activities	$ 541,598

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, 2012 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 increased from the June 30, 2011 amount by $964 for the governmental activities and decreased $529 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 one revenue bond obligation 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, 2012.

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, 2012 the carrying amount of the City's deposits was $1,558,727 and the bank balance was $1,572,157. Of the bank balance, $1,726,879 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, 2012, the City had no investments in financial securities.

B. Receivables

Receivables at June 30, 2012 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	$ 173,317	$ -	$ 173,317
Accounts	27,174	89,277	116,451
Gross Receivables	200,491	89,277	289,768
Less: allowance for uncollectibles	(4,001)	(1,203)	(5,204)
Total net receivables	$ 196,490	$ 88,074	$ 284,564

C. Capital Assets

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

Primary Government

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 339,597	$ -	$ -	$ 339,597
Construction in Progress	24,326	209,471	(215,471)	18,326
Total	363,923	209,471	(215,471)	357,923
Capital assets, being depreciated:				
Buildings	883,246	217,572	-	1,100,818
Infrastructure	977,136	-	-	977,136
Equipment	886,739	74,047	-	960,786
Total	2,747,121	291,619	-	3,038,740
Less accumulated depreciation for:				
Buildings	(185,569)	(27,548)	-	(213,117)
Infrastructure	(167,208)	(39,085)	-	(206,293)
Equipment	(653,891)	(57,156)	-	(711,047)
Total	(1,006,668)	(123,789)	-	(1,130,457)
Total assets, being depreciated	1,740,453	167,830	-	1,908,283
Governmental activities capital assets, net	$ 2,104,376	$ 377,301	$ (215,471)	$ 2,266,206

Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 58,475	$ -	$ -	$ 58,475
Construction in Progress	2,196,753	1,878,560	(3,857,178)	218,135
Total	2,255,228	1,878,560	(3,857,178)	276,610
Capital assets, being depreciated:				
Water plant and distribution system	2,324,194	39,327	-	2,363,521
Sewer plant and extensions	3,266,778	3,871,802	-	7,138,580
Equipment	322,769	17,886	(11,000)	329,655
Total	5,913,741	3,929,015	(11,000)	9,831,756
Less accumulated depreciation for:				
Water plant and distribution system	(817,633)	(46,327)	-	(863,960)
Sewer plant and extensions	(1,239,864)	(142,491)	-	(1,382,355)
Equipment	(277,945)	(10,426)	11,000	(277,371)
Total	(2,335,442)	(199,244)	11,000	(2,523,686)
Total assets, being depreciated, net	3,578,299	3,729,771	-	7,308,070
Business-type activities capital assets, net	$ 5,833,527	$ 5,608,331	$(3,857,178)	$ 7,584,680

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

Governmental activities:	
General government	$ 26,470
Public safety	50,577
Public works	46,742
Total depreciation expense – governmental activities	$ 123,789
Business-type activities:	
Water and sewer	$ 199,244
Total depreciation expense – business-type activities	$ 199,244

D. Short-term Debt

Description	Beginning Balance	Additions	Reductions	Ending Balance
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	$ 979,271	$ (3,000,020)	$ -
	$ 2,020,749	$ 979,271	$ (3,000,020)	$ -

E. Capital Leases

The City was not a party to a capital lease agreement during the year ended June 30, 2012.

F. Long-term Debt

For governmental activities, compensated absences are generally liquidated by the General Fund.

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, 2012.

Revenue Bonds
The government can also issue bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. In 2011, the City issued revenue bonds totaling $3,201,000 to help fund the city's portion of a United State Department of Agriculture project to upgrade the city's wastewater treatment plant. The bond consists of 468 monthly payments of $13,029 starting in December 2012. The city also has a onetime annual payment of interest due November 2012. The annual interest rate is 3.75%. The city has pledged future revenues of the water and sewer system to service the bonds.

Annual debt service requirements to maturity for the revenue bonds payable are as follows:

	Business-Type Activities Revenue Bonds	
Fiscal Year	Principal	Interest
2013	21,381	189,860
2014	37,757	118,591
2015	39,197	117,151
2016	40,693	115,655
2017	42,245	114,103
2018-2022	236,667	545,073
2023-2027	285,392	496,348
2028-2032	344,148	437,592
2033-2037	415,000	366,740
2038-2042	500,439	281,301
2043-2047	603,468	178,272
2048-2051	634,613	54,913
Total	$ 3,201,000	$ 3,015,599

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 debt service requirements to maturity for the notes payable are as follows:

	Business-Type Activities GEFA	
Fiscal Year	Principal	Interest
2013	38,601	9,329
2014	39,359	8,571
2015	40,152	7,778
2016	40,948	6,982
2017	41,799	6,131
2018-2022	221,908	17,742
2023	59,023	888
Total	$ 481,790	$ 57,421

Interest included in the direct expenses of the government-wide statement of activities for FYE June 30, 2012 is $125.507 in the water and sewer fund.

Long-term liability activity for the year ended June 30, 2012 is as follows:

Governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 39,230	$ 31,692	$ (30,728)	$ 40,194	$ 38,749
Governmental activities long-term liabilities	$ 39,230	$ 31,692	$ (30,728)	$ 40,194	$ 38,749

Business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 12,580	$ 10,084	$ (10,614)	$ 12,050	$ 12,050
Bonds payable	-	3,201,000	-	3,201,000	21,381
Notes payable	519,589	-	(37,799)	481,790	38,601
Business-type activity long-term liabilities	$ 532,169	$ 3,211,084	$ (48,413)	$ 3,694,840	$ 72,032

G. Interfund Receivable, Payables, and Transfers

The city did not have any interfund receivables or payables as of June 30, 2012.

The composition of interfund transfers as of June 30, 2012, is as follows:

Transfer Out	Transfer In	Amount	Purpose
SPLOST Fund	Water/Sewer Fund	$ 112,142	Water and Sewer Capital Improvements
Water/Sewer Fund	SPLOST Fund	118,102	Reimburse USDA Project Expenditures
Water/Sewer Fund	General Fund	151,671	Reimburse Operating 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, 2012, the City paid $2,766 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 $16,684 by the General Fund and $3,273 by the Water Fund. This plan is a defined contribution plan in which the employees contributed $19,957. 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 $4,090 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, 2010 to June 30, 2012 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, 2010	$ 29,796
Claims and changes in estimates	260,073
Claims payments	(272,686)
Receivable balance, June 30, 2011	17,183
Claims and changes in estimates	263,984
Claims payments	(250,046)
Receivable balance, June 30, 2012	$ 31,121
Assets available to pay claims at June 30, 2012	$ 210,943

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 2012 are to be levied in November 2012 on property values assessed as of January 1, 2012. 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, 2013. 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 $9,491 or 60%, of the lodging tax received during the year ended June 30, 2012 was used or assigned for promoting tourism and $6,327 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 31, 2012 and found no reportable events.

SUPPLEMENTARY INFORMATION

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

	Special Revenue Fund
	Hotel/Motel Tax Fund
Revenues:	
Taxes	$ 15,818
Total revenues	15,818
Expenditures:	
Culture and recreation	10,064
Total expenditures	10,064
Excess (deficiency) of revenues over expenditures	5,754
Other financing sources (uses):	
Transfers out:	
To other funds	-
Total other financing sources (uses)	-
Net change in fund balances	5,754
Fund balances (deficits), beginning of year	-
Fund balances, end of year	$ 5,754

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

	Hotel/Motel Tax Fund			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 22,000	$ 22,000	$ 15,818	$ (6,182)
Total Revenues	22,000	22,000	15,818	(6,182)
Expenditures:				
Culture and recreation	22,000	22,000	10,064	11,936
Total expenditures	22,000	22,000	10,064	11,936
Excess (deficiency) of revenues over expenditures	-	-	5,754	5,754
Other financing sources (uses):				
Transfers in:				
From other funds	-	-	-	-
Transfers out:				
To other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	5,754	$ 5,754
Fund balances (deficits), beginning of year			-	
Fund balances, end of year			$ 5,754	

CITY OF EAST DUBLIN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2012

	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	$ 320,394	$ -	$ 320,394	64.08%
Water and Sewerage Improvements	1,291,790	1,291,790	882,251	112,142	994,393	76.98%
City Hall and Associated Buildings	800,000	800,000	598,115	208,091	806,206	100.78%
	$ 2,591,790	$ 2,591,790	$ 1,800,760	$ 320,233	$ 2,120,993	

STATISTICAL SECTION

CITY OF EAST DUBLIN, GEORGIA
STATISTICAL SECTION INTRODUCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 43*

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 50*

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 56*

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 59*

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

Operating Information *Page 61*

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 NINE FISCAL YEARS

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 2,266,206
Restricted	-	-	-	-	-	111,704	127,275	351,320	636,741
Unrestricted	345,732	522,700	472,863	557,166	725,888	719,928	674,821	602,088	552,062
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	3,455,009
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	3,901,890
Restricted	223	-	-	-	-	-	-	12,305	6,523
Unrestricted	35,627	55,857	(31,265)	144,018	160,576	215,251	423,468	554,468	558,290
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	4,466,703
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	6,168,096
Restricted	223	-	-	-	-	111,704	127,275	363,625	643,264
Unrestricted	381,359	578,557	441,598	701,184	886,464	935,179	1,098,289	1,156,556	1,110,352
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	$ 7,921,712

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 NINE FISCAL YEARS

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:									
Governmental activities:									
General government	$ 646,822	$ 556,324	$ 622,187	$ 596,231	$ 637,200	$ 735,044	$ 712,315	$ 716,772	$ 772,536
Public safety	433,093	480,886	499,376	523,163	558,934	554,468	554,019	594,994	597,265
Public works	337,538	354,412	359,781	425,711	451,389	457,041	458,346	465,052	469,312
Culture and recreation	6,725	8,457	9,760	8,926	8,289	18,559	8,183	12,707	7,964
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	1,847,077
Business-type activities:									
Water and sewer	445,505	467,847	546,270	544,459	555,977	565,655	538,869	557,990	771,970
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	771,970
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	2,619,047
Program revenues									
Governmental activities:									
Charges for services:									
General government	6,045	18,224	-	-	42,866	2,419	-	40,767	39,728
Public safety	114,820	239,871	257,925	191,047	189,149	202,052	199,918	195,830	160,223
Public works	224,583	152,916	168,363	294,550	270,707	270,886	293,761	279,147	274,796
Operating grants and contributions	10,000	29,070	-	50,000	-	-	16,264	31,359	32,408
Capital grants and contributions	64,905	55,875	98,374	130,600	-	155,541	-	419,228	550,641
Total governmental activities program revenues	420,353	495,956	524,662	666,197	502,722	630,898	509,943	966,331	1,057,796
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	767,399
Golf course	15,517	18,601	1,766	-	-	-	-	-	-
Capital grants and contributions	443,336	56,664	274,483	162,640	-	199,980	279,946	-	767,562
Total business-type activities program revenues	969,246	629,976	813,282	746,557	639,580	894,062	953,238	643,626	1,534,961
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	$ 2,592,757

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 NINE FISCAL YEARS (CONTINUED)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	$ (789,281)
Business-type activities	450,005	106,003	262,448	202,098	83,603	328,407	414,369	85,636	762,991
Total primary government expense	(553,820)	(798,120)	(703,994)	(685,736)	(1,069,487)	(805,807)	(808,551)	(737,558)	(26,290)
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	177,935
Sales taxes	349,480	351,021	620,992	759,184	939,321	912,897	906,484	380,442	410,239
Other taxes and licenses	248,957	239,226	256,932	299,127	306,749	449,557	447,689	426,400	421,616
Investment earnings	3,795	4,642	6,249	7,848	7,335	4,271	3,637	2,492	1,976
Miscellaneous	-	3,363	3,000	1,967	4,222	2,778	8,982	25,264	17,109
Transfers	124,754	184,075	74,597	(203,337)	(19,773)	(98,051)	(175,628)	311,652	157,631
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	1,186,506
Business-type activities:									
Sales tax	117,882	280,431	-	-	-	-	-	-	-
Investment earnings	1,283	1,589	986	82	17	3	482	296	120
Miscellaneous	-	967	(1,951)	-	-	-	2,347	7,069	1,262
Transfers	(124,754)	(184,075)	(74,597)	203,337	19,773	98,051	175,628	(311,652)	(157,631)
Total business-type activities	(5,589)	98,912	(75,562)	203,419	19,790	98,054	178,457	(304,287)	(156,249)
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	1,030,257
Change in Net Assets									
Governmental activities	48,235	229,682	356,284	310,699	413,433	339,736	141,835	502,838	397,225
Business-type activities	444,416	204,915	186,887	405,517	103,393	426,461	592,826	(218,651)	606,742
Total primary government	$ 492,651	$ 434,597	$ 543,171	$ 716,216	$ 516,826	$ 766,197	$ 734,661	$ 284,187	$ 1,003,967

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 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	$ 5,099	$ 5,277	$ 16,341	$ 15,092	$ 14,007	$ 6,947	$ 1,520	$ -	$ -	$ -
Unreserved	229,502	250,610	368,247	372,738	375,512	237,554	269,176	-	-	-
Total general fund	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 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Unspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,645	$ 5,236	$ 5,064
Restricted	-	-	-	-	-	-	-	-	10,000	-
Committed	-	-	-	-	-	-	-	-	8,000	8,000
Assigned	-	-	-	-	-	-	-	189,542	198,402	205,189
Unassigned	-	-	-	-	-	-	-	376,828	260,701	202,101
Total general fund	-	-	-	-	-	-	-	572,015	482,339	420,354
All Other Governmental Funds										
Unspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	127,275	341,320	636,741
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	5,754
Unassigned	-	-	-	-	-	-	-	(376,501)	-	-
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (249,226)	$ 341,320	$ 642,495

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	$ 784,178	$ 861,146	$ 896,482	$ 1,199,533	$ 1,346,374	$ 1,531,855	$ 1,517,793	$ 1,018,750	$ 961,351	$ 1,012,621
Licenses and permits	53,160	44,979	47,379	41,085	35,065	42,884	46,677	41,904	40,767	39,728
Intergovernmental	1,575	74,905	84,945	98,374	180,600	-	155,541	452,957	450,255	582,296
Fines and forfeitures	73,309	88,820	123,697	134,228	155,843	152,391	164,614	162,104	195,830	160,223
Charges for services	219,088	252,079	269,090	282,266	312,360	307,465	308,324	331,575	279,147	274,796
Investment earnings	1,570	3,795	4,642	6,249	7,848	7,335	4,271	3,637	2,824	2,729
Other revenues	9,943	4,549	18,224	66,621	17,394	42,866	2,419	7,582	25,264	17,109
Total revenues	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	2,089,502
Expenditures										
General government	535,513	643,237	551,359	616,464	590,543	648,519	974,976	824,234	696,202	745,102
Public safety	369,672	399,548	450,525	460,933	475,470	509,478	525,108	539,508	577,211	559,661
Public works	320,989	323,669	337,151	336,495	389,237	410,432	559,528	412,957	432,964	485,025
Culture and recreation	-	6,725	8,457	9,760	8,926	8,289	18,559	15,489	26,843	10,064
Capital outlay	35,875	60,562	155,707	479,059	388,249	637,545	-	-	33,000	208,091
Total expenditures	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	2,007,943
Excess (deficiency) of revenues over (under) expenditures	(119,226)	(103,468)	(58,740)	(74,355)	203,059	(129,467)	121,468	226,321	189,218	81,559
Other financing sources (uses):										
Sale of assets	-	-	3,363	3,000	1,967	4,222	2,778	1,400	-	-
Transfers in	167,611	186,856	223,596	86,219	13,389	12,455	-	2,689	764,831	269,773
Transfers out	(38,572)	(62,102)	(39,518)	(11,622)	(216,726)	(32,228)	(98,051)	(178,317)	(453,179)	(112,142)
Total other financing sources (uses)	129,039	124,754	187,441	77,597	(201,370)	(15,551)	(95,273)	(174,228)	311,652	157,631
Net change in fund balances	$ 9,813	$ 21,286	$ 128,701	$ 3,242	$ 1,689	$ (145,018)	$ 26,195	$ 52,093	$ 500,870	$ 239,190

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
6/30/2003	$ 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
6/30/2012	745,102	367,590	192,071	485,025	1,789,788

Notes:
(1) Source is current and prior years' fund financial statements.
(2) Capital outlay expenditures included in 2009 thru 2012 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
6/30/2003	$ 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
6/30/2012	582,296	180,766	410,239	238,129	274,796	160,223	108,722	114,493	19,838	2,089,502

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
6/30/2003	$ 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%
6/30/2012	410,239	496,801	907,040	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
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%
2012	39,161,652	2,239,139	36,922,513	4.105	83,322,664	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		
6/30/2003	$ 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%	8,388	175,259	100.00%	-	0.00%
6/30/2006	172,344	164,967	95.72%	6,161	170,898	99.16%	1,216	0.71%
6/30/2007	170,261	158,611	93.16%	7,841	165,735	97.34%	3,809	2.24%
6/30/2008	154,714	137,892	89.13%	6,393	142,323	91.99%	10,429	6.74%
6/30/2009	151,191	124,025	82.03%	15,695	133,042	88.00%	11,471	7.59%
6/30/2010	151,159	126,654	83.79%	9,350	126,654	83.79%	15,155	10.03%
6/30/2011	149,977	40,324	26.89%	91,333	40,324	26.89%	18,320	12.22%
6/30/2012	148,022	35,104	23.72%	-	35,104	23.72%	112,918	76.28%

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

	Direct	Overlapping		
Tax Levy Period Calendar Year	City	State and County	County School System	Total
2003	4.15	6.98	13.05	24.18
2004	4.09	6.95	13.04	24.08
2005	4.05	6.95	13.04	24.04
2006	4.054	6.95	13.04	24.044
2007	4.020	6.56	11.95	22.521
2008	4.01	6.550	11.939	22.499
2009	4.06	6.55	16.000	26.608
2010	4.058	6.55	16.000	26.608
2011	4.076	6.55	16.000	26.626
2012	4.105	6.57	16.000	26.675

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

CITY OF EAST DUBLIN, GEORGIA
PRINCIPAL TAXPAYERS
JUNE 30, 2012

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Georgia Power	Utilities	$ 2,293,453	2.92%
T&M International Trading LLC	Real Estate	1,201,016	1.53%
Sea 103 LLC	Grocery	871,186	1.11%
Southern Family Markets	Grocery	739,156	0.94%
RX East Dublin Investors	Pharmacy	728,627	0.93%
Mid State Investors II, LLC	Pharmacy	703,606	0.90%
East Dublin Concrete	Manufacturer	680,068	0.87%
Shatee Hospitality	Motel	699,264	0.89%
Rite Aid Pharmacy	Pharmacy	672,378	0.86%
Bellsouth	Utilities	667,062	0.85%
		$ 9,255,816	11.78%

Source: Laurens County Tax Digest

CITY OF EAST DUBLIN, GEORGIA
PRINCIPAL TAXPAYERS
JUNE 30, 2003

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Rite-Aid Corp.	Pharmacy	$ 1,730,003	2.60%
Georgia Power Co.	Utility	1,287,726	1.90%
East Dublin Association	Shopping Center	1,194,464	1.80%
Shantee Hospitality LLC	Motel	1,161,041	1.70%
East Dublin Concrete Products	Manufacturer	968,623	1.40%
Bellsouth	Utility	889,622	1.30%
Bruno's	Grocery	745,240	1.10%
Farmers & Merchants	Bank	650,369	1.00%
D & J Properties	Convenience Store	618,686	0.90%
Dollar General	General Store	575,307	0.90%
		$ 9,821,081	14.60%

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			
6/30/2003	$ -	$ -	$ -	$ 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
6/30/2012	-	-	-	481,790	3,201,000	3,682,790	5.13%	1,494

Source: current and prior years' financial statements.

CITY OF EAST DUBLIN, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2012

Assessed value of all taxable property	$ 36,922,513	
Plus exempt property	2,239,139	$ 39,161,652
Debt limit - 10% of assessed value		$ 3,916,165
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		$ 3,916,165

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		
6/30/2003	$ 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	-	-
6/30/2012	768,661	447,220	321,441	59,982	199,189	259,171	-	-

(1) Total revenues exclusive of grants and interest.
(2) Total operating expenses exclusive of depreciation.
(3) Subsequent year's principal and interest requirements.

Source: current and prior years' financial statements.

CITY OF EAST DUBLIN, GEORGIA
DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2012

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)
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	93,196,800	29,124	12.5%
2011	2,441	79,095,723	32,403	12.7%
2012	2,465	71,790,660	29,124	13.0%

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 EIGHT YEARS AGO

	2012			2004		
Employer	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Wild Bore Machine	35	1	1.42%			
Southern Family Markets #765	33	2	1.34%			
T Lake Environmental	25	3	1.01%	15	8	0.53%
Fred's Store #1538	18	4	0.73%			
Builders Concrete	16	5	0.65%	17	3	0.61%
Mid State Machine Shop	16	6	0.65%			
Circle R Gate Company, Inc.	16	7	0.65%			
Huddle House #412	14	8	0.57%	20	2	0.71%
Dollar General	12	9	0.49%			
Middle Georgia Mechanical	11	10	0.45%			
Foodmax #65				40	1	1.43%
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%
Friendly Gus #6				13	10	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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative	3	3	3	3	3	3	4	4	4	4
Fire	3	3	3	3	3	3	3	3	3	3
Police	8	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	4	4	4

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative										
Business licenses issued	322	322	322	314	343	348	345	259	296	267
Building permits issued	22	15	46	55	51	29	19	9	7	10
Police										
Citations	926	1,053	1,181	1,093	934	1,044	1,240	990	990	1,571
Public Works										
Garbage customers	901	901	901	901	901	901	941	941	916	931
Culture and Recreation										
Annual non-city sponsored events	1	1	1	1	1	1	1	1	1	1
Water										
Average daily consumption in gallons	311,888	300,017	272,160	242,821	280,123	290,649	306,136	283,966	281,366	263,244

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative										
Vehicles	2	2	2	2	1	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	8	8	8	9	9	9	8	8	8
Street (miles)	30.78	30.78	32.16	32.16	32.79	32.79	32.79	32.79	32.79	32.79
Streetlights	369	372	393	397	397	398	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)	35.54	35.54	35.54	35.74	36.74	36.74	36.74	36.74	36.74	36.74
Sewer										
Sanitary sewers (miles)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00

SINGLE AUDIT SECTION

CITY OF EAST DUBLIN, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

Federal Grantor/Pass-Through Program Title	CFDA Number	Agency or Pass-Through Grantor Number	Expenditures
Direct Awards:			
U.S. Department of Justice			
Recovery Act-Edward Byrne Memorial Competitive Grant Program	16.808	2009-RK-WX-0286	$ 32,408
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	10.760		767,562
Total Direct Awards			799,970
Pass Through Awards:			
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Hazard Mitigation Grant	97.039	HMGP 1761-0016	46,841
Total Pass Through Awards			46,841
Total Federal Awards			$ 846,811

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of City of East Dublin, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of East Dublin, Georgia's basic financial statements and have issued our report thereon dated October 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of East Dublin, Georgia, is responsible for establishing and maintaining effective 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 questioned costs, 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 material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2012-1 described in the accompany schedule of findings and questioned costs 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of East Dublin, Georgia, in a separate letter dated October 31, 2012.

City of East Dublin, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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.

Berckley & Hopkins, LLP

Forsyth, Georgia
October 31, 2012

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

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

Compliance

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

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

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

Internal Control over Compliance

Management of City of East Dublin, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of East Dublin, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of East Dublin, Georgia's internal control over compliance.

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

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

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

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

Barclay & Hopkins, LLP

Forsyth, Georgia
October 31, 2012

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

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditors' report issued on compliance for major programs?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133?	No

Identification of Major Programs

The programs tested as major programs of the City of East Dublin, Georgia included:

CFDA #	Name of Federal Program or Cluster
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold to distinguish between Type A and Type B programs:	$300,000
Audit qualified as a low-risk auditee under Section 530 of OMB Circular A-133?	No

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

Section II. Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

2012-01 Recording of Grant Activity

CRITERIA
Under the current financial resources measurement focus, the transactions for the USDA grant should follow the modified accrual basis of accounting.

CONDITION
During fiscal year 2012, the City did not appropriately record grant activity during the year.

EFFECT
An audit adjustment of $767,562 was required to be recorded in the water and sewer fund to account for the USDA grant revenue.

CAUSE
The material weakness is the result of the City not having employees with adequate knowledge to properly record these transactions.

RECOMMENDATION
The City should utilize a certified public account consultant during the year to ensure that material transactions are recorded properly and timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management concurs with the finding and will consider consulting a certified public accountant during the year when material transactions need to be recorded.

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

Section III. Findings Relating to the Federal Awards

None reported.

CITY OF EAST DUBLIN, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

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.

Auditee response/status: Resolved.

2011-02 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.

Auditee response/status: Resolved.

CITY OF EAST DUBLIN

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DWAYNE LAKE, WATER/SEWER SUPT.
H.T. SCARBOROUGH, PUBLIC WORKS SUPT.
ALLEN RICKS, FIRE CHIEF
WILLIAM LUECKE, POLICE CHIEF

2012-01 Recording of Grant Activity

CRITERIA

Under the current financial resources measurement focus, the transactions for the USDA grant should follow the modified accrual basis of accounting.

CONDITION

During fiscal year 2012, the City did not appropriately record grant activity during the year.

EFFECT

An audit adjustment of $767,562 was required to be recorded in the water and sewer fund to account for the USDA grant revenue.

CAUSE

The material weakness is the result of the City not having employees with adequate knowledge to properly record these transactions.

RECOMMENDATION

The City should utilize a certified public account consultant during the year to ensure that material transactions are recorded properly and timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding and will consider consulting a certified public accountant during the year when material transactions need to be recorded.

Melissa E Bassett, City Clerk

10/31/12

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