

A N N U A L
F I N A N C I A L

REPORT

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ENGAGEMENT TEAM LEADERSHIP

AUDIT SCOPE & OPINION

AUDITOR'S RESPONSIBILITY

REQUIRED COMMUNICATIONS

AUDIT RESULTS

QUESTIONS & ANSWERS

table

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Engagement Team Leadership

Billy Daniels, CPA, CGFM –
Engagement Member

Yogesh Patel, CPA –
Engagement Member

Jessica Story, CPA –
Engagement Supervisor

Carol Phillips, CFE – Concurring
Member

Roger Hornberger, CPA, CITP,
CISA – Information Technology
Member



"Our promise and mission
is to help you thrive
and accomplish more of
what's important"

-7-

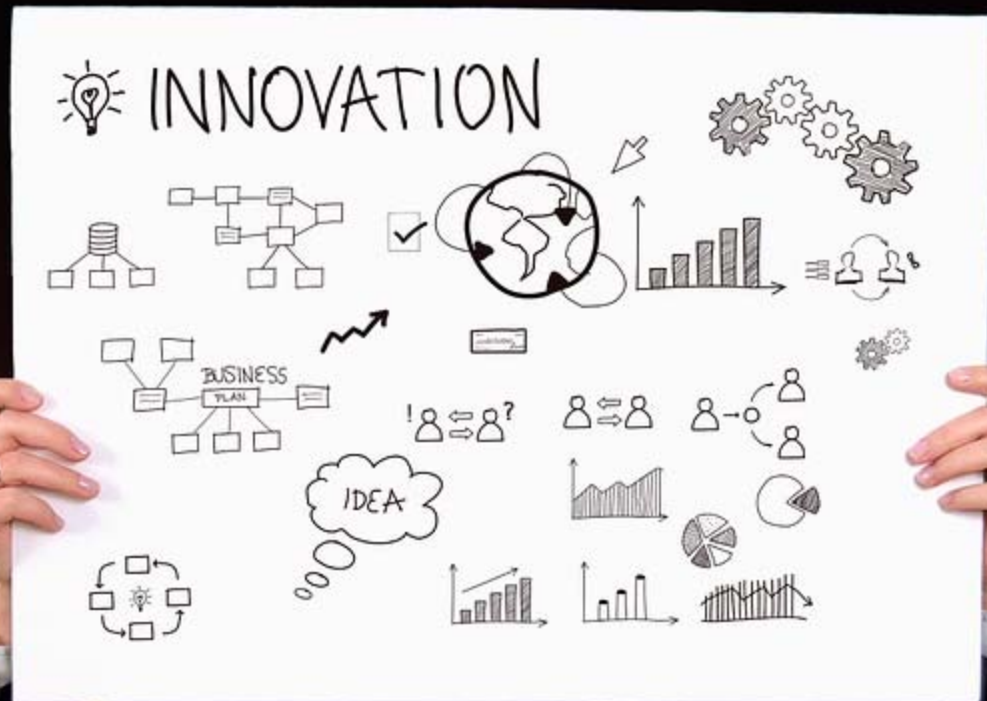
Terms of Engagement & Audit Opinion

City's Financial Audit -
Unmodified

∞ City's Single Audit -
Unmodified

Plan and perform the audit to obtain sufficient appropriate audit evidence to reduce audit risk to a low level to provide an opinion that the financial statements are free of material misstatement

Attainment of reasonable assurance



Reasonable assurance - High, but not absolute level of assurance

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Our Responsibilities

Express opinion about whether financial statements are fairly presented in all material respects and in conformity with (GAAP).

Express an opinion on compliance and test internal controls in accordance with OMB Uniform Administrative Requirements

Planned Scope & Timing of our audit communicated in our letter dated December 15, 2015 have not change.

Qualitative Aspects

Significant accounting policies are illustrated in Note 1

No transactions were noted that lacked authoritative guidance.

Accounting estimates and disclosures appear reasonable and complete.

Management implemented GASB 78 – Tax Abatement Disclosures during 2015

Required
Communications
**Those Charged
with Governance**

Corrected and Uncorrected Misstatements

No misstatements were detected as a result of our audit and corrected by management that were material, either individually or in the aggregate to the financial statements taken as whole.

Management

There were no difficulties with management during our audit. We are not aware of management consulting with other accountants for a second opinion.

Other

We generally discuss issues related to accounting principles and auditing standards with management. These discussions occurred in the normal course of our professional relationship and were not a condition of retention.

Required
Communications
Those Charged
with Governance

Audit Results

Letter of Transmittal

Certificate of Achievement

Organization Chart

Listing of elected and appointed officials

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

Introductory Section

Financial Section

Statistical information

Auditors ' Report

Management Discussion and Analysis

Basic Financial Statements

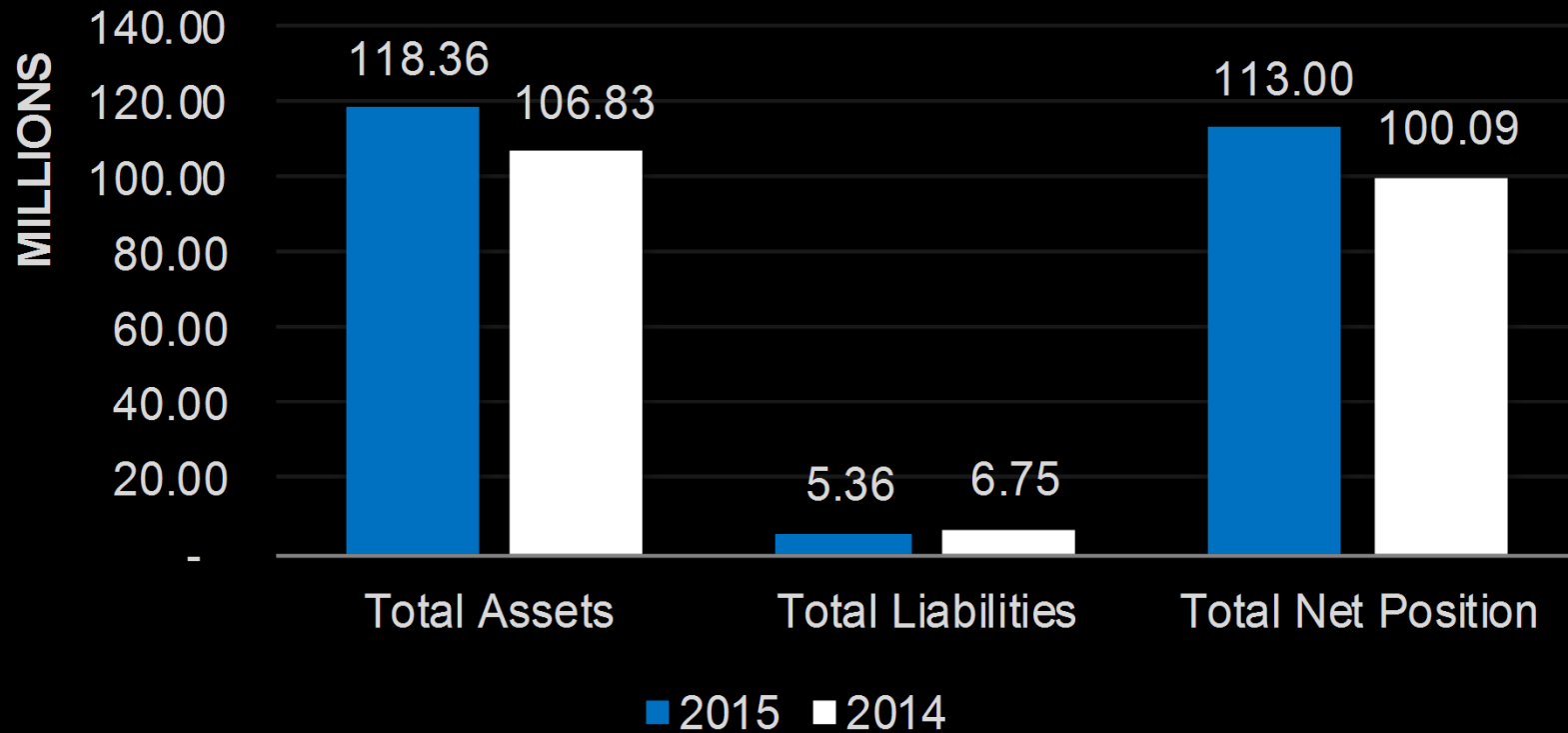
Notes to Financial Statement

Required Supplemental Information

Combiing and Individual Fund Financial Statements

City of Dunwoody

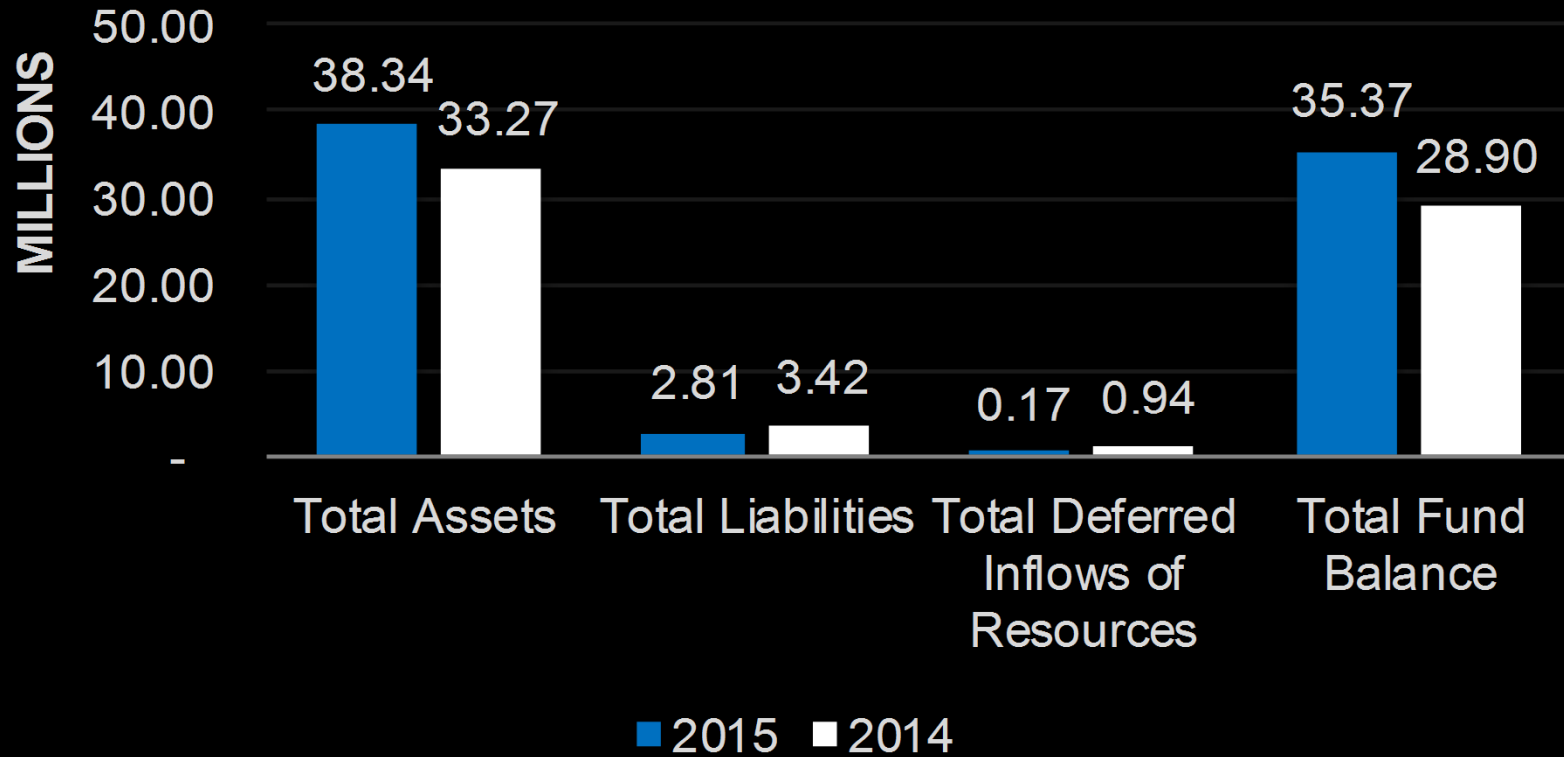
FY15/14 Government-Wide Statement of Net Position Comparison



Percent Change		
10.79%	-20.50%	12.90%

City of Dunwoody

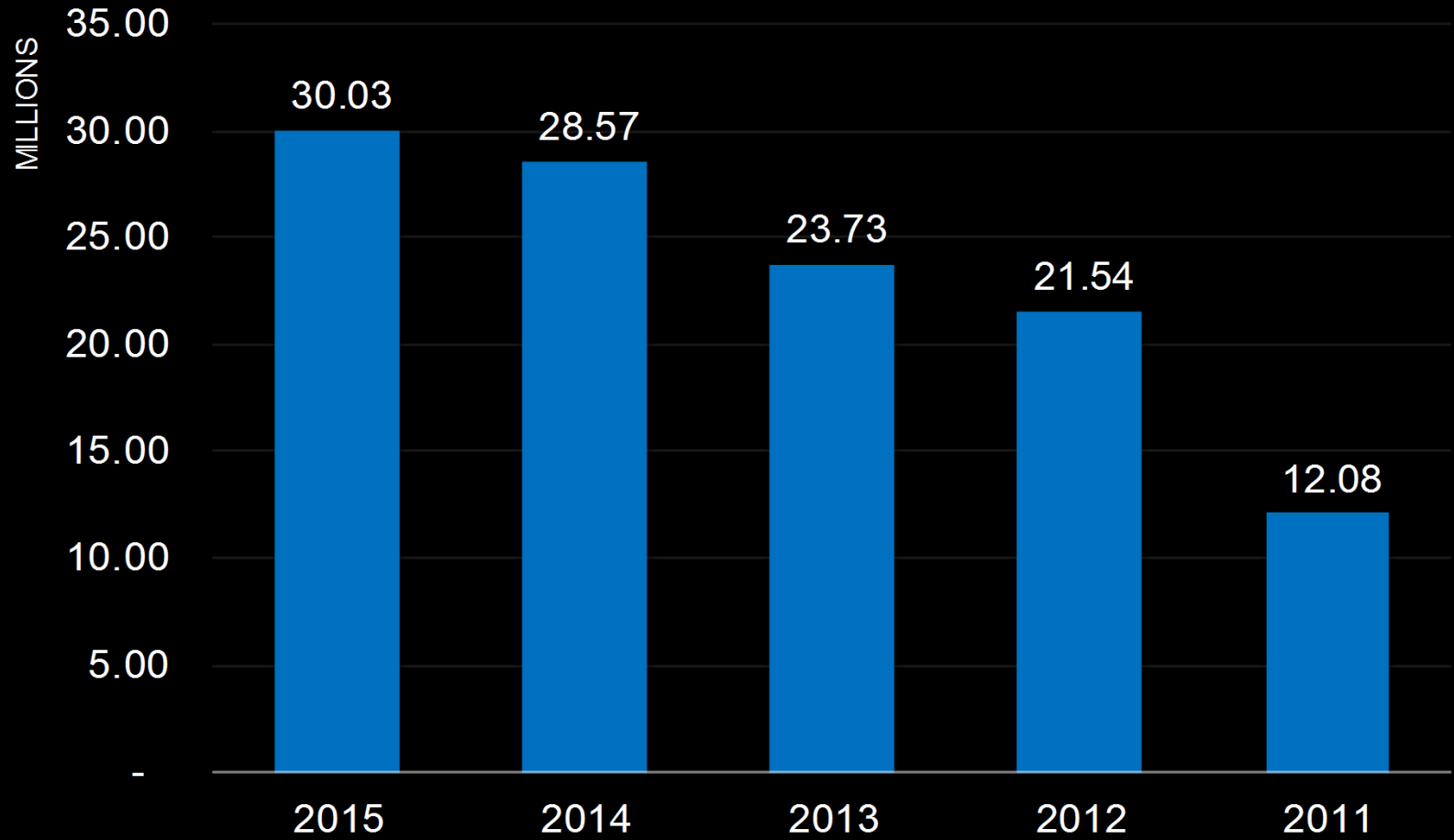
FY15/14 Governmental Funds Statement of Net Position Comparison



Percent Change			
15.25%	-18.03%	-82.27%	22.36%

City of Dunwoody

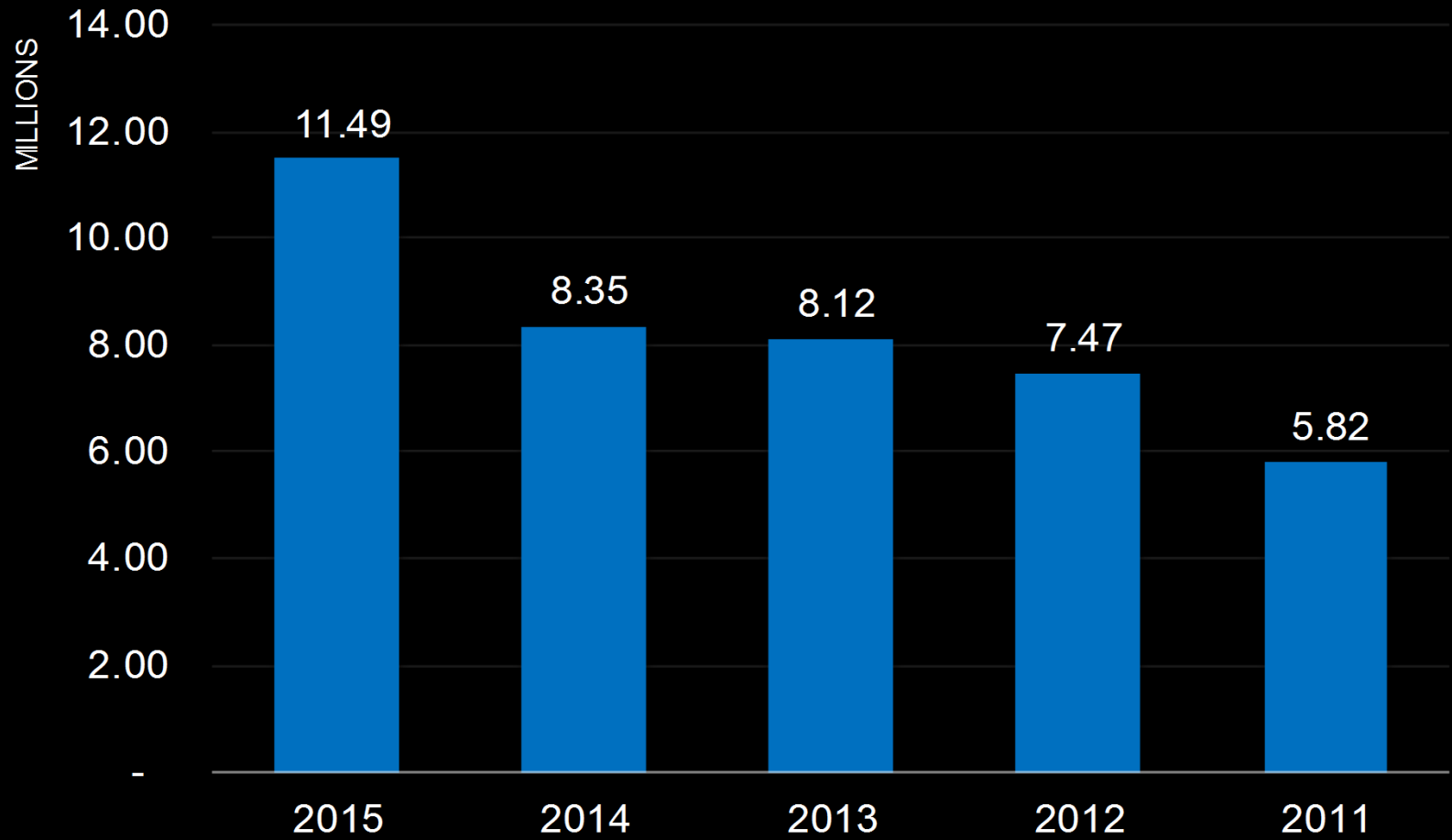
Government-Wide Unrestricted Net Position (Last Five Years)



Percent Change				
5.14%	20.35%	10.20%	78.35%	45.46%

City of Dunwoody

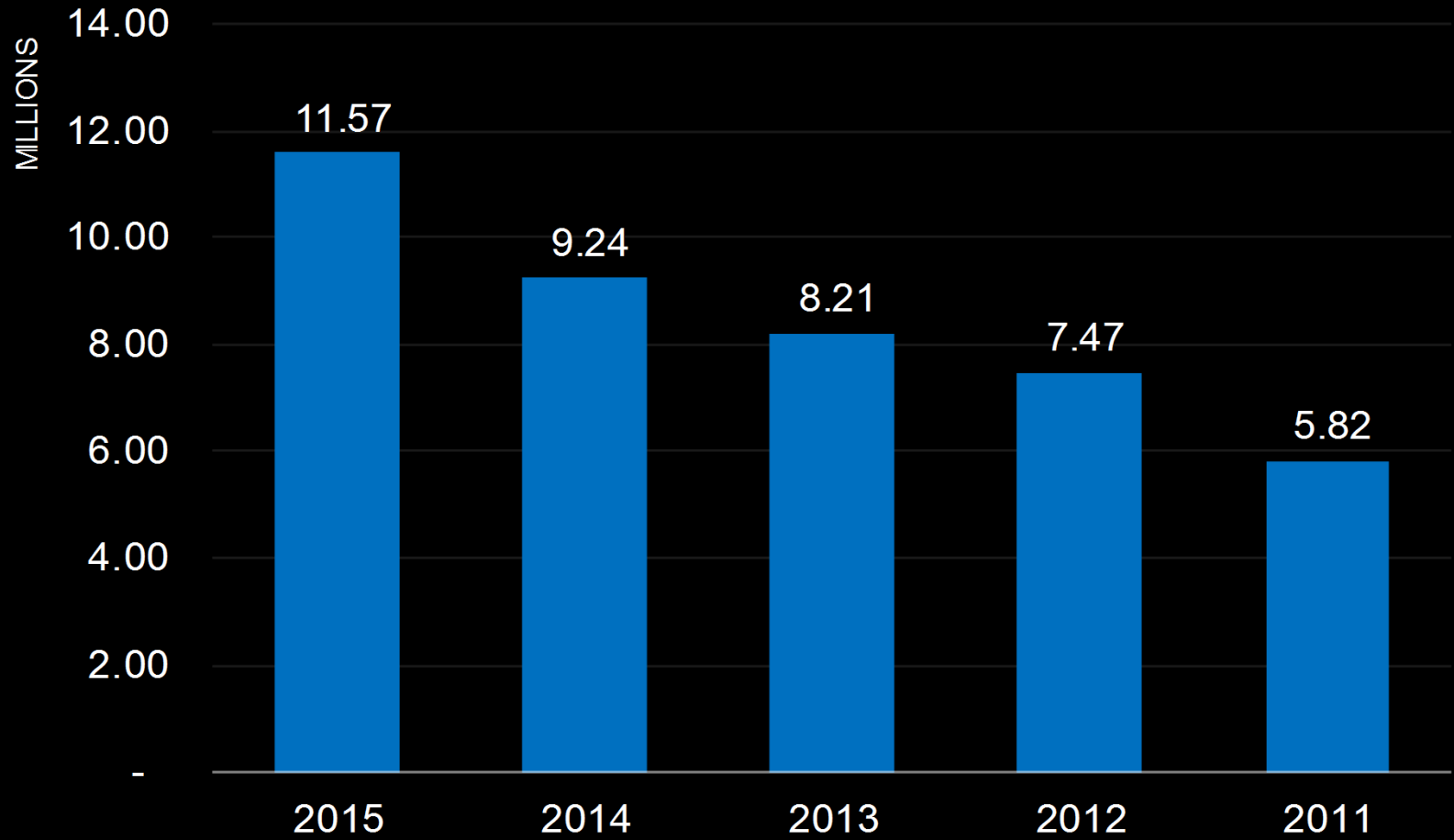
Governmental Unrestricted Net Position (Last Five Years)



Percent Change				
37.64%	2.84%	8.69%	28.47%	6.49%

City of Dunwoody

General Fund Unassigned Fund Balance (Last Five Years)

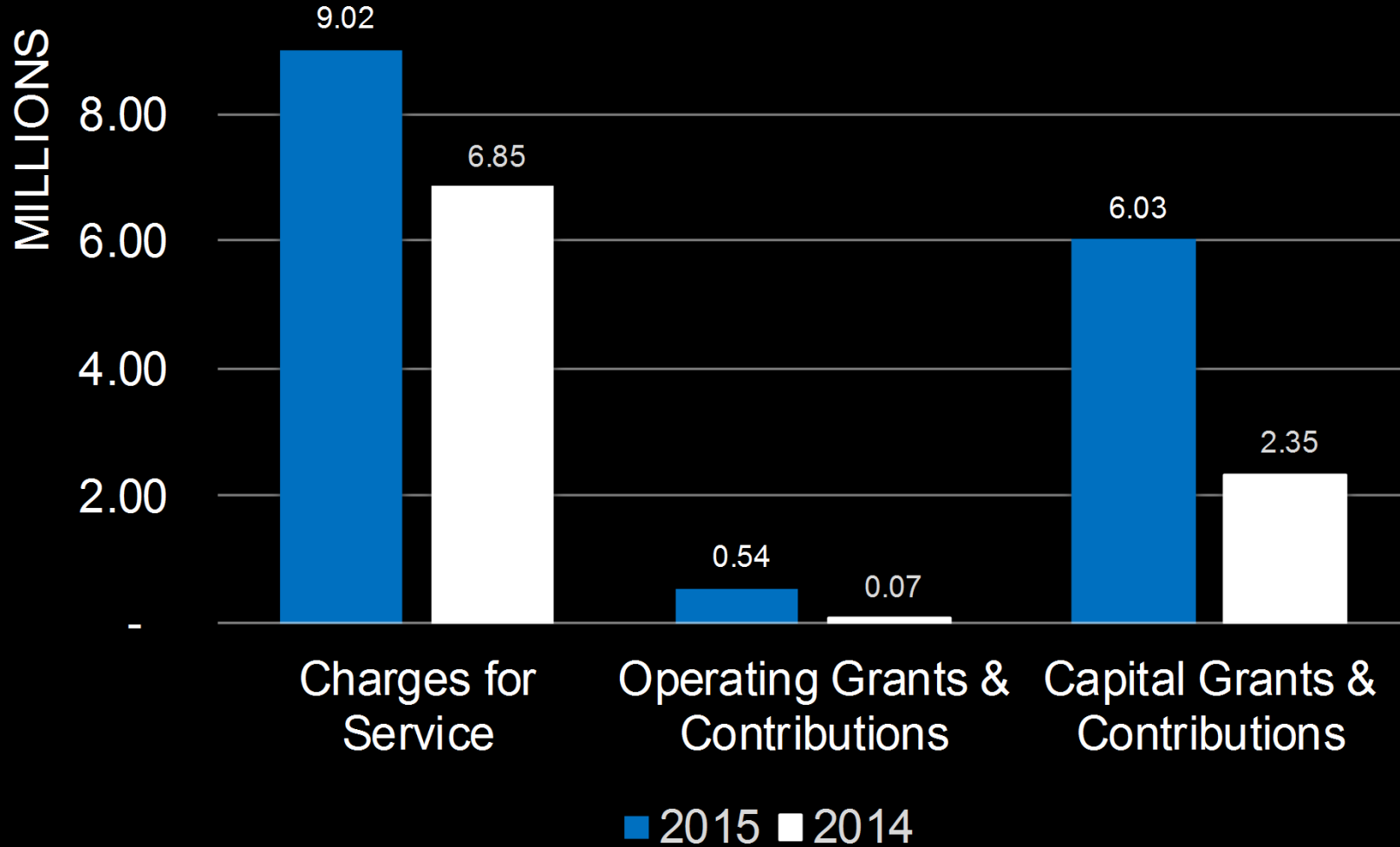


Percent Change				
25.32%	12.53%	9.85%	28.31%	6.63%

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City Of Dunwoody

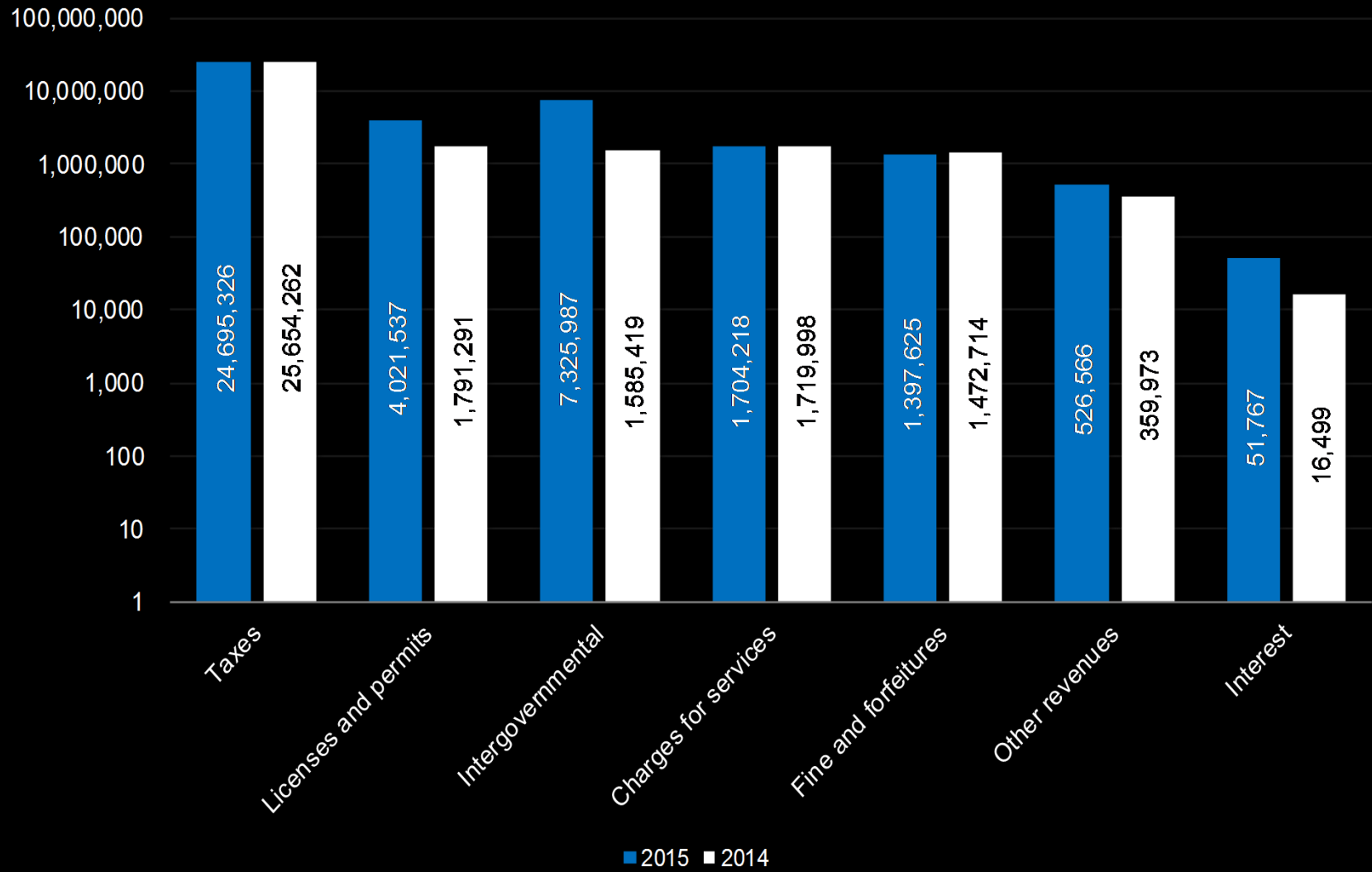
FY15/14 Government-Wide Program Revenue Comparision



Percent Change		
31.78%	671.39%	156.74%

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City of Dunwoody Governmental Funds FY15/14 Revenue Comparison



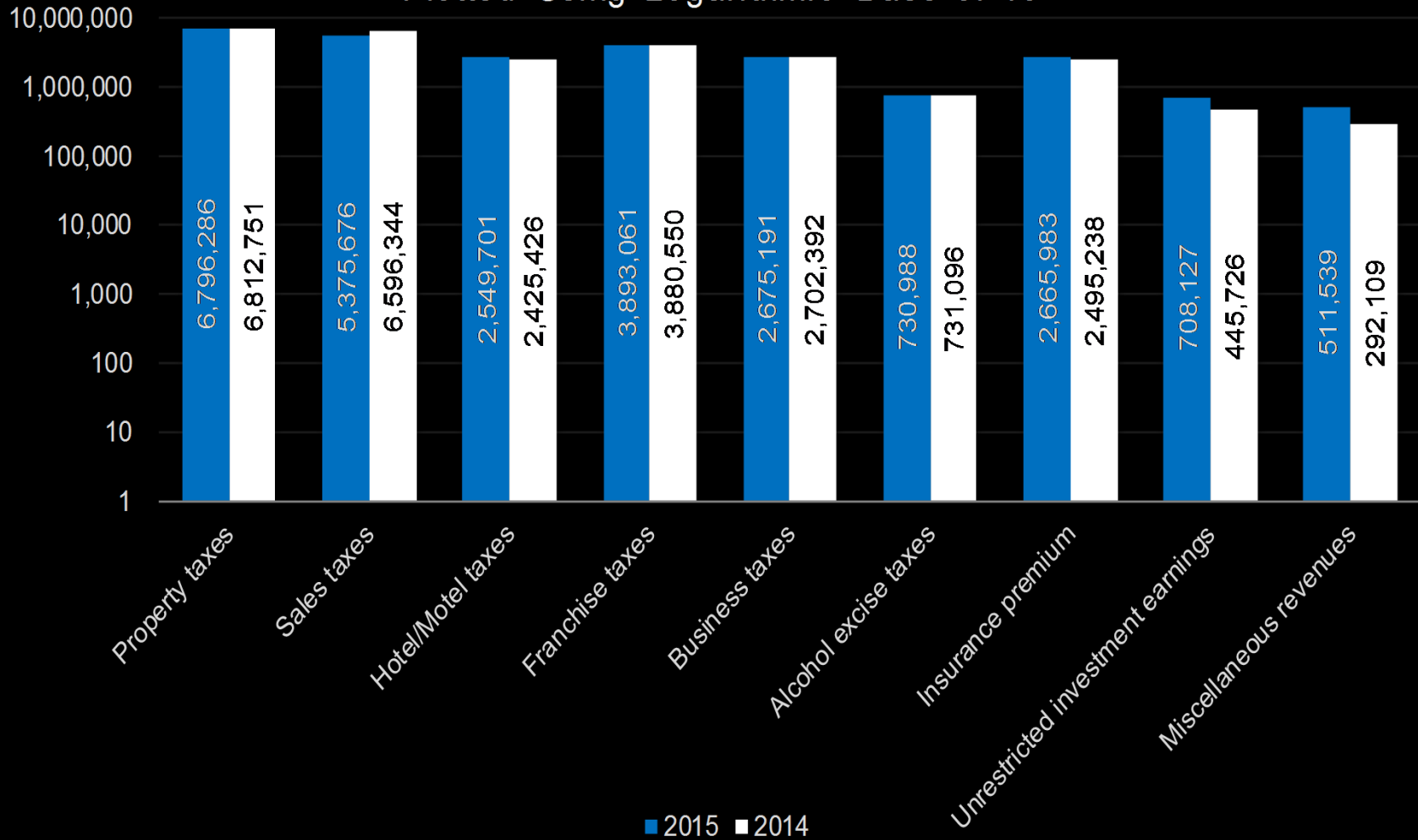
-20-

Percent Change						
11.94%	124.50%	362.09%	-0.92%	-5.10%	46.28%	213.76%

City of Dunwoody

Government-Wide FY15/14 General Revenues

Plotted Using Logarithmic Base of 10

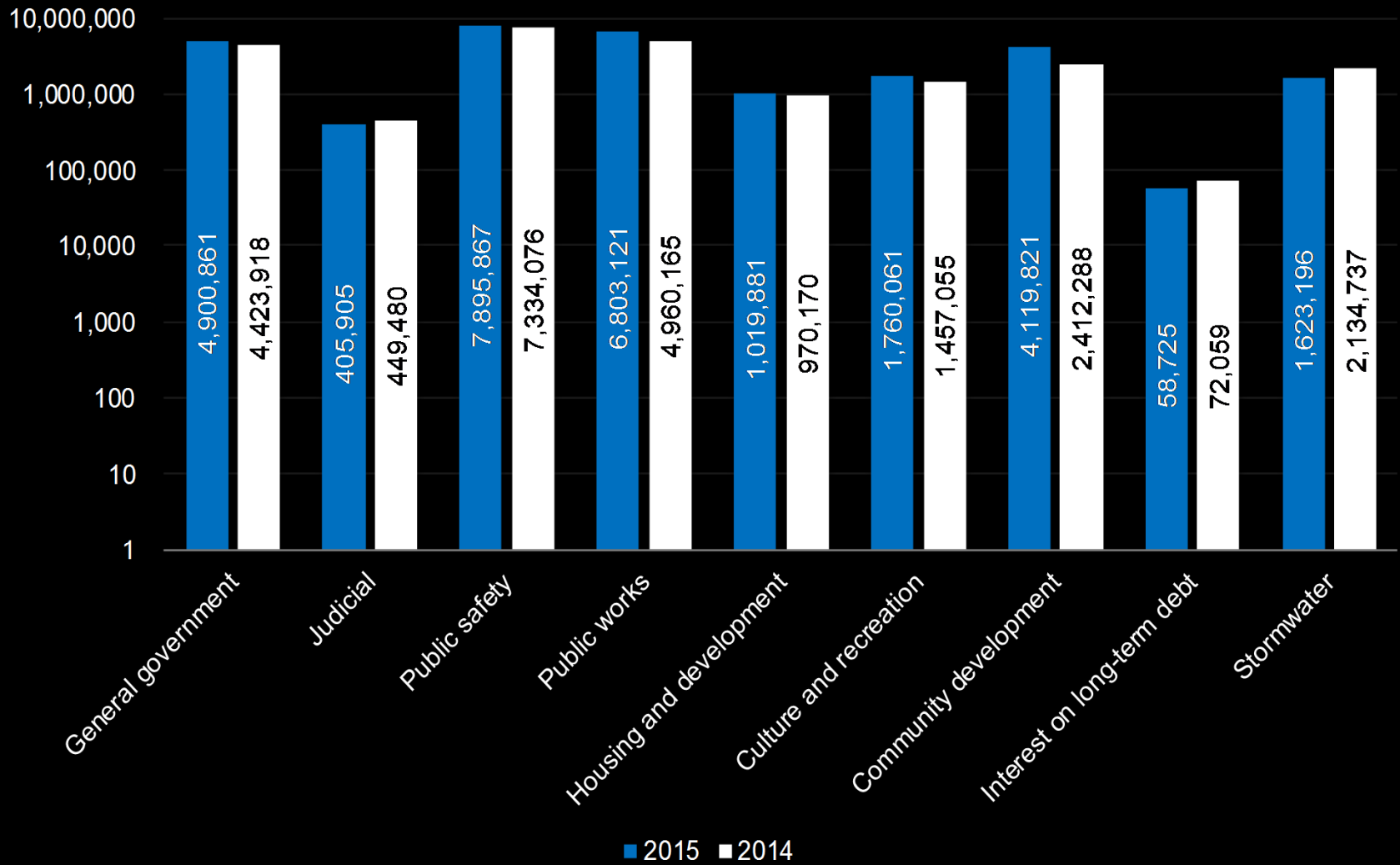


Percent Change								
-0.24%	-18.51%	5.12%	0.32%	-1.01%	-0.01%	6.84%	58.87%	75.12%

City of Dunwoody

FY15/14 Government-Wide Expense Comparison

Plotted Using Logarithmic Base of 10



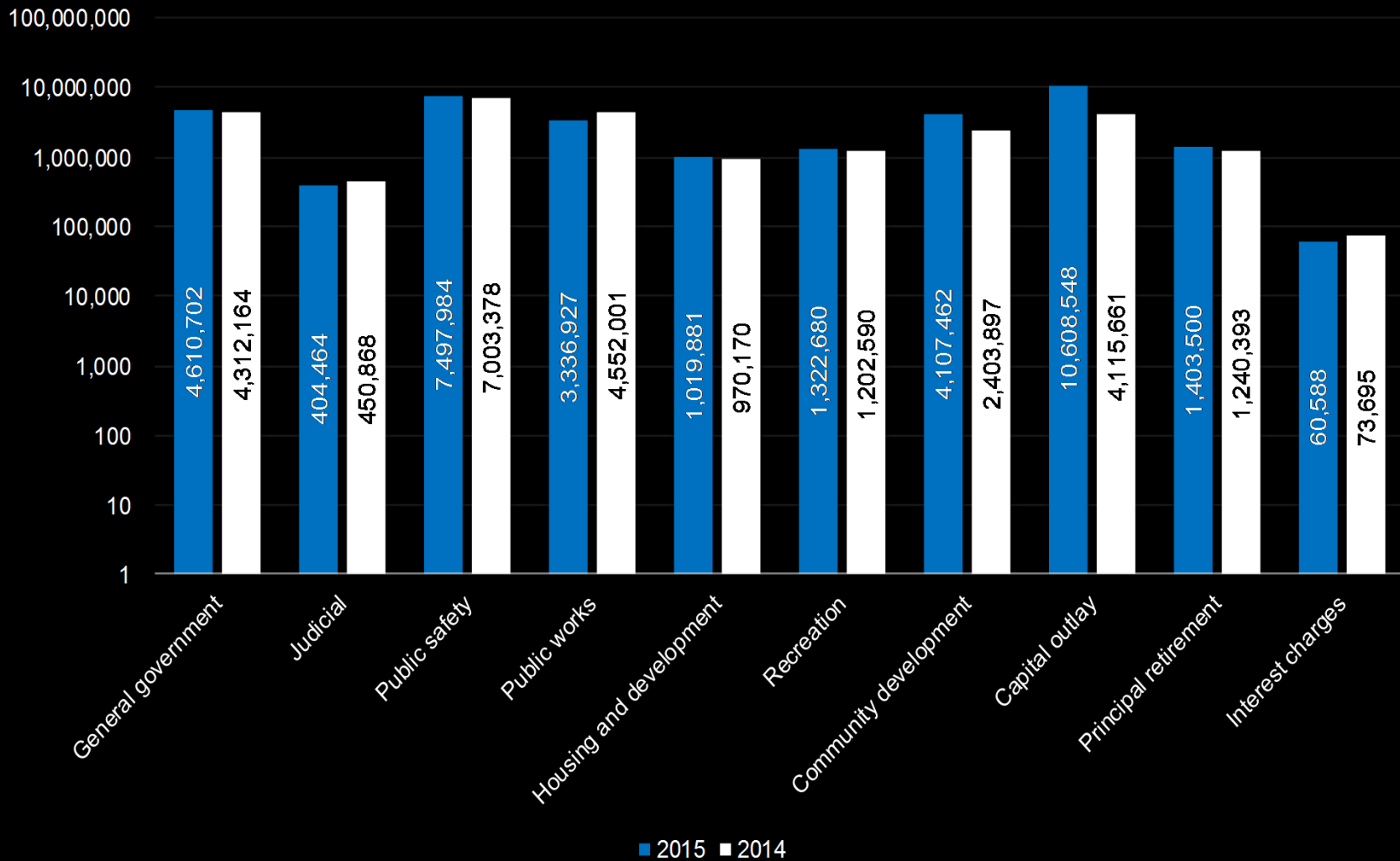
■ 2015 ■ 2014

Percent Change								
10.78%	-9.69%	7.66%	37.16%	5.12%	20.80%	70.78%	-18.50%	-23.96%

City of Dunwoody

FY15/14 Governmental Funds Expenditures Comparison

Plotted Using Logarithmic Base of 10



Percent Change									
6.92%	-10.29%	7.06%	-26.69%	5.12%	9.99%	70.87%	157.76%	13.15%	-17.79%

S I N G L E

AUDIT

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SINGLE AUDIT OPINION AND RESULTS

AUDIT REQUIREMENTS

Non-federal entities that expend \$750,000 in federal awards are required to have a single audit.

Generally, in accordance with OMB Uniform Administrative Requirements. Audits should be performed annually.

Unless prohibited by law, the cost of an audit in accordance with OMB Uniform Administrative Requirements. is an allowable expense.

AUDITEE RESPONSIBILITIES

Identify in accounts, all federal awards received and spent, including corresponding CFDA number.

Maintain internal controls over federal awards.

Comply with laws, regulations, provisions of contract and grant agreements related to each federal program.

Preparation of reporting package

REPORT SUBMISSION

Data collection form and reporting package should be submitted to Single Audit Clearing House within 30 days after receipt of report or 9 months after end of audit period.

Reporting Package: Financial Statements, Sch. of Expend. of Fed. Awards, Summary Sch. - Prior Audit Findings, Corrective Action Plan, Auditor's Report, Schedule of Findings and Question Cost

Federal funds expended for the year ended September 30, 2015 - \$1,169,489

Major Programs:

- Highway Planning and Construction Cluster - \$1,143,043

Independent Auditors' Report

- Internal Control over Financial Reporting and Compliance – Unmodified
- Compliance with Applicable Compliance Requirements

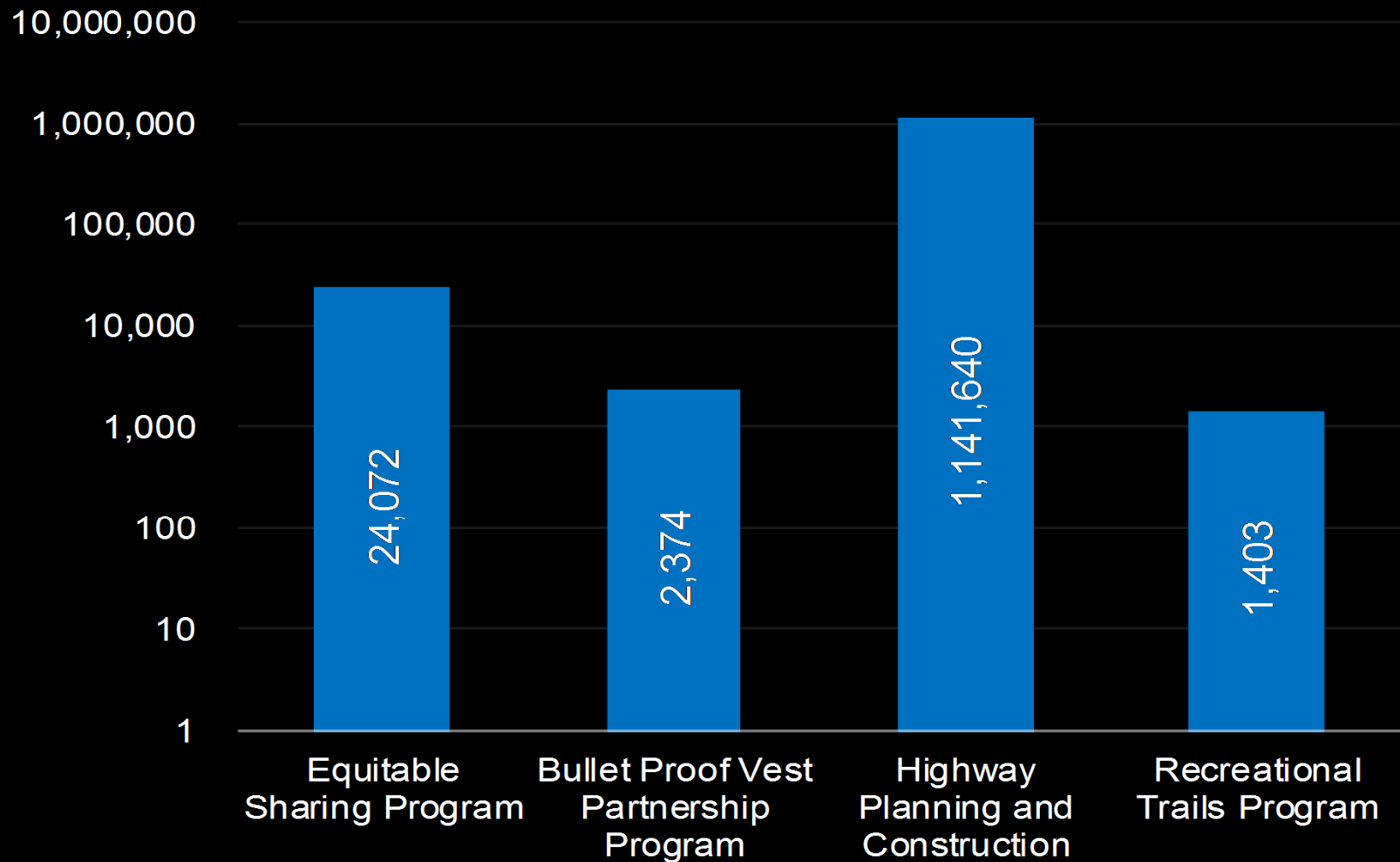
Federal Award Findings and Questioned Cost

- No significant deficiencies, material weaknesses, or instances of noncompliance were noted.



Audit Opinion and Results Schedule of Expenditure of Federal Awards

City of Dunwoody FY15 Federal Awards Plotted Using Logarithmic Base of 10



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Questions & **Answers**

CITY OF DUNWOODY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015

Draft

Prepared by:
Chris Pike, CPA
Finance Director

Submitted by:
Eric Linton
City Manager

CITY OF DUNWOODY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Draft

INTRODUCTORY SECTION

Draft

DATE

Honorable Denis Shortal, Mayor,
Members of the City Council,
and Citizens of Dunwoody, Georgia

Ladies and Gentlemen

State law and local ordinances require that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report is published to fulfill that requirement for the year ended December 31, 2015. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Dunwoody, Georgia (the City).

This report has been prepared in accordance with State statutes set forth in an Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved March 28, 1968 (p. 464), and as amended by an Act approved April 21, 1968 (GA Laws 1997, p. 883). Warren Averett, LLC, have issued an unmodified (clean) opinion on the City of Dunwoody's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Our History

Dunwoody is located in northern DeKalb County, west of Norcross and east of Sandy Springs; the City is bordered to the north by Dunwoody Club Drive and to the south by Interstate 285. Although not formally recognized as an incorporated city prior to 2008, the residents in this area have always identified themselves as living in "Dunwoody," with a unique history separate from unincorporated DeKalb County. Dunwoody residents have a strong history of community involvement as seen in the establishment of the Dunwoody Homeowners Association in 1969 to the 1998 preservation of the Cheek-Spruill Farmhouse.

The Dunwoody area was originally inhabited by a number of Cherokee tribes, all part of the Creek Indian Confederation. In 1822, the Creek Indians handed over a significant tract of land from which Georgia formed the counties: Monroe, Dooly, Houston, Fayette, and Henry. In 1823, the legislators took portions of Fayette and Henry to form DeKalb County, with Decatur being the County seat. In 1821, Elias Redfield was granted land lot #377, which would eventually become part of the estate of Stephen T. Spruill. This land also passed through the hands of C. A. Dunwoody, in 1862.

Charles Alexander Dunwoody (City of Dunwoody namesake, 1828-1905) was the son of John Dunwoody (originally spelled Dunwody). John Dunwoody was one of the founders of the mills in Roswell, Georgia. The Dunwoody family moved to Roswell in 1839 along with the family's shoe manufacturing business. In 1863, because of the ever-increasing need for mill products during the Civil War, a charter was secured by the State of Georgia to fund the building of a railroad. Both Charles Dunwoody and James King were members of the Roswell Guards and Roswell Battalion. (James King was the grandson of Roswell King, the namesake of Roswell, Georgia).

Following the Civil War and the destruction wrought on Atlanta and its surrounding area, the Dunwoody family returned to Roswell. Major Charles Dunwoody decided to build his family's new home near the present day intersection of Chamblee-Dunwoody Road and Spalding Drive. Railroad construction resumed and the new, 9.8-mile line opened for business on September 1, 1881, running between the Air-Line Railroad and the Chattahoochee River. The Roswell railroad tied into the Air-Line at Roswell Junction, which is now Chamblee. The railroad carried produce from Dunwoody and fabric from the mills in Roswell. In 1903, the narrow gauge track was replaced with modern tracks, and the engine that ran them soon gained the nicknames "The Dinky" and "Old Buck." Dunwoody thrived as a crossroads community and continued to grow even after the railroad stopped running in 1921.

In 1971 the Spruill family, who owned a large amount of land in the area, sold a portion of their property for the construction of Perimeter Mall and surrounding commercial development. In this area today, you can still find a testament to the founding fathers and land owners visible in a cemetery preserved behind commercial buildings, the Stephen Martin/Spruill Cemetery at the corner of Hammond Drive and Ashford Dunwoody Road. Many other locations have been refurbished or marked as historical sites in order to preserve Dunwoody's historically rich legacy.

Dunwoody Present Day

Dunwoody entered into cityhood at midnight on December 1, 2008, following a community led movement to incorporate the City beginning with the formulation of the Citizens for Dunwoody in the fall of 2006. Dunwoody was voted into cityhood by an overwhelming 81% majority. The City of Dunwoody is approximately 13.2 square miles with an estimated population of over 46,000 residents and an estimated daytime population of over 120,000.

Profile of the Government

The City of Dunwoody operates under a council-manager form of government. The Dunwoody City Council is comprised of a mayor and six council members elected by the people on a nonpartisan ballot for four-year terms.

Three members are elected by voters in each of the three separate districts they represent; the other three, including the mayor, are elected by city voters at large. The terms for council members from District Local 1, District Local 2 and District Local 3 expire in January 2018, while terms for the council members from District 1 At Large, District 2 At Large and District 3 At Large, including the mayor, expire in January 2020.

The Council serves as the legislative and policymaking body of the municipal government. They enact city ordinances and appropriate funds to conduct city business and provide policy direction to the administrative staff. The city manager works closely with the City Council to assist them in formulating policies and programs. Overseeing all city employees, the manager is responsible for the efficient ongoing operation of all city services as set forth by the City Council. Some services are still provided by DeKalb County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 39, this report includes all funds of the primary government and any component units. For purposes of this report, the primary government includes all departments and agencies of the City which are not separate legal entities, including the Stormwater Department. The component units include those separate legal entities whose relationships with the primary government meet the criteria for inclusion defined in GASB Statement No. 61, specifically the Convention and Visitors Bureau of Dunwoody, and Urban Redevelopment Agency of the City of Dunwoody.

Local Economy

Dunwoody Population, Households, and Forecast: 2000 - 2030

	2000	2008	2013	2020	2025	2030
Population	38,699	43,322	47,591	49,465	51,323	53,019
Households	16,018	18,322	19,479	21,791	22,609	23,356
Avg. Household Size	2.38	2.30	2.39	2.27	2.27	2.27

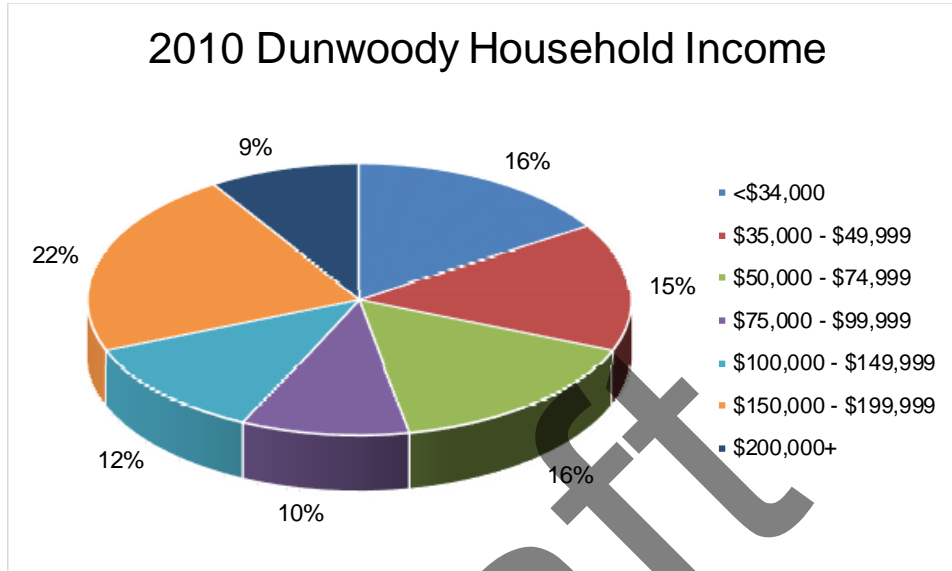
Based on the 2010 US Census, in 2010 DeKalb County had a population of 691,893 people and stood as the third most populous county in the ARC region. DeKalb County has come to represent nearly a sixth of metropolitan Atlanta's total population, a significant figure for a single county considering the region consists of ten counties. Moreover, the County represents 7.1% of the entire population of Georgia. Dunwoody represents 6.7% of the DeKalb population.

The City of Dunwoody contains approximately 40 percent of the Perimeter Community Improvement Districts (PCID). The PCIDs' goal is to work continuously to develop efficient transportation services, with an emphasis on access, mobility, diversification and modernization. The Perimeter Center/Perimeter Mall area is served by the Dunwoody train station on MARTA's north line, while the other two stations in the area are both on the Fulton County side. Perimeter Mall and the adjacent Perimeter Place shopping complex are the two largest dedicated retail

#2.

areas housed within city limits. Also included as a primary retail area and considered a central location of Dunwoody is the Dunwoody Village. Within the limits there are approximately 2,300 licensed businesses.

The City of Dunwoody's median household income in 2010 was \$74,297, and the per capita income was \$44,066. DeKalb County (2010), in contrast has a median income of \$46,812 and a per capita income of \$38,094 with Fulton County a bit higher at a median income of \$52,831 (2010) and a per capita income of \$32,562 (2010). This illustrates that the North Fulton/North DeKalb cities have higher incomes than the counties in which they are contained. Georgia numbers are substantially lower at \$46,430 and \$23,383, respectively.



Dunwoody hosts several of the nation's largest companies and virtually every major industry except agriculture within the Perimeter Mall and surrounding commercial properties. Perimeter Mall is the South's second largest shopping mall with 18 million visitors per year. The City's commercial properties comprise over 40% of the total tax digest by property value, ensuring a strong economic environment for the government.

National and Local Economy

The U.S. and local economy continues to strengthen, reaching pre-recession levels from 2008. This includes real estate values where existing home prices rose 5.75% over last year's levels. Overall construction spending increased 10.3% from a year ago. The employment statistics is just one piece of good economic news that reinforces the notion that the U.S. economy is getting stronger despite turbulence abroad. Employers continue to add jobs with the unemployment rates improving at the national, state, county and local levels:

	<u>Current Year</u>	<u>Prior Year</u>
United States	4.9%	5.5%
Georgia	5.4%	6.2%
DeKalb County	5.5%	6.5%
Dunwoody	3.8%	4.9%

Wages also rose over last year, though at a more modest 2.2%. Though modest, wages did increase above last year's inflation rate of just 0.7%. The Federal Reserve, worried about rapid growth, chose to increase interest rates for the first time in nine years. However, even there, the vote was a close call as some members were concerned inflation was too low. Projections for 2016 indicate inflation will be less than 2%.

Several indicators show Dunwoody's local economy is strong. The City's property tax valuations increased slightly, but enough to bring it on par with the property digest value at the time of incorporation in 2008. Revenues among the City's five hotels increased with two new hotels planned for 2016. Dunwoody's effective and efficient structure established during recession years in the economy has continued to be advantageous during the recovery period. The City's general fund revenue increased 31% while expenditures increased 18% illustrating the benefits of a diverse revenue stream and an efficiently managed service culture. Additionally, the City has avoided

unmanageable health care costs and pension liabilities experienced by other municipalities by utilizing the Split Contract Service model that provides the City with highly trained staff for a fixed fee cost.

Long-term Financial Planning

Dunwoody is well-positioned for future economic success. Dunwoody saw new business licenses issued and continued to attract several corporate headquarters. The City's diverse revenue base provides a variety of additional revenues to the millage rate of only 2.74 mills from a variety of sources from groups of local businesses, residents and visitors to the area. The City continues to focus on keeping taxes low and making public investments in services and infrastructure. The City invested heavily in infrastructure and put in place several catalytic plans which will create a positive impact well into the future. The City's policy is to obtain and then maintain a minimum General Fund balance reserve equal to 33% of operating expenditures and a maximum of 67%. Excess fund balances over reserve requirements will be used in subsequent periods for pay-as-you-go capital projects and one-time non-recurring expenditures. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services. The City's operating millage rate is 2.74 mills.

Throughout the year, the Finance Department administered the approved financial policies within which the government's finances are maintained. These policies address fund balances, the use of one-time revenues, 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. The Finance Department also engaged an independent auditor to evaluate the City's internal control structure and recommend improvements to our structure.

City Council Budget Priorities

The budget adopted by the Mayor and City Council's established priorities including:

1. Maintain a safe environment for all residents, businesses and visitors.
2. Promote responsible and balanced redevelopment.
3. Actively pursue comprehensive infrastructure improvements.
4. Create an atmosphere in which businesses thrive.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Fiscal Year 2015 was the seventh full year of service. Major items implemented during this fiscal year include:

Priority 1 - Maintain a safe environment for all residents, businesses and visitors.

- Added a Lieutenant in Investigations dedicated as the Homeland Security Coordinator responsible for planning and critical incident response.
- Continued community outreach efforts and received a national social media award.
- Recognized as a State Certified agency via the Georgia Chiefs of Police by meeting and documentation of compliance with over 100 stringent standards of performance.

Priority 2 - Promote responsible and balanced redevelopment.

- Mercedes-Benz USA opened their temporary Headquarters in Dunwoody creating 800 jobs.
- Intercontinental Hotel Group, Dunwoody's second largest employer, announced they are renewing and expanding their lease at Ravinia 3.
- The City partnered with the Dunwoody Convention and Visitors Bureau to sponsor Dunwoody's presence on the ChooseATL regional marketing website.

Priority 3 - Actively pursue comprehensive infrastructure improvements.

- Repaved over 21 centerline miles of City roadway.
- Installed over 1 mile of sidewalks on Mount Vernon Way and Hensley Drive.
- Completed water main replacement, sidewalk construction and paving on one mile segment of Mount Vernon Road.
- Completed pedestrian improvements at Dunwoody Elementary School.
- Completed construction of the new park on Pernoshal Court.
- Completed construction of Phase III of the Dunwoody Trailway.
- Replaced two playgrounds at Windwood Hollow Park and Dunwoody Park.

Priority 4 - Create an atmosphere in which businesses thrive.

- Initiated the Perimeter Center Zoning District (PCID) zoning/overlay study to better regulate the distinct features of the district.
- Coordinated the partnership between the City, Chamber and CVB to publish the Atlanta Business Chronicle's Dunwoody Market Report that included 12 articles focused on Dunwoody's economy, housing, and lifestyle.
- Collected more than \$2.6 million in occupation taxes and \$1.5 million in hotel/motel taxes.
- Maintained a collaborative relationship with the Code Enforcement Department to track down those businesses that have failed to pay their occupation taxes.
- Maintained a collaborative relationship with the Chamber of Commerce to communicate any pertinent information to our Dunwoody businesses.
- Continued focus on retaining existing businesses by participating in over 140 business retention and expansion meetings with local Dunwoody companies.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2014. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFR's that represent the spirit of transparency and full disclosure. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2015 Budget document. This program recognizes those governments that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient as a policy document, financial plan, operations guide, and communications device. This award is valid for a period of one year only. We believe our current 2016 budget continues to conform to program requirements and have submitted it to GFOA to determine its eligibility for another award.

The City also received the GFOA Popular Annual Financial Reporting Award (PAFR) for its annual citizens' report for the fiscal year ended December 31, 2014. This program recognizes those governments that produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the 3rd year the City has published this report and received this prestigious award. This award is valid for a period of one year only. We believe our current PAFR continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The preparation of this report is possible because of the efficient and dedicated services of the entire staff of the Department of Finance and the cooperation of all City departments. I would like to express my appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, City Council, and City Manager for the unfailing support for maintaining the highest standards of professionalism in the oversight of the City's finances.

Respectfully Submitted,

Christopher Pike

Christopher Pike, CPA
Director of Finance

Draft

CITY OF DUNWOODY, GEORGIA

**Listing of Principal Appointed Officials
At December 31, 2015**

City Manager

Eric Linton

City Clerk

Sharon Lowery

Draft

FINANCIAL SECTION

Draft

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
City of Dunwoody, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basis financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund – Schedule of Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), Grant Fund – Schedule of Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) and HOST Fund – Schedule of Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basis financial statements; and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, on our consideration of the City'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* in considering the City's internal control over financial reporting and compliance.

Warren Averett, LLC

Atlanta, Georgia

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Dunwoody, GA (the City) provides an introduction to the basic financial statements for the fiscal year ended December 31, 2015. Management prepared this discussion that should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The governmental activities of the City include general government, judicial, public safety, public works, recreation and community development.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows, with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, recreation and community development. The business-type activities of the City include stormwater management fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate convention and visitors bureau for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on **pages 18 and 19** of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into governmental funds, proprietary funds, or fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand

the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital projects funds, which are considered to be major funds. Data for the other five governmental funds (motor vehicle excise tax fund, hotel/motel fund, HOST fund, debt service fund, and Emergency 911 telephone service) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all its governmental funds.

The basic governmental fund financial statements can be found on [pages 20 through 22](#) of this report.

Proprietary funds. The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise funds to account for its stormwater system fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on [pages 23 through 25](#) of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City uses an Agency Fund for the collection and remittance of cash appearance bond related activity for municipal court. The accounting of fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found on [page 26](#) of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on [pages 27 through 43](#) of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as the budgetary comparison schedule for the general fund and hotel/motel tax fund as presented on a generally accepted accounting principal basis in this section. These schedules are intended to demonstrate the City's compliance with the legally adopted and amended budgets. Required supplementary information can be found on [pages 46 and 47](#) of this report.

The individual fund statements and schedules, referred to earlier, are presented immediately following the required supplementary information. Individual fund statements and schedules can be found on [pages 48 through 57](#) of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Dunwoody's Net Position

	Governmental Activities		Primary Government Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Cash and cash equivalents	\$ 29,824,104	\$ 24,232,101	\$ 2,292,302	\$ 1,669,578	\$ 32,116,406	\$ 25,901,679
Investments	239,886	200,000	-	-	239,886	200,000
Accounts receivable	2,001,147	1,600,102	46,960	37,712	2,048,107	1,637,814
Taxes receivable	3,230,307	3,082,854	-	-	3,230,307	3,082,854
Due from other governments	270,668	918,131	-	-	270,668	918,131
Land held for resale	4,093,645	4,551,127	-	-	4,093,645	4,551,127
Prepays	260,639	246,859	-	-	260,639	246,859
Restricted cash	457,643	579,106	-	-	457,643	579,106
Capital assets:						
Nondepreciable	25,880,862	22,122,303	-	-	25,880,862	22,122,303
Depreciable, net of accumulated depreciation	48,400,050	46,131,676	1,362,655	1,462,686	49,762,705	47,594,362
Total assets	114,658,951	103,664,259	3,701,917	3,169,976	118,360,868	106,834,235
LIABILITIES						
Accounts payable	1,568,406	1,531,755	298,172	32,556	1,866,578	1,564,311
Accrued liabilities	473,144	658,107	-	-	473,144	658,107
Due to component unit	62,744	59,839	-	-	62,744	59,839
Unearned rent	475,663	597,267	-	-	475,663	597,267
Compensated absences due within one year	192,845	176,741	-	-	192,845	176,741
Compensated absences due in more than one year	33,346	27,088	-	-	33,346	27,088
Bonds payable due within one year	274,302	252,700	-	-	274,302	252,700
Bonds payable due in more than one year	1,984,509	3,409,610	-	-	1,984,509	3,409,610
Total liabilities	5,064,959	6,713,107	298,172	32,556	5,363,131	6,745,663
NET POSITION						
Net investment in capital assets	72,022,102	64,639,987	1,362,655	1,462,686	73,384,757	66,102,673
Restricted for HOST capital projects	5,074,377	5,002,643	-	-	5,074,377	5,002,643
Restricted for parks operation	473,355	-	-	-	473,355	-
Restricted for public safety	302,185	-	-	-	302,185	-
Restricted for E911 operations	60,184	264,089	-	-	60,184	264,089
Restricted for capital projects	3,668,989	153,934	-	-	3,668,989	153,934
Unrestricted	27,992,800	26,890,499	2,041,090	1,674,734	30,033,890	28,565,233
Total net position	\$ 109,593,992	\$ 96,951,152	\$ 3,403,745	\$ 3,137,420	\$ 112,997,737	\$ 100,088,572

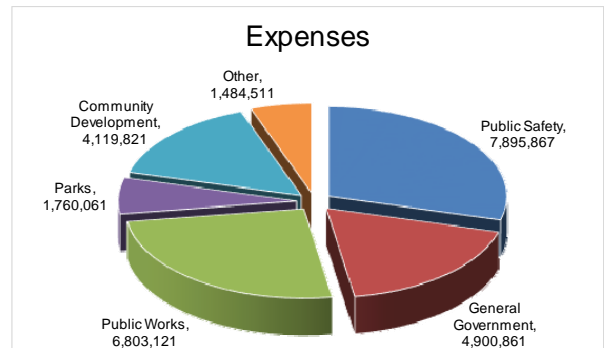
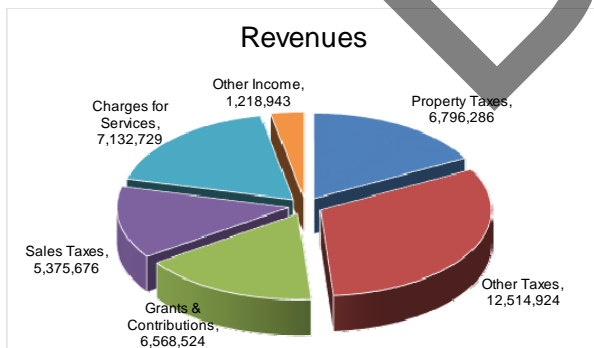
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$112,997,737.

The largest portion of the City's net position, \$73,384,757, reflects its investment in capital assets (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City reports restricted net position of \$9,579,090, which are restricted HOST funds, to be used on capital projects, restricted funds for land held for sale, restricted seized funds to be used for public safety, and restricted emergency 911 fees to be used for operation of the E911 center. The remaining portion of the City's net position represents net assets of \$30,033,890 that is available to meet the ongoing obligations of the government. The City has current assets of \$42,717,301. These assets include \$32,116,406 of cash and cash equivalents and \$239,886 of investments. The City's capital assets are \$75,643,567. Debt liabilities are \$1,984,509 with another \$274,302 due within a year for land purchased in 2011 that has been refinanced and land purchased in 2012. At the end of the current fiscal period, the City reported positive balances in all net position categories.

City of Dunwoody's Changes in Net Assets

	Governmental Activities		Primary Government Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
<i>Program revenues:</i>						
Charges for services	\$ 7,132,729	\$ 4,984,646	\$ 1,888,798	\$ 1,861,300	\$ 9,021,527	\$ 6,845,946
Operating grants and contributions	540,163	70,025	-	-	540,163	70,025
Capital grants and contributions	6,028,361	2,348,069	-	-	6,028,361	2,348,069
<i>General revenues:</i>						
Property taxes	6,796,286	6,812,751	-	-	6,796,286	6,812,751
Sales taxes	5,375,676	6,596,344	-	-	5,375,676	6,596,344
Other taxes	12,514,924	12,234,702	-	-	12,514,924	12,234,702
Miscellaneous revenues	511,539	292,109	-	-	511,539	292,109
Unrestricted investment earnings	707,404	444,439	723	1,286	708,127	445,725
Total revenues	39,607,082	33,783,085	1,889,521	1,862,586	41,496,603	35,645,671
EXPENSES						
General government	4,900,861	4,423,918	-	-	4,900,861	4,423,918
Judicial	405,905	449,480	-	-	405,905	449,480
Public safety	7,895,867	7,334,076	-	-	7,895,867	7,334,076
Public works	6,803,121	4,960,165	-	-	6,803,121	4,960,165
Housing and development	1,019,881	970,170	-	-	1,019,881	970,170
Culture and recreation	1,760,061	1,457,055	-	-	1,760,061	1,457,055
Community development	4,119,821	2,412,288	-	-	4,119,821	2,412,288
Interest on long-term debt	58,725	72,059	-	-	58,725	72,059
Stormwater	-	-	1,623,196	2,134,736	1,623,196	2,134,736
Total expenses	26,964,242	22,079,211	1,623,196	2,134,736	28,587,438	24,213,947
Increase (decrease) in net position	12,642,840	11,703,874	266,325	(272,150)	12,909,165	11,431,724
Net position - beginning	96,951,152	85,247,278	3,137,420	3,409,570	100,088,572	88,656,848
Net position - ending	\$ 109,593,992	\$ 96,951,152	\$ 3,403,745	\$ 3,137,420	\$ 112,997,737	\$ 100,088,572

City of Dunwoody - Total Primary Government



Governmental activities. The increase in net position is due to steadily increasing revenue streams over the past five years. Additionally, the City has maintained its efficient model of government to control expenses. The increase in revenues is due primarily to an increase in commercial development, an increase in operating grants and contributions, and an increase in capital grants of approximately \$2,139,331, \$470,138, and \$3,680,292, respectively. Franchise taxes were \$3,893,061, business occupation taxes were \$2,675,191, and insurance premium taxes were \$2,665,983.

Our most apparent and sizable expenses during the year were \$7,895,867 and \$6,803,121 for the operation of the Dunwoody Police Department and the Public Works Department, respectively. Overall, expenditures increased \$4,373,490 from 2014. This is largely attributable to the increase in public works and parks capital outlay for infrastructure construction and maintenance efforts and increased costs related to community development due to large commercial developments during 2015.

Business-type activities. The increase in net position of \$266,325 is primarily the result of minor project delays related to easement acquisition and coordination with DeKalb County. The projects that resulted in an offset of expenditures were completed in early 2016.

Stormwater assessment fees (computed based on a property's impervious surface area) were \$1,888,798; representing virtually all of the revenues in the fund. Repairs to the system accounted for 77% of the operating expenses while depreciation on the assets accounted for 6% of the operating expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$35,367,394 and increase in fund balance of \$6,463,409. Of this balance, \$22,773,199 is restricted or assigned for capital projects, \$260,639 is nonspendable for prepaids, \$839,394 is restricted or assigned for special purposes and \$7,494,163 is considered unassigned and can be used to meet the near term operating needs of the City.

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year the total fund balance was \$12,217,056 representing an unassigned fund balance of \$7,573,142, restricted or assigned funds of \$4,477,025 for special purposes, and \$166,889 in nonspendable prepaids. Fund balance increased by \$2,225,829 over 2014 primarily as a result of an increase in revenues greater than the increase in expenditures. As a measure of the liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40% of total general fund expenditures, while total fund balance represents 65% of total general fund expenditures.

Capital Projects Fund. The capital projects fund was set up to account for capital projects managed by the City. During the current year, a total of \$7,217,120 and \$5,300,000 was transferred into the capital projects fund from the general fund and HOST fund, respectively. After expenditures of \$10,315,915 and other miscellaneous items, the capital projects fund had an increase in fund balance of \$3,335,523.

Grants Fund. The grants fund was set up to account for federally and state funded projects managed by the City. During the current year, the City received a total of \$2,256,751 in intergovernmental revenues and has outstanding deferred inflows of resources of \$85,019. After expenditures of \$1,451,530, the grants fund is reporting an increase in fund balance of \$805,221. The fund's overall fund balance deficit of \$78,980 is partially created by the unavailable grant revenues of \$85,019, which will be recognized in future periods.

HOST Fund. The HOST fund was set up to account for receipts of Homestead Option Sales Tax revenues. During the current year, a total of \$5,377,652 was recognized as revenues. The fund transferred \$5,305,918 to the capital projects fund, and ended the year with an increase to fund balance of \$71,734.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget utilized a conservative approach based on the limited information available. Emphasis was given to ensuring financial stability and long-term stability while providing revenue enhancement, financial priorities and discipline.

The City employs an annual mid-year budget process in order to re-align appropriations made during the annual budget process with significant unexpected trends. This ensures adjustments facilitating appropriations to be in alignment with expected resources. Differences between the original budget and final amended budget are then resolved via official City Council action.

For fiscal 2015, the City's general fund had a favorable budget variance of \$4,591,171. There was a \$2,409,331 favorable budget variance for revenues as well as a \$1,895,417 favorable budget variance for expenditures. The City's actual activity was more favorable than budgeted for most line items due to a conservative budget approach. The favorable revenue variance is primarily attributable to the recovering property tax digest and increase in franchise fee revenue, building permit revenue and insurance premium taxes. Unused contingency funds account for approximately 21% of the favorable expenditure variance. The remaining variance is mainly attributable to effective management of police department staff resulting in less than budgeted overtime as well as less than anticipated street maintenance expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$74,280,912 (net of accumulated depreciation). These assets primarily reflect infrastructure assets such as roadways, sidewalks, and signals; land; parks and culture facilities; and the capital investment for police vehicles and other capital related equipment. The City's investment in net capital assets for its business-type activities as of December 31, 2015 amounts to \$1,362,655. These assets reflect culverts and other stormwater management assets. The decrease in business-type capital assets results from the normal depreciation of the stormwater management system.

City of Dunwoody's Capital Assets (net of depreciation)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 17,922,164	\$ 17,220,841	\$ -	\$ -	\$ 17,922,164	\$ 17,220,841
Construction in progress	7,958,698	4,901,462	-	-	7,958,698	4,901,462
Intangible	34,175	95,655	-	-	34,175	95,655
Buildings	330,791	413,491	-	-	330,791	413,491
Improvements	5,273,685	5,396,824	-	-	5,273,685	5,396,824
Machinery and equipment	2,701,400	1,650,752	-	-	2,701,400	1,650,752
Infrastructure	40,059,999	38,574,954	1,362,655	1,462,686	41,422,654	40,037,640
Total	\$ 74,280,912	\$ 68,253,979	\$ 1,362,655	\$ 1,462,686	\$ 75,643,567	\$ 69,716,665

Additional information on the City's capital assets can be found [in note 6 on pages 37 and 38](#) of this report.

Long-term debt. At the end of fiscal year 2015, the City had total debt outstanding of \$2,258,811. The debt outstanding at December 31, 2015 represents refinancing of debt issued in 2011 for the purchase of the PVC Pipe Farm property. All debt is backed by the full faith and credit of the City.

Additional information on the City's long-term debt can be found [in note 7 on pages 38 and 39](#) of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

Sustainability of existing services – the City has maintained its philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the City. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for decision making for continued financial success.

Cost of government – The operating millage rate cap of 3.74 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services.

Infrastructure Improvements – The City provided substantial capital funding to continue the implementation of the 5-year capital paving plan to address a significant backlog of existing infrastructure deficiencies. Funding was also allocated for intersection improvements, parks, buildings, equipment, roadways, sidewalks, culverts, and signals. Additionally, the City continues to invest heavily in maintaining an aging stormwater system.

Economy Impact – The local economy is strong for next year's budget. The City's property tax valuations are improving and building permit revenue is increasing as the economy recovers. Despite signs of a solid resurgence, the City maintained its conservative budget approach reinforcing its effective and efficient structure established during recession years.

The City restricts the use of one-time revenues to capital and other one-time projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dunwoody's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, City of Dunwoody, 41 Perimeter Center East, Suite 250, Dunwoody, GA 30346.

CITY OF DUNWOODY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Unit
	Activities	Activities	Total	Dunwoody Convention Visitors Bureau
ASSETS				
Cash and cash equivalents	\$ 29,824,104	\$ 2,292,302	\$ 32,116,406	\$ 570,049
Investments	239,886	-	239,886	-
Accounts receivable	2,001,147	46,960	2,048,107	-
Taxes receivable	3,230,307	-	3,230,307	-
Due from other governments	270,668	-	270,668	-
Due from primary government	-	-	-	62,744
Land held for resale	4,093,645	-	4,093,645	-
Prepays	260,639	-	260,639	13,969
Restricted cash	457,643	-	457,643	-
Capital assets:				
Nondepreciable	25,880,862	-	25,880,862	-
Depreciable, net of accumulated depreciation	48,400,050	1,362,655	49,762,705	7,295
Total assets	<u>114,658,951</u>	<u>3,701,917</u>	<u>118,360,868</u>	<u>654,057</u>
LIABILITIES				
Accounts payable	1,568,406	298,172	1,866,578	44,713
Accrued liabilities	473,144	-	473,144	-
Due to component unit	62,744	-	62,744	-
Unearned rent	475,663	-	475,663	-
Compensated absences due within one year	192,845	-	192,845	-
Compensated absences due in more than one year	33,346	-	33,346	-
Bonds payable due within one year	274,302	-	274,302	-
Bonds payable due in more than one year	1,984,509	-	1,984,509	-
Total liabilities	<u>5,064,959</u>	<u>298,172</u>	<u>5,363,131</u>	<u>44,713</u>
NET POSITION				
Net investment in capital assets	72,022,102	1,362,655	73,384,757	7,295
Restricted for HOST capital projects	5,074,377	-	5,074,377	-
Restricted for parks operation	473,355	-	473,355	-
Restricted for public safety	302,185	-	302,185	-
Restricted for E911 operations	60,184	-	60,184	-
Restricted for capital projects	3,668,989	-	3,668,989	-
Restricted for promotion of tourism	-	-	-	602,049
Unrestricted	27,992,800	2,041,090	30,033,890	-
Total net position	<u>\$ 109,593,992</u>	<u>\$ 3,403,745</u>	<u>\$ 112,997,737</u>	<u>\$ 609,344</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Dunwoody Convention and Visitors Bureau
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,900,861	\$ 468,420	\$ -	\$ -	\$ (4,432,441)	\$ -	\$ (4,432,441)	\$ -
Judicial	405,905	1,255,293	-	-	849,388	-	849,388	-
Public safety	7,895,867	1,474,168	15,144	-	(6,406,555)	-	(6,406,555)	-
Public works	6,803,121	333,738	8,834	2,528,361	(3,932,188)	-	(3,932,188)	-
Housing and development	1,019,881	-	-	-	(1,019,881)	-	(1,019,881)	-
Culture and recreation	1,760,061	34,600	516,185	3,500,000	2,290,724	-	2,290,724	-
Community development	4,119,821	3,566,510	-	-	(553,311)	-	(553,311)	-
Interest on long-term debt	58,725	-	-	-	(58,725)	-	(58,725)	-
Total governmental activities	<u>26,964,242</u>	<u>7,132,729</u>	<u>540,163</u>	<u>6,028,361</u>	<u>(13,262,989)</u>	<u>-</u>	<u>(13,262,989)</u>	<u>-</u>
Business-type activities:								
Stormwater	1,623,196	1,888,798	-	-	-	265,602	265,602	-
Total primary government	<u>\$ 28,587,438</u>	<u>\$ 9,021,527</u>	<u>\$ 540,163</u>	<u>\$ 6,028,361</u>	<u>(13,262,989)</u>	<u>265,602</u>	<u>(12,997,387)</u>	<u>-</u>
Component Unit:								
Dunwoody Convention and Visitors Bureau	<u>\$ (1,071,876)</u>	<u>\$ -</u>	<u>\$ 1,028,881</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,995)</u>
	<u>\$ (1,071,876)</u>	<u>\$ -</u>	<u>\$ 1,028,881</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,995)</u>
General revenues:								
Property taxes					6,796,286	-	6,796,286	-
Sales taxes					5,375,676	-	5,375,676	-
Hotel/Motel taxes					2,549,701	-	2,549,701	-
Franchise taxes					3,893,061	-	3,893,061	-
Business taxes					2,675,191	-	2,675,191	-
Alcohol excise taxes					730,988	-	730,988	-
Insurance premium					2,665,983	-	2,665,983	-
Unrestricted investment earnings					707,404	723	708,127	1,516
Miscellaneous revenues					511,539	-	511,539	-
Total general revenues					<u>25,905,829</u>	<u>723</u>	<u>25,906,552</u>	<u>1,516</u>
Change in net position					<u>12,642,840</u>	<u>266,325</u>	<u>12,909,165</u>	<u>(41,479)</u>
Net position, beginning of year					<u>96,951,152</u>	<u>3,137,420</u>	<u>100,088,572</u>	<u>650,823</u>
Net position, end of year					<u>\$ 109,593,992</u>	<u>\$ 3,403,745</u>	<u>\$ 112,997,737</u>	<u>\$ 609,344</u>

CITY OF DUNWOODY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Grants Fund	HOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,843,614	\$ -	\$ 3,253,495	\$ 16,440,492	\$ 286,495	\$ 29,824,096
Investments	239,886	-	-	-	-	239,886
Accounts receivable	3,886	-	1,820,882	-	176,379	2,001,147
Taxes receivable	3,064,989	-	-	-	165,318	3,230,307
Intergovernmental receivable	-	270,668	-	-	-	270,668
Due from other funds	228,799	-	-	-	-	228,799
Land held for resale	-	-	-	1,826,064	-	1,826,064
Prepays	166,889	-	-	-	93,750	260,639
Restricted assets:						
Cash and cash equivalents	149,696	-	-	-	307,947	457,643
Total assets	<u>\$ 13,697,759</u>	<u>\$ 270,668</u>	<u>\$ 5,074,377</u>	<u>\$ 18,266,556</u>	<u>\$ 1,029,889</u>	<u>\$ 38,339,249</u>
LIABILITIES						
Accounts payable	\$ 700,098	\$ 219,591	\$ -	\$ 636,723	\$ 11,994	\$ 1,568,406
Accrued liabilities	263,372	-	-	100,000	106,282	469,654
Unearned rent	475,663	-	-	-	-	475,663
Due to other funds	-	45,038	-	-	183,761	228,799
Due to component unit	-	-	-	-	62,744	62,744
Total liabilities	<u>1,439,133</u>	<u>264,629</u>	<u>-</u>	<u>736,723</u>	<u>364,781</u>	<u>2,805,266</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	21,962	-	-	-	-	21,962
Unavailable revenue - other	19,608	85,019	-	-	40,000	144,627
Total deferred inflows of resources	<u>41,570</u>	<u>85,019</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>166,589</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepays	166,889	-	-	-	93,750	260,639
Restricted:						
E911 operations	-	-	-	-	60,184	60,184
HOST capital projects	-	-	5,074,377	-	-	5,074,377
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	3,500,000	168,989	3,668,989
Law enforcement activities	-	-	-	-	302,185	302,185
Parks operation	473,355	-	-	-	-	473,355
Assigned:						
Finance and administration	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Police explorer program	3,670	-	-	-	-	3,670
Community development	-	-	-	-	-	-
Capital projects	-	-	-	14,029,833	-	14,029,833
Debt service	-	-	-	-	-	-
Unassigned	11,573,142	(78,980)	-	-	-	11,494,162
Total fund balances	<u>12,217,056</u>	<u>(78,980)</u>	<u>5,074,377</u>	<u>17,529,833</u>	<u>625,108</u>	<u>35,367,394</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,697,759</u>	<u>\$ 270,668</u>	<u>\$ 5,074,377</u>	<u>\$ 18,266,556</u>	<u>\$ 1,029,889</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						74,280,912
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						(2,488,492)
Some revenues are not available in the current period and, therefore, are not reported in the funds.						166,597
Land held for resale investments included as part of governmental activities are not financial resources and, therefore, are not reported in the funds.						2,267,581
Net position of governmental activities						<u>\$ 109,593,992</u>

The accompanying notes are an integral part of these statements.

CITY OF DUNWOODY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Grants Fund	HOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 6,804,726	\$ -	\$ -	\$ -	\$ -	\$ 6,804,726
Sales taxes	-	-	5,375,676	-	-	5,375,676
Hotel/Motel taxes	-	-	-	-	2,549,701	2,549,701
Franchise taxes	3,893,061	-	-	-	-	3,893,061
Alcohol excise taxes	617,872	-	-	-	-	617,872
Business taxes	2,675,191	-	-	-	-	2,675,191
Insurance premium taxes	2,665,983	-	-	-	-	2,665,983
Motor vehicle excise taxes	-	-	-	-	113,116	113,116
Licenses and permits	4,021,537	-	-	-	-	4,021,537
Intergovernmental	4,000,000	2,256,751	-	1,069,236	-	7,325,987
Charges for services	517,645	-	-	-	1,186,573	1,704,218
Fines and forfeitures	1,255,293	-	-	-	142,332	1,397,625
Contributions	29,069	-	-	-	-	29,069
Interest earned	43,547	-	1,976	6,056	188	51,767
Miscellaneous	497,497	-	-	-	-	497,497
Total revenues	<u>27,021,421</u>	<u>2,256,751</u>	<u>5,377,652</u>	<u>1,075,292</u>	<u>3,991,910</u>	<u>39,723,026</u>
Expenditures:						
Current:						
General government	4,610,702	-	-	-	-	4,610,702
Judicial	404,464	-	-	-	-	404,464
Public safety	6,226,595	2,374	-	-	1,269,015	7,497,984
Public works	2,132,995	1,203,932	-	-	-	3,336,927
Housing and development	-	-	-	-	1,019,881	1,019,881
Recreation	1,303,032	-	-	-	19,648	1,322,680
Community development	4,107,462	-	-	-	-	4,107,462
Capital outlay	-	245,224	-	10,315,915	47,409	10,608,548
Debt service:						
Principal	-	-	-	-	1,403,500	1,403,500
Interest	-	-	-	-	60,588	60,588
Total expenditures	<u>18,785,250</u>	<u>1,451,530</u>	<u>-</u>	<u>10,315,915</u>	<u>3,820,041</u>	<u>34,372,736</u>
Excess (deficiency) of revenues over expenditures	<u>8,236,171</u>	<u>805,221</u>	<u>5,377,652</u>	<u>(9,240,623)</u>	<u>171,869</u>	<u>5,350,290</u>
Other financing sources (uses):						
Proceeds from sale of assets	1,049,554	-	-	59,026	4,539	1,113,119
Transfers in	1,648,868	-	-	12,517,120	2,955,732	17,121,720
Transfers out	(8,708,764)	-	(5,305,918)	-	(3,107,038)	(17,121,720)
Total other financing sources (uses)	<u>(6,010,342)</u>	<u>-</u>	<u>(5,305,918)</u>	<u>12,576,146</u>	<u>(146,767)</u>	<u>1,113,119</u>
Net change in fund balances	2,225,829	805,221	71,734	3,335,523	25,102	6,463,409
Fund balances (deficit), beginning of year	<u>9,991,227</u>	<u>(884,201)</u>	<u>5,002,643</u>	<u>14,194,310</u>	<u>600,006</u>	<u>28,903,985</u>
Fund balances (deficit), end of year	<u>\$ 12,217,056</u>	<u>\$ (78,980)</u>	<u>\$ 5,074,377</u>	<u>\$ 17,529,833</u>	<u>\$ 625,108</u>	<u>\$ 35,367,394</u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2015

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

Net change in fund balances - total governmental funds	\$	6,463,409
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		6,026,935
The net book value of capital assets disposed of during the year.		
In the statement of activities, only the gain on the sale of land for resale is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net effect of the cost of land purchased and proceeds from land sold.		(457,482)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(773,023)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.		1,403,500
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(20,499)</u>
Change in net position - governmental activities	\$	<u><u>12,642,840</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUND DECEMBER 31, 2015

ASSETS	Stormwater Fund
CURRENT ASSETS	
Cash	\$ 2,292,302
Accounts receivable, net of allowance	46,960
Total current assets	2,339,262
NONCURRENT ASSETS	
Capital assets, depreciable	2,355,082
Accumulated depreciation	(992,427)
Total capital assets	1,362,655
Total assets	3,701,917
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	298,172
Total current liabilities	298,172
NET POSITION	
Investment in capital assets	1,362,655
Unrestricted	2,041,090
Total net position	\$ 3,403,745

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Stormwater Fund
OPERATING REVENUES	
Stormwater fees	\$ 1,888,798
Total operating revenues	1,888,798
OPERATING EXPENSES	
Cost of services	1,523,165
Depreciation	100,031
Total operating expenses	1,623,196
Operating income	265,602
NONOPERATING REVENUES	
Interest	723
Total nonoperating revenues	723
Change in net position	266,325
Total net position, beginning	3,137,420
Total net position, ending	\$ 3,403,745

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,879,550
Payments to suppliers	(1,118,757)
Payments to employees	(138,792)
Net cash provided by operating activities	622,001
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	723
Net cash provided by investing activities	723
Net increase in cash	622,724
Cash, beginning of year	1,669,578
Cash, end of year	\$ 2,292,302
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 265,602
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	100,031
Change in assets and liabilities:	
Increase in accounts receivable	(9,248)
Increase in accounts payable	265,616
Net cash provided by operating activities	\$ 622,001

The accompanying notes are an integral part of these financial statements.

CITY OF DUNWOODY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

ASSETS	Municipal Court Fund
Cash	<u>\$ 506,093</u>
Total assets	<u><u>\$ 506,093</u></u>
LIABILITIES	
Due to others	<u>\$ 506,093</u>
Total liabilities	<u><u>\$ 506,093</u></u>

The accompanying notes are an integral part of these financial statements.

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CITY OF DUNWOODY, GEORGIA**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015****NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Dunwoody, Georgia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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

The City, which was incorporated in 2008, operates under a charter adopted December 1, 2008, as a municipal corporation governed by an elected mayor and a six-member council. The government provides such services as police protection, cultural and recreational activities, community development and public works.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

The Dunwoody Convention and Visitors Bureau has been included as a discretely presented component unit in the accompanying financial statements. The Dunwoody Convention and Visitors Bureau (Bureau) is fiscally dependent on the City as it does not have the power to levy taxes, determine its own aggregate budget without the approval of the City of Dunwoody, Georgia, or issue bonded debt and the City is required by contract to provide a majority of the operational revenues for the Bureau. Financial information with regard to the Bureau can be obtained from the Bureau's administrative offices at 41 Perimeter Center East, Dunwoody, GA 30346. Separate financial statements for the Dunwoody Convention and Visitors Bureau are not prepared.

Blended Component Unit

The Urban Redevelopment Agency (the URA) has been included as a blended component unit in the accompanying financial statements. The City appoints its six member board. Although it is legally separate from the City, its sole purpose is to finance construction and acquisitions of the City. The debt and assets of the URA have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City. Separate financial statements for the URA are not prepared. The City reports the URA as a nonmajor debt service fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. The primary government is reported separately from its discretely presented component unit. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise 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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 **Grants Fund** is used to account for the funds received from external sources as they relate to grants awarded to the City. Matching funds, which are the responsibility of the City, are also recorded within this fund.

The **HOST Fund** is used to account for the Homestead Option Sales Tax and related expenditures made by the City.

The **Capital Projects Fund** is used to account for the capital expenditures made by the City.

The City reports the following proprietary fund:

The **Stormwater Fund** is used to account for the charges and expenses of maintaining the City's stormwater infrastructure.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as E911 revenues, hotel/motel tax revenues, and motor vehicle excise tax revenues, which are legally restricted to expenditures for particular purposes.

The **Debt Service Funds** are used to account for the resources accumulated and payments made for principal and interest on long-term debt of the City.

The **Agency Fund** is used to account for the collection and disbursement of monies by the City's Municipal Court on behalf of other individuals or entities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund, each Special Revenue Fund, and the Debt Service Funds each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the Capital Projects Fund. During the fiscal year ended December 31, 2015, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All unencumbered budget appropriations lapse at the end of each year.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Investments of the City are reported at fair value.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is 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."

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Capital assets of the City are depreciated using the straight-line method over the following useful lives:

Buildings	30 years
Improvements	15-40 years
Machinery and equipment	3-20 years
Infrastructure	7-60 years
Intangible assets	2-4 years

J. Restricted Assets

Tax revenues from the Homestead Option Sales Tax (HOST), police seizures, bonding escrows, and unspent proceeds from the City's notes payable are classified as restricted assets on the fund balance sheet and the HOST funds, police seizures, and bonding escrows are shown as restricted net position on the statement of net position because their use is restricted by Georgia law or applicable debt agreements.

K. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

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

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of the debt issued as other financing sources and the repayment of debt as debt service expenditures.

N. Fund Equity

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

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

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed through a resolution of the City Council. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The Fund Balance Policy, as adopted by the City Council, delegates the authority to the City's management, the City Manager, to assign fund balance for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund.

The City's policy is to obtain and then maintain a minimum general fund balance reserve equal to 33% of current expenditures.

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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. The remaining portion of net position is reported as unrestricted.

The City applies restricted resources first to fund outlays for which both restricted and unrestricted net position is available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$2,448,492 difference are as follows:

Bonds payable	\$ (2,258,811)
Accrued interest payable	(3,490)
Compensated absences (i.e., vacation)	<u>(226,191)</u>
Net adjustment to reduce fund balance – total government funds to arrive at net position – government activities	<u>\$ (2,488,492)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$6,026,935 difference are as follows:

Capital outlay	\$ 8,577,749
Depreciation expense	<u>(2,550,814)</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net position – governmental activities	<u>\$ 6,026,935</u>

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,403,500 difference are as follows:

Principal retirement of long-term debt	\$ <u>1,403,500</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net position – governmental activities	<u>\$ 1,403,500</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$20,499 difference are as follows:

Compensated absences	\$ 22,362
Accrued interest	<u>(1,863)</u>
Net adjustment to decrease net change in fund balances – total governmental funds to arrive at change in net position – governmental activities	<u><u>\$ 20,499</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Finance Director. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget ordinance.

Deficit Fund Equity

The Grant Fund had a deficit fund balance at December 31, 2015. The fund deficits will be reduced through anticipated revenues, recognition of unavailable revenues, and General Fund appropriations, as needed.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

As of December 31, 2015, the City of Dunwoody had the following investments:

Investment	Maturities	Fair Value
Certificates of deposit	1 - 5 years	\$ 239,886

Interest Rate Risk: The City does not have a formal policy that addresses interest rate risk. At December 31, 2015, the above investment was subject to interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments.

Credit Risk: The City does not have a formal policy that addresses credit risk aside from adherence to State statutes of investments. State statutes authorize the City to invest in the following: (1) obligations of the State of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2015, all of the City's bank balances were insured and collateralized as defined by state statutes and GASB.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City contracts with DeKalb County to bill and collect City of Dunwoody property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year, with a lien date of January 1 of the following year. Property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at December 31, 2015, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Grants</u>	<u>HOST</u>	<u>Nonmajor Governmental</u>	<u>Stormwater</u>
Receivables:					
Accounts	\$ 3,886	\$ -	\$ -	\$ 176,379	\$ 107,857
Taxes	3,109,070	-	1,820,882	165,318	-
Intergovernmental	-	270,668	-	-	-
Total receivables	3,112,956	270,668	1,820,882	341,697	107,857
Less allowance for uncollectibles	(44,081)	-	-	-	(60,897)
Net total receivable	<u>\$ 3,068,875</u>	<u>\$ 270,668</u>	<u>\$ 1,820,882</u>	<u>\$ 341,697</u>	<u>\$ 46,960</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the period ended December 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 17,220,841	\$ 701,323	\$ -	\$ -	\$ 17,922,164
Construction in progress	4,901,462	6,716,082	(66,268)	(3,592,578)	7,958,698
Total	<u>22,122,303</u>	<u>7,417,405</u>	<u>(66,268)</u>	<u>(3,592,578)</u>	<u>25,880,862</u>
Capital assets, being depreciated:					
Buildings	748,999	-	-	-	748,999
Improvements	6,875,636	357,099	-	-	7,232,735
Machinery and equipment	4,902,415	835,336	(788,570)	806,985	5,756,166
Infrastructure	45,676,497	-	-	2,785,593	48,462,090
Intangible assets	201,095	34,175	-	-	235,270
Total	<u>58,404,642</u>	<u>1,226,610</u>	<u>(788,570)</u>	<u>3,592,578</u>	<u>62,435,260</u>
Less accumulated depreciation for:					
Buildings	(335,508)	(82,700)	-	-	(418,208)
Improvements	(1,478,812)	(480,238)	-	-	(1,959,050)
Machinery and equipment	(3,251,663)	(591,673)	788,570	-	(3,054,766)
Infrastructure	(7,101,543)	(1,300,548)	-	-	(8,402,091)
Intangible assets	(105,440)	(95,655)	-	-	(201,095)
Total	<u>(12,272,966)</u>	<u>(2,550,814)</u>	<u>788,570</u>	<u>-</u>	<u>(14,035,210)</u>
Capital assets, net depreciation	<u>46,131,676</u>	<u>(1,324,204)</u>	<u>-</u>	<u>3,592,578</u>	<u>48,400,050</u>
Governmental activities capital assets, net	<u>\$ 68,253,979</u>	<u>\$ 6,093,201</u>	<u>\$ (66,268)</u>	<u>\$ -</u>	<u>\$ 74,280,912</u>
Business-type activities:					
Capital assets, being depreciated:					
Infrastructure	\$ 2,355,082	\$ -	\$ -	\$ -	\$ 2,355,082
Less accumulated depreciation for:					
Infrastructure	(892,396)	(100,031)	-	-	(992,427)
Business-type activities capital assets, net	<u>\$ 1,462,686</u>	<u>\$ (100,031)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,362,655</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:			
General government	\$	258,532	
Public safety		392,528	
Public works		1,450,014	
Culture and recreation		437,381	
Community development		12,359	
		12,359	
Total depreciation expense – governmental activities	\$	2,550,814	
Business-type activities:			
Stormwater	\$	100,031	
		100,031	

Dunwoody Convention and Visitors Bureau

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 14,500	\$ 7,450	\$ -	\$ 21,950
Less accumulated depreciation for:				
Machinery and equipment	(11,177)	(3,478)	-	(14,655)
Capital assets, net	\$ 3,323	\$ 3,972	\$ -	\$ 7,295

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Bonds Payable

During July 2012, the City Urban Redevelopment Agency issued \$1,785,000 of Series 2012A general obligation bonds. The 2012A bonds were issued to repay the principal balance outstanding on a note payable, which was being utilized to finance the purchase of 16.86 acres of land. Monthly payments of \$9,031, including interest at a rate of 2.00% began in September 2012 and will continue through August 2017.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending December 31,			
2016	\$ 78,385	\$ 29,981	\$ 108,366
2017	1,456,468	19,110	1,475,578
	<u>\$ 1,534,853</u>	<u>\$ 49,091</u>	<u>\$ 1,583,944</u>

During July 2012, the City Urban Redevelopment Agency issued \$3,520,000 of Series 2012B general obligation bonds. The 2012B bonds were issued to repay the principal balance outstanding on a note payable, which was being utilized to finance the purchase of 16.86 acres of land. Monthly payments began September 1, 2012 and will continue through August 2019. The bonds are variable interest bonds, where the interest is calculated at the Daily LIBOR rate plus 135 base points on the basis of the actual days elapsed over a 360-day year. The interest rate may not exceed 12% per annum. At December 31, 2015, the interest rate was 1.5110%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending December 31,			
2016	\$ 195,915	\$ 9,805	\$ 205,720
2017	198,966	6,755	205,721
2018	202,063	3,659	205,722
2019	127,014	695	127,709
	<u>\$ 723,958</u>	<u>\$ 20,914</u>	<u>\$ 744,872</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the period ended December 31, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 3,662,311	\$ -	\$ (1,403,500)	\$ 2,258,811	\$ 274,302
Compensated absences	203,829	320,079	(297,717)	226,191	192,845
Governmental activity Long-term liabilities	<u>\$ 3,866,140</u>	<u>\$ 320,079</u>	<u>\$ (1,701,217)</u>	<u>\$ 2,485,002</u>	<u>\$ 467,147</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Nonmajor governmental funds	\$ 183,761
General Fund	Grants Fund	45,038
		<u>\$ 228,799</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Component Unit	Hotel/Motel Tax Fund	<u>\$ 1,019,881</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	\$ 1,648,868
Capital Projects Fund	General Fund	7,217,120
Capital Projects Fund	Nonmajor governmental fund	5,300,000
Nonmajor governmental fund	General Fund	27,277
Nonmajor governmental fund	Debt Service Fund	1,464,088
Debt Service Fund	General Fund	1,464,367
		<u>\$ 17,121,720</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that 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.

NOTE 9. OPERATING LEASES

The government leases the office facilities under non-cancelable operating leases. The City accrues rent expense in an amount such that the total rent expense under the lease is recognized ratably over the lease term. Rent expense for this lease was \$403,711 for the fiscal period ended December 31, 2015.

The future minimum lease payments for this lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 532,630
2017	544,692
2018	557,002
2019	187,004
	<u>\$ 1,821,328</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has entered several public/private contractual partnerships for outsourced services and operations. Through these contracts with private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts are approximately \$6.2 million annually. The contracts were bid for five annual service periods and run through the year ending December 31, 2020.

For the fiscal year ended December 31, 2015, construction commitments on uncompleted contracts were \$1,888,983.

The City employed encumbrance accounting during the period; however, there were no encumbrances outstanding at December 31, 2015.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Dunwoody offers two retirement plans for City employees. The 401(a) plan is a defined contribution plan established and administered by Dunwoody for all full-time employees. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. The City contributes 10% of each employee's eligible compensation each pay period. Employees are eligible to participate on the first day of the month following 30 days of employment, and they are vested in the contributions after one year of service. At December 31, 2015, there were 81 employees participating in the plan with total contributions of \$414,247.

The City also contributes the Social Security withholding amount (6.2% for 2015) to a social security replacement plan for each eligible employee. All participants are fully vested in their social security replacement plan at all times. At December 31, 2015, there were 81 employees participating in the plan with total contributions of \$276,674.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which DeKalb County has paid on behalf of the City of Dunwoody. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has levied a 5% lodging tax. The Official Code of Georgia Annotated 48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the period ended December 31, 2015, the City received \$2,549,701 in hotel/motel taxes. Of this amount, \$1,028,881, or 40%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 14. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the period ended December 31, 2015, the City received \$113,116 in motor vehicle excise taxes. Of this amount, \$113,116, or 100%, was used for these purposes.

NOTE 15. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund (Fund), a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RISK MANAGEMENT (CONTINUED)

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pools, 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 government contract. 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.

Settled claims have not exceeded the coverages in the last three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

Draft

CITY OF DUNWOODY, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 6,745,000	\$ 6,575,000	\$ 6,804,726	\$ 229,726
Franchise taxes	3,500,000	3,500,000	3,893,061	393,061
Alcohol excise taxes	650,000	650,000	617,872	(32,128)
Business taxes	2,860,000	2,860,000	2,675,191	(184,809)
Insurance taxes	2,400,000	2,400,000	2,665,983	265,983
Licenses and permits	1,440,000	4,086,089	4,021,537	(64,552)
Intergovernmental	-	4,000,000	4,000,000	-
Charges for services	408,000	408,000	517,645	109,645
Fines and forfeitures	1,500,000	1,500,000	1,255,293	(244,707)
Contributions	5,000	19,935	29,069	9,134
Interest earned	20,000	20,000	43,547	23,547
Miscellaneous	213,000	213,000	497,497	284,497
Total revenues	<u>19,741,000</u>	<u>26,232,024</u>	<u>27,021,421</u>	<u>789,397</u>
Expenditures:				
Current:				
General government:				
Mayor and council	237,316	237,316	211,478	25,838
City manager	362,566	367,566	308,898	58,668
City clerk	240,778	247,778	201,185	46,593
Finance	3,920,083	3,967,582	3,597,438	370,144
Law	385,000	385,000	291,703	93,297
Contingency	400,000	400,000	-	400,000
Total general government	<u>5,545,743</u>	<u>5,605,242</u>	<u>4,610,702</u>	<u>994,540</u>
Judicial	<u>579,022</u>	<u>609,021</u>	<u>404,464</u>	<u>204,557</u>
Public safety	<u>6,772,991</u>	<u>6,815,301</u>	<u>6,226,595</u>	<u>588,706</u>
Public works	<u>2,131,439</u>	<u>2,136,438</u>	<u>2,132,995</u>	<u>3,443</u>
Recreation	<u>1,178,800</u>	<u>1,685,800</u>	<u>1,303,032</u>	<u>382,768</u>
Community development	<u>2,548,388</u>	<u>4,128,701</u>	<u>4,107,462</u>	<u>21,239</u>
Total expenditures	<u>18,756,383</u>	<u>20,980,503</u>	<u>18,785,250</u>	<u>2,195,253</u>
Excess of revenues over expenditures	<u>984,617</u>	<u>5,251,521</u>	<u>8,236,171</u>	<u>2,984,650</u>

Continued

CITY OF DUNWOODY, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Proceeds from the sale of property	\$ 1,150,000	\$ 1,150,000	\$ 1,049,554	\$ (100,446)
Transfers in	1,480,000	1,480,000	1,648,868	168,868
Transfers out	(3,967,787)	(8,674,787)	(8,708,764)	(33,977)
Total other financing sources (uses)	<u>(1,337,787)</u>	<u>(6,044,787)</u>	<u>(6,010,342)</u>	<u>34,445</u>
 Net change in fund balance	 (353,170)	 (793,266)	 2,225,829	 3,019,095
 Fund balance, beginning of year, restated	 <u>9,991,227</u>	 <u>9,991,227</u>	 <u>9,991,227</u>	 <u>-</u>
 Fund balance, end of year	 <u><u>\$ 9,638,057</u></u>	 <u><u>\$ 9,197,961</u></u>	 <u><u>\$ 12,217,056</u></u>	 <u><u>\$ 3,019,095</u></u>

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CITY OF DUNWOODY, GEORGIA

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 2,256,751	\$ 1,981,751
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>2,256,751</u>	<u>1,981,751</u>
Expenditures:				
Current:				
Public safety	-	-	2,374	2,374
Public works	275,000	275,000	1,203,932	928,932
Recreation	-	-	-	-
Capital outlay	-	-	245,224	245,224
Total expenditures	<u>275,000</u>	<u>275,000</u>	<u>1,451,530</u>	<u>1,176,530</u>
Excess of revenues over expenditures	-	-	805,221	805,221
Net change in fund balances	-	-	805,221	805,221
Fund balances (deficit), beginning of year	<u>(884,201)</u>	<u>(884,201)</u>	<u>(884,201)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (884,201)</u>	<u>\$ (884,201)</u>	<u>\$ (78,980)</u>	<u>\$ 805,221</u>

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CITY OF DUNWOODY, GEORGIA

HOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Sales taxes	\$ 4,000,000	\$ 5,300,000	\$ 5,375,676	\$ 75,676
Interest	4,500	4,500	1,976	(2,524)
Total revenues	<u>4,004,500</u>	<u>5,304,500</u>	<u>5,377,652</u>	<u>73,152</u>
Excess of revenues over expenditures	4,004,500	5,304,500	5,377,652	73,152
Other financing uses:				
Transfers out	<u>(4,000,000)</u>	<u>(5,300,000)</u>	<u>(5,305,918)</u>	<u>(5,918)</u>
Total other financing uses	<u>(4,000,000)</u>	<u>(5,300,000)</u>	<u>(5,305,918)</u>	<u>(5,918)</u>
Net change in fund balances	4,500	4,500	71,734	67,234
Fund balances, beginning of year, restated	<u>5,002,643</u>	<u>5,002,643</u>	<u>5,002,643</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,007,143</u>	<u>\$ 5,007,143</u>	<u>\$ 5,074,377</u>	<u>\$ 67,234</u>

Draft

NONMAJOR GOVERNMENTAL FUNDS

Hotel/Motel Tax Fund – To account for the 5% lodging tax levied in the City, which is restricted by State law.

Motor Vehicle Excise Tax Fund – To account for the revenues and expenditures related to the excise taxes collected on motor vehicles, which is restricted by State law.

E911 Fund – To account for the collection and expenditures of E911 fees, which is restricted by State law.

Confiscated Assets Fund – To account for monies forfeited by criminals that are prosecuted for narcotics or vice activity.

Urban Redevelopment Authority Fund – To account for various land purchases and development projects.

Debt Service Fund – To account for the debt service expenditures of the City.

Draft

CITY OF DUNWOODY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2015

	Special Revenue Funds			Debt Service Funds		Total Nonmajor Governmental Funds	
	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Urban Redevelopment Agency Fund		Debt Service Fund
ASSETS							
Cash	\$ -	\$ 16,986	\$ -	\$ 100,520	\$ 67,463	\$ 101,526	\$ 286,495
Accounts receivable	-	-	176,379	-	-	-	176,379
Taxes receivable	156,860	8,458	-	-	-	-	165,318
Prepays	-	-	93,750	-	-	-	93,750
Restricted assets:							
Cash and cash equivalents	-	-	-	307,947	-	-	307,947
Total assets	<u>\$ 156,860</u>	<u>\$ 25,444</u>	<u>\$ 270,129</u>	<u>\$ 408,467</u>	<u>\$ 67,463</u>	<u>\$ 101,526</u>	<u>\$ 1,029,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 11,994	\$ -	\$ -	\$ -	\$ 11,994
Accrued liabilities	-	-	-	106,282	-	-	106,282
Due to other funds	94,116	25,444	64,201	-	-	-	183,761
Due to component unit	62,744	-	-	-	-	-	62,744
Total liabilities	<u>156,860</u>	<u>25,444</u>	<u>76,195</u>	<u>106,282</u>	<u>-</u>	<u>-</u>	<u>364,781</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - other	-	-	40,000	-	-	-	40,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepays	-	-	93,750	-	-	-	93,750
Restricted:							
E911 operations	-	-	60,184	-	-	-	60,184
Capital projects	-	-	-	-	67,463	101,526	168,989
Law enforcement activities	-	-	-	302,185	-	-	302,185
Assigned:							
Debt service	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>153,934</u>	<u>302,185</u>	<u>67,463</u>	<u>101,526</u>	<u>625,108</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 156,860</u>	<u>\$ 25,444</u>	<u>\$ 270,129</u>	<u>\$ 408,467</u>	<u>\$ 67,463</u>	<u>\$ 101,526</u>	<u>\$ 1,029,889</u>

CITY OF DUNWOODY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds				Debt Service Funds		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Urban Redevelopment Agency Fund	Debt Service Fund	
REVENUES							
Taxes	\$ 2,549,701	\$ 113,116	\$ -	\$ -	\$ -	\$ -	\$ 2,662,817
Charges for services	-	-	1,186,573	-	-	-	1,186,573
Fines and forfeitures	-	-	-	142,332	-	-	142,332
Interest	14	-	-	120	54	-	188
Total revenues	<u>2,549,715</u>	<u>113,116</u>	<u>1,186,573</u>	<u>142,452</u>	<u>54</u>	<u>-</u>	<u>3,991,910</u>
EXPENDITURES							
Current:							
Public safety	-	-	1,213,850	55,165	-	-	1,269,015
Housing and development	1,019,881	-	-	-	-	-	1,019,881
Recreation	-	-	-	-	19,648	-	19,648
Capital outlay	-	-	-	47,409	-	-	47,409
Debt service:							
Principal	-	-	-	-	1,403,500	-	1,403,500
Interest	-	-	-	-	60,588	-	60,588
Total expenditures	<u>1,019,881</u>	<u>-</u>	<u>1,213,850</u>	<u>102,574</u>	<u>1,483,736</u>	<u>-</u>	<u>3,820,041</u>
Excess (deficiency) of revenues over expenditures	<u>1,529,834</u>	<u>113,116</u>	<u>(27,277)</u>	<u>39,878</u>	<u>(1,483,682)</u>	<u>-</u>	<u>171,869</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	-	-	-	4,539	-	-	4,539
Transfers in	-	-	27,277	-	1,464,088	1,464,367	2,955,732
Transfers out	(1,529,834)	(113,116)	-	-	-	(1,464,088)	(3,107,038)
Total other financing sources (uses)	<u>(1,529,834)</u>	<u>(113,116)</u>	<u>27,277</u>	<u>4,539</u>	<u>1,464,088</u>	<u>279</u>	<u>(146,767)</u>
Net change in fund balances	-	-	-	44,417	(19,594)	279	25,102
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>153,934</u>	<u>257,768</u>	<u>87,057</u>	<u>101,247</u>	<u>600,006</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,934</u>	<u>\$ 302,185</u>	<u>\$ 67,463</u>	<u>\$ 101,526</u>	<u>\$ 625,108</u>

CITY OF DUNWOODY, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,300,000	\$ 2,549,716	\$ 2,549,701	\$ (15)
Interest	-	-	14	14
Total revenues	<u>2,300,000</u>	<u>2,549,716</u>	<u>2,549,715</u>	<u>(1)</u>
Expenditures:				
Housing and development	920,000	1,019,881	1,019,881	-
Total expenditures	<u>920,000</u>	<u>1,019,881</u>	<u>1,019,881</u>	<u>-</u>
Excess of revenues over expenditures	1,380,000	1,529,835	1,529,834	(1)
Other financing uses:				
Transfers out	(1,380,000)	(1,529,835)	(1,529,834)	1
Total other financing uses	<u>(1,380,000)</u>	<u>(1,529,835)</u>	<u>(1,529,834)</u>	<u>1</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DUNWOODY, GEORGIA

**MOTOR VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 100,000	\$ 113,116	\$ 113,116	\$ -
Total revenues	100,000	113,116	113,116	-
Other financing uses:				
Transfers out	(100,000)	(113,116)	(113,116)	-
Total other financing uses	(100,000)	(113,116)	(113,116)	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

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CITY OF DUNWOODY, GEORGIA

E911 FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 1,186,573	\$ (13,427)
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,186,573</u>	<u>(13,427)</u>
Expenditures:				
Public safety	<u>1,273,300</u>	<u>1,273,300</u>	1,213,850	59,450
Total expenditures	<u>1,273,300</u>	<u>1,273,300</u>	<u>1,213,850</u>	<u>59,450</u>
Excess (deficiency) of revenues over expenditures	(73,300)	(73,300)	(27,277)	46,023
Other financing sources:				
Transfers in	<u>73,300</u>	<u>73,300</u>	27,277	(46,023)
Total other financing sources	<u>73,300</u>	<u>73,300</u>	<u>27,277</u>	<u>(46,023)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>153,934</u>	<u>153,934</u>	<u>153,934</u>	-
Fund balances, end of year	<u>\$ 153,934</u>	<u>\$ 153,934</u>	<u>\$ 153,934</u>	<u>\$ -</u>

CITY OF DUNWOODY, GEORGIA

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 142,332	\$ 142,332
Interest	-	-	120	120
Total revenues	-	-	142,452	142,452
Expenditures:				
Current:				
Public safety	-	-	55,165	55,165
Capital outlay	-	-	47,409	47,409
Total expenditures	-	-	102,574	102,574
Excess of revenues over expenditures	-	-	39,878	39,878
Other financing sources:				
Proceeds from sale of assets	-	-	4,539	4,539
Total other financing sources	-	-	4,539	4,539
Net change in fund balances	-	-	44,417	44,417
Fund balances, beginning of year	257,768	257,768	257,768	-
Fund balances, end of year	\$ 257,768	\$ 257,768	\$ 302,185	\$ 44,417

CITY OF DUNWOODY, GEORGIA

URBAN REDEVELOPMENT AGENCY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest	\$ 54	\$ 54	\$ 54	\$ -
Total revenues	54	54	54	-
Expenditures:				
Recreation	19,648	19,648	19,648	-
Debt service:				
Principal	1,403,500	1,403,500	1,403,500	-
Interest	60,588	60,588	60,588	-
Total expenditures	1,483,736	1,483,736	1,483,736	-
Deficiency of revenues over expenditures	(1,483,682)	(1,483,682)	(1,483,682)	-
Other financing sources:				
Transfers in	1,464,088	1,464,088	1,464,088	-
Total other financing sources	1,464,088	1,464,088	1,464,088	-
Net change in fund balances	(19,594)	(19,594)	(19,594)	-
Fund balances, beginning of year	87,057	87,057	87,057	-
Fund balances, end of year	\$ 67,463	\$ 67,463	\$ 67,463	\$ -

CITY OF DUNWOODY, GEORGIA

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 1,464,367	\$ 1,464,367	\$ 1,464,367	\$ -
Transfers out	(1,464,088)	(1,464,088)	(1,464,088)	-
Total other financing sources (uses)	<u>279</u>	<u>279</u>	<u>279</u>	<u>-</u>
Net change in fund balances	279	279	279	-
Fund balances, beginning of year	<u>101,247</u>	<u>101,247</u>	<u>101,247</u>	<u>-</u>
Fund balances, end of year	<u>\$ 101,526</u>	<u>\$ 101,526</u>	<u>\$ 101,526</u>	<u>\$ -</u>

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AGENCY FUND

Agency funds are used to account for assets held by the City as an agent for individuals and other agencies.

Municipal Court Fund – To account for the collection of cash appearance bonds by the Municipal Court.

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CITY OF DUNWOODY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance December 31, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>
MUNICIPAL COURT FUND				
Assets:				
Cash	\$ 446,099	\$ 4,231,129	\$ 4,171,135	\$ 506,093
Liabilities:				
Due to others	\$ 446,099	\$ 2,156,127	\$ 2,096,133	\$ 506,093

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CITY OF DUNWOODY, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
DECEMBER 31, 2015

ASSETS	
CURRENT ASSETS	
Cash	\$ 570,049
Receivables	62,744
Prepays	<u>13,969</u>
Total assets	<u><u>\$ 646,762</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 44,713</u>
Total liabilities	<u>44,713</u>
 FUND BALANCE	
Nonspendable prepaids	13,969
Restricted for promotion of tourism	<u>588,080</u>
Total fund balance	<u>602,049</u>
Total liabilities and fund balance	<u><u>\$ 646,762</u></u>

CITY OF DUNWOODY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2015**

REVENUES	
Intergovernmental revenues	\$ 1,028,881
Interest	<u>1,516</u>
Total revenues	<u>1,030,397</u>
EXPENDITURES	
Current:	
Housing and development	1,068,398
Capital outlay	<u>7,450</u>
Total expenditures	<u>1,075,848</u>
Net change in fund balances	(45,451)
FUND BALANCES, beginning of year	<u>647,500</u>
FUND BALANCES, end of year	<u><u>\$ 602,049</u></u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Page

Financial Trends..... 55

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 58

These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.

Debt Capacity 66

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..... 69

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 73

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 City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report. The City’s first period of operation is the fiscal period ended 2009; therefore, data prior to 2009 is not available.

CITY OF DUNWOODY, GEORGIA

NET POSITION BY COMPONENT LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Governmental activities:							
Net investment in capital assets	\$ 72,022,102	\$ 64,639,987	\$ 60,390,921	\$ 54,940,675	\$ 55,691,197	\$ 54,385,026	\$ 41,895,527
Restricted for HOST outlays	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for parks operation	473,355	-	-	-	-	-	-
Restricted for public safety	302,185	264,089	77,462	155,556	192,494	-	-
Restricted for E911 operations	60,184	153,934	59,443	42,793	148,234	-	-
Restricted for grant programs	-	-	-	6,040	-	-	-
Restricted for capital projects	3,668,989	-	-	-	-	-	-
Unrestricted	27,992,800	26,890,499	21,931,336	19,666,351	10,525,337	6,707,592	1,265,017
Total governmental activities net position	\$ 109,593,992	\$ 96,951,152	\$ 85,247,278	\$ 78,102,903	\$ 71,825,391	\$ 65,765,779	\$ 45,798,165
Business-type activities:							
Net investment in capital assets	\$ 1,362,655	\$ 1,462,686	\$ 1,606,488	\$ 1,753,477	\$ 1,734,347	\$ 2,085,064	\$ 2,343,069
Unrestricted	2,041,090	1,674,734	1,803,082	1,871,785	1,550,829	1,594,711	1,044,752
Total business-type activities net position	\$ 3,403,745	\$ 3,137,420	\$ 3,409,570	\$ 3,625,262	\$ 3,285,176	\$ 3,679,775	\$ 3,387,821
Primary government:							
Net investment in capital assets	\$ 73,384,757	\$ 66,102,673	\$ 61,997,409	\$ 56,694,152	\$ 57,425,544	\$ 56,470,090	\$ 44,238,616
Restricted for HOST outlays	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for parks operation	473,355	-	-	-	-	-	-
Restricted for public safety	302,185	264,089	77,462	155,556	192,494	-	-
Restricted for E911 operations	60,184	153,934	59,443	42,793	148,234	-	-
Restricted for grant programs	-	-	-	6,040	-	-	-
Restricted for capital projects	3,668,989	-	-	-	-	-	-
Unrestricted	30,033,890	28,565,233	23,734,418	21,538,136	12,076,166	8,302,303	1,265,017
Total primary government net position	\$ 112,997,737	\$ 100,088,572	\$ 88,656,848	\$ 81,728,165	\$ 75,110,567	\$ 69,445,554	\$ 48,141,254

CITY OF DUNWOODY, GEORGIA

CHANGES IN NET POSITION LAST SEVEN FISCAL YEARS (accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses							
Governmental activities:							
General government	\$ 4,900,861	\$ 4,423,918	\$ 4,617,699	\$ 5,021,924	\$ 5,178,035	\$ 4,810,795	\$ 4,804,898
Judicial	405,905	449,480	382,633	335,101	236,192	215,094	197,718
Public safety	7,895,867	7,334,076	7,203,617	6,705,729	5,979,082	4,975,421	5,981,437
Public works	6,803,121	4,960,165	6,182,605	4,096,589 (4)	5,323,795	3,073,849	2,809,840
Housing and development	1,019,881	970,170	819,221	739,888	125,852	-	-
Culture and recreation	1,760,061	1,457,055	1,231,199	1,268,147	914,096 (1)	509,941	-
Community development	4,119,821	2,412,288	2,463,310	2,374,141	2,105,107	2,053,868	1,724,838
Health and welfare	-	-	-	-	40,475	-	-
Interest on long-term debt	58,725	72,059	101,343	220,866	105,502	93,486	128,561
Total governmental activities expenses	<u>26,964,242</u>	<u>22,079,211</u>	<u>23,001,627</u>	<u>20,762,385</u>	<u>20,008,136</u>	<u>15,732,454</u>	<u>15,647,292</u>
Business-type activities:							
Stormwater	1,623,196	2,134,737	2,054,919	1,466,171	1,665,830	1,161,348	408,449
Total business-type activities expenses	<u>1,623,196</u>	<u>2,134,737</u>	<u>2,054,919</u>	<u>1,466,171</u>	<u>1,665,830</u>	<u>1,161,348</u>	<u>408,449</u>
Total primary government expenses	<u>28,587,438</u>	<u>24,213,948</u>	<u>25,056,546</u>	<u>22,228,556</u>	<u>21,673,966</u>	<u>16,893,802</u>	<u>16,055,741</u>
Program revenues							
Governmental activities:							
Charges for services:							
General government	468,420	462,905	430,906	626,846	455,977	408,091	20,498
Judicial	1,255,293	1,461,499	1,345,044	1,129,040	1,094,345 (2)	1,150,792	655,483
Public safety	1,474,168	1,365,761	1,436,804 (5)	1,030,365	271,702	53,507	14,025
Public works	333,738	359,728	346,079	373,555	348,900	322,073	294,860
Culture and recreation	34,600	13,524	14,109	18,907	20,098	17,119	-
Community development	3,566,510	1,321,229	1,328,150	1,286,143	719,569	559,356	439,410
Operating grants and contributions	540,163	70,025	30,569	67,369	117,501	64,072	73,889
Capital grants and contributions	6,028,361	2,348,069	1,827,596	436,092	505,539	13,311,910	-
Total governmental activities program revenues	<u>13,701,253</u>	<u>7,402,740</u>	<u>6,759,257</u>	<u>4,968,317</u>	<u>3,533,631</u>	<u>15,886,920</u>	<u>1,498,165</u>
Business-type activities:							
Charges for services:							
Stormwater	1,888,798	1,861,300	1,837,404 (6)	1,804,012	1,269,452	1,272,341	1,259,683
Capital grants and contributions	-	-	-	-	-	178,449	-
Total business-type activities program revenues	<u>1,888,798</u>	<u>1,861,300</u>	<u>1,837,404</u>	<u>1,804,012</u>	<u>1,269,452</u>	<u>1,450,790</u>	<u>1,259,683</u>
Net (expense) revenue:							
Governmental activities	(13,262,989)	(14,676,471)	(16,242,370)	(15,794,068)	(16,474,505)	154,466	(14,149,127)
Business-type activities	265,602	(273,437)	(217,515)	337,841	(396,378)	289,442	851,234
Total primary government net (expense) revenue	<u>\$ (12,997,387)</u>	<u>\$ (14,949,908)</u>	<u>\$ (16,459,885)</u>	<u>\$ (15,456,227)</u>	<u>\$ (16,870,883)</u>	<u>\$ 443,908</u>	<u>\$ (13,297,893)</u>

(continued)

CITY OF DUNWOODY, GEORGIA

CHANGES IN NET POSITION LAST SEVEN FISCAL YEARS (accrual basis of accounting) CONTINUED

	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	\$ 6,796,286	\$ 6,812,751	\$ 6,134,605	\$ 5,565,481	\$ 5,773,218	\$ 6,418,837	\$ 6,528,839
Sales taxes	5,375,676	6,596,344	5,584,893	5,261,307	6,112,167	2,441,840	2,635,738
Hotel/Motel taxes	2,549,701	2,425,426	2,048,049	1,849,719	1,714,271	1,788,624	1,856,613
Franchise taxes	3,893,061	3,880,550	3,643,706	3,659,533	3,726,300	3,473,461	3,085,419
Business taxes	2,675,191	2,702,392	2,673,994	2,601,628	2,312,374	2,532,106	2,158,910
Alcohol excise taxes	730,988	731,096	721,942	682,867	649,441	675,535	1,383,171
Insurance premium taxes	2,665,983	2,495,238	2,386,636	2,305,027	2,170,117 (3)	2,064,127	-
Unrestricted investment earnings	707,404	444,439	122,967	32,829	17,007	16,062	8,943
Miscellaneous revenues	511,539	292,109	69,953	113,189	59,222	24,581	1,630
Gain on disposal of capital assets	-	-	-	-	-	2,980	-
Total governmental activities	25,905,829	26,380,345	23,386,745	22,071,580	22,534,117	19,438,153	17,659,263
Business-type activities:							
Unrestricted investment earnings	723	1,287	1,823	2,245	1,779	2,492	-
Special item - donation of infrastructure at incorporation	-	-	-	-	-	-	2,536,607
Total business-type activities	723	1,287	1,823	2,245	1,779	2,492	2,536,607
Total primary government net (expense) revenue	\$ 25,906,552	\$ 26,381,632	\$ 23,388,568	\$ 22,073,825	\$ 22,535,896	\$ 19,440,645	\$ 20,195,870
Change in Net Position							
Governmental activities	\$ 12,642,840	\$ 11,703,874	\$ 7,144,376	\$ 6,277,512	\$ 6,059,612	\$ 19,592,619	\$ 3,510,136
Business-type activities	266,325	(272,150)	(215,692)	340,086	(394,599)	291,934	3,387,841
Total primary government	\$ 12,909,165	\$ 11,431,724	\$ 6,928,684	\$ 6,617,598	\$ 5,665,013	\$ 19,884,553	\$ 6,897,977

- (1) In 2010 the City took ownership of the parks within the City limits from DeKalb County.
(2) 2010 was the first full year of operations for the Court.
(3) 2010 was the first year the City was eligible to receive insurance premium tax revenue.
(4) In 2011 the City's inventory of the stormwater system was complete and the City began significant repairs to the system.
(5) 2012 was the City's first full year of collecting E911 revenues.
(6) In 2012 the City approved a rate increase from \$49 per ERU to \$69 per ERU for the stormwater fee.

CITY OF DUNWOODY, GEORGIA

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Franchise Taxes</u>	<u>Business Taxes</u>	<u>Alcohol Excise Taxes</u>	<u>Insurance Premium Taxes</u>	<u>Total</u>
2009	\$ 6,528,839	\$ 2,635,738	\$ 1,858,613	\$ 3,085,419	\$ 2,158,910	\$ 1,383,171 (1)	\$ -	\$ 17,650,690
2010	6,418,837	2,441,840	1,788,624	3,473,461	2,532,106	675,535	2,064,127 (2)	19,394,530
2011	5,565,481	5,261,307 (3)	1,849,719	3,659,533	2,601,628	682,867	2,305,027	21,925,562
2012	6,134,605	5,584,893	2,048,049	3,643,706	2,673,994	721,942	2,386,636	23,193,825
2013	6,134,605	5,584,893	2,048,049	3,643,706	2,673,994	721,942	2,386,636	23,193,825
2014	6,812,751	6,596,344	2,425,426	3,880,550	2,702,392	731,096	2,495,238	25,643,797
2015	6,796,286	5,375,676	2,549,701	3,893,061	2,675,491	730,988	2,665,983	24,686,886

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- (1) The 13 month 2009 fiscal period contained two renewal periods for alcoholic beverage licenses.
- (2) 2010 was the first year the City was eligible to receive insurance premium tax revenue.
- (3) DeKalb County changed the capital factor used in calculating the HOST revenues due to municipalities.

CITY OF DUNWOODY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS (modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
General Fund							
Nonspendable	\$ 166,889	\$ 243,811	\$ 168,938	\$ 210,750	\$ 109,511	\$ 158,114	\$ 135,373
Restricted:							
HOST capital projects	-	-	(1) 2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Public safety	-	264,089	77,462	155,555	192,484	-	-
Capital projects	-	-	-	-	-	-	-
Parks operation	473,355	-	-	-	-	-	-
Assigned:							
General government	-	12,000	3,309	45,600	-	619,740	-
Municipal Court	-	25,000	-	-	-	-	-
Police explorer program	3,670	4,522	7,281	11,257	-	-	-
Public works	-	5,000	56,850	4,550	-	-	-
Culture and recreation	-	-	74,267	-	-	-	-
Public safety	-	-	75,000	21,100	-	-	-
Community development	-	201,724	4,000	174,946	-	-	-
Unassigned	11,573,142	9,235,081	8,206,754	7,471,080	5,822,789	5,460,937	601,632
Total general fund	\$ 12,217,056	\$ 9,991,227	\$ 11,461,977	\$ 11,386,326	\$ 11,392,913	\$ 10,911,952	\$ 3,374,626
All Other Governmental Funds							
Nonspendable	\$ 93,750	\$ 3,048	\$ 95,681	\$ 851,780	\$ 100,000	\$ -	\$ -
Restricted:							
Public Safety	302,185	257,768	256,356	-	-	-	-
E911 operations	60,184	153,934	59,443	42,793	132,377	-	-
Grant projects	-	-	-	6,040	-	-	-
Capital projects	3,668,989	48,318	57,966	282,662	204,196	306,150	755,934
HOST capital projects	5,074,377	5,002,643	(1) -	-	-	-	-
Assigned:							
Promotion of tourism	-	-	-	-	-	-	975
Capital projects	14,029,833	14,191,240	9,696,507	7,746,680	4,704,074	562,907	191,256
Debt service	-	140,009	137,272	34,556	58,221	32,297	540,944
Unassigned	(78,980)	(884,201)	(86,555)	-	(7,198)	-	-
Total all other governmental funds	\$ 23,150,338	\$ 18,912,759	\$ 10,216,670	\$ 8,964,511	\$ 5,191,670	\$ 901,354	\$ 1,489,109

(1) 2014 was the first year HOST revenues were reported in a special revenue fund.

CITY OF DUNWOODY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS (modified accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009
Revenues							
Taxes	\$ 24,695,326	\$ 25,654,262	\$ 23,164,489	\$ 21,948,111	\$ 22,588,129	\$ 19,259,382 (1)	\$ 17,622,712
Licenses and permits	4,021,537	1,791,291	1,763,578	1,790,182	1,131,905	944,671	439,410
Intergovernmental	7,325,987	1,585,419	1,754,670	499,714	379,649	62,345	-
Charges for services	1,704,218	1,719,998	1,618,165	1,416,024 (3)	628,443	393,119	327,366
Fines and forfeitures	1,397,625	1,472,714	1,479,826	1,129,040	1,094,345	1,150,792 (2)	655,483
Contributions	29,069	58,869	10,900	10,945	12,674	46,424	73,889
Interest earned	51,767	16,499	27,672	32,829	17,007	16,062	8,943
Miscellaneous	497,497	301,104	73,350	259,903	95,668	59,536	3,647
Total revenues	<u>39,723,026</u>	<u>32,600,156</u>	<u>29,892,650</u>	<u>27,086,748</u>	<u>25,947,820</u>	<u>21,932,331</u>	<u>19,131,450</u>
Expenditures							
Current:							
General government	4,610,702	4,312,164	4,276,019	4,087,614	4,833,084	4,627,391	6,345,057
Judicial	404,464	450,868	382,673	332,862	235,916	218,953	194,533
Public safety	7,497,984	7,003,378	7,207,732	6,161,698	5,756,630	4,517,442	7,613,487
Public works	3,336,927	4,552,001	4,887,902	2,825,749	4,104,480	1,896,421	1,803,788
Housing and development	1,019,881	970,170	819,221	739,888	125,852	-	-
Culture and recreation	1,322,680	1,202,590	1,010,262	1,287,398	815,120	385,865	-
Community development	4,107,462	2,403,897	2,457,621	2,368,452	2,099,419	2,093,686	1,724,838
Health and welfare	-	-	-	-	40,475	-	-
Capital outlay	10,608,548	4,115,661	6,039,046	4,545,136	7,574,382	845,729	-
Debt service:							
Principal	1,403,500	1,240,393	1,639,339	1,227,507	679,960	662,073	45,736
Interest	60,588	73,695	140,035	141,652	84,216	110,195	40,276
Total expenditures	<u>34,372,736</u>	<u>26,324,817</u>	<u>28,859,850</u>	<u>23,717,956</u>	<u>26,349,533</u>	<u>15,357,755</u>	<u>17,767,715</u>
Excess of revenues over expenditures	<u>5,350,290</u>	<u>6,275,339</u>	<u>1,032,800</u>	<u>3,368,792</u>	<u>(401,713)</u>	<u>6,574,576</u>	<u>1,363,735</u>
Other Financing Sources (Uses)							
Proceeds from the sale of assets	1,113,119	950,000	295,009	39,550	-	-	-
Issuance of long-term debt	-	-	-	5,305,000	5,173,000	-	3,500,000
Payments to escrow agent	-	-	-	(4,947,097)	-	-	-
Transfers in	17,121,720	13,154,376	12,708,674	12,239,279	11,546,244	2,285,986	2,417,437
Transfers out	(17,121,720)	(13,154,376)	(12,708,674)	(12,239,279)	(11,546,244)	(2,285,986)	(2,417,437)
Total other financing sources (uses)	<u>1,113,119</u>	<u>950,000</u>	<u>295,009</u>	<u>397,453</u>	<u>5,173,000</u>	<u>-</u>	<u>3,500,000</u>
Net change in fund balances	<u>\$ 6,463,409</u>	<u>\$ 7,225,339</u>	<u>\$ 1,327,809</u>	<u>\$ 3,766,245</u>	<u>\$ 4,771,287</u>	<u>\$ 6,574,576</u>	<u>\$ 4,863,735</u>
Debt service as a percentage of noncapital expenditures	5.7%	6.3%	7.9%	7.2%	4.2%	5.4%	0.6%

(1) 2010 was the first year the City was eligible to receive insurance premium tax revenue.

(2) 2010 was the first full year of operations for the Court.

(3) 2012 was the first full year of E911 service collections.

CITY OF DUNWOODY, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST SEVEN FISCAL YEARS (modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Alcohol Excise Taxes	Insurance Premium Taxes	Motor Vehicle Taxes	Total
2009	\$ 6,500,861	\$ 2,635,738	\$ 1,858,613	\$ 3,085,419	\$ 2,158,910	\$ 1,383,171 (1)	-	-	\$ 17,622,712
2010	6,283,689	2,441,840	1,788,624	3,473,461	2,532,106	675,535	2,064,127 (2)	-	19,259,382
2011	5,817,882	6,112,167 (3)	1,714,271	3,811,877	2,312,374	546,281	2,170,117	103,160	22,588,129
2012	5,588,030	5,261,307	1,849,719	3,659,533	2,601,628	584,429	2,305,027	98,437	21,948,110
2013	6,105,269	5,584,893	2,048,049	3,643,706	2,673,994	616,533	2,386,636	105,409	23,164,489
2014	6,823,216	6,596,344	2,425,426	3,880,550	2,702,392	616,358	2,495,238	114,738	25,654,262
2015	6,804,726	5,375,676	2,549,701	3,893,061	2,675,191	617,872	2,665,983	113,116	24,695,326

- (1) The 13 month 2009 fiscal period contained two renewal periods for alcoholic beverage licenses.
- (2) 2010 was the first year the City was eligible to receive insurance premium tax revenue.
- (3) DeKalb County changed the capital factor used in calculating the HOST revenues due to the municipalities.

CITY OF DUNWOODY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST SEVEN FISCAL YEARS (modified accrual basis of accounting)

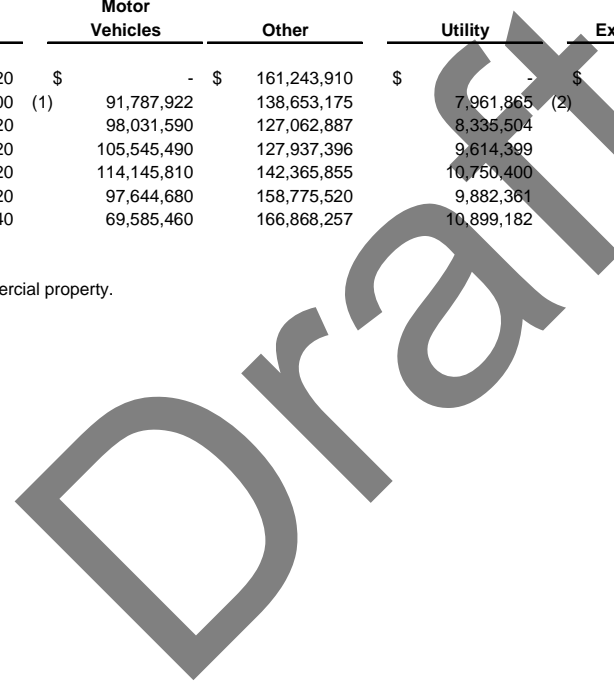
Calendar Year	Real Property			Personal Property		Utility	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other						
2009	\$ 1,705,466,146	\$ 1,150,571,118	\$ 2,170,120	\$ -	\$ 161,243,910	\$ -	\$ 463,251	\$ 3,018,988,043	2.740	\$ 8,272,027,238	40%
2010	1,683,178,283	1,093,173,311	19,838,600 (1)	91,787,922	138,653,175	7,961,865 (2)	471,468	3,034,121,688	2.740	8,313,493,425	40%
2011	1,596,200,717	991,341,782	2,170,120	98,031,590	127,062,887	8,335,504	631,562,603 (3)	2,191,579,997	2.740	6,004,929,192	40%
2012	1,465,257,364	951,288,420	2,170,120	105,545,490	127,937,396	9,614,399	611,029,987	2,050,783,202	2.740	5,619,145,973	40%
2013	1,473,545,860	1,012,027,248	2,170,120	114,145,810	142,365,855	10,750,400	591,293,621	2,163,711,672	2.740	5,928,569,981	40%
2014	1,564,866,126	896,492,440	2,170,120	97,644,680	158,775,520	9,882,361	615,027,205	2,114,804,042	2.740	5,794,563,075	40%
2015	1,656,284,799	1,148,982,462	2,025,240	69,585,460	166,868,257	10,899,182	724,349,943	2,330,295,457	2.740	6,385,009,552	40%

Source: Georgia Department of Revenue www.etax.dor.ga.gov

(1) In 2010 a large property was included with industrial property from commercial property.

(2) 2010 was the first year of the utility tax on the digest for the City.

(3) 2011 was the first year local exemptions (ie. homestead) were included.



CITY OF DUNWOODY, GEORGIA

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST SEVEN FISCAL YEARS (rate per \$1,000 of assessed value)

Calendar Year	DeKalb County						Total School District Millage	State	Total Direct & Overlapping Rates
	Dunwoody (1)	Operating Millage	Debt Service Millage	Fire District Millage	Hospital Millage	Total County Millage			
2009	2.740	8.000	1.940	2.460	0.960	13.360	22.980	0.250	39.330
2010	2.740	8.000	1.940	2.460	0.960	13.360	22.980	0.250	39.330
2011	2.740	15.820	1.810	2.700	0.880	21.210	22.980	0.250	47.180
2012	2.740	14.560	2.420	3.290	0.940	21.210	23.980	0.200	48.130
2013	2.740	15.670	1.920	2.820	0.800	21.210	23.980	0.150	48.080
2014	2.740	16.660	1.680	2.870	0.000	21.210	23.980	0.100	48.030
2015	2.740	10.390	0.640	2.750	0.890	14.670	23.730	0.050	41.190

Source: DeKalb County Tax Commissioner

Note: As set forth in the City's charter, the millage rate cannot exceed 3.04 mills unless a higher limit is approved through a referendum by a majority of qualified voters of the City.

(1) The City only has one tax rate, there are no components to total.

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CITY OF DUNWOODY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND SIX YEARS AGO

Taxpayer	2015			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PERIMETER MALL LLC	\$ 74,534,178	1	3.20 %	\$ 71,498,626	1	2.37 %
WORTHING PERIMETER CENTER	49,686,343	2	2.13			
SPUS6 THREE RAVINIA LP	43,435,200	3	1.86			
350 PERIMETER CENTER NORTH ATL	38,286,000	4	1.64			
AVALON ACQUISITION COMPANY LLC	29,036,400	5	1.25			
ML TERRACES LLC	28,137,200	6	1.21			
FAIRFIELD PERIMETER LLC	27,646,299	7	1.19	22,307,400	7	0.74
METROPOLITAN III LLC	27,417,600	8	1.18	18,800,000	10	0.62
SOF BD OWNER	26,089,028	9	1.12			
MASSACHUSETTS MUTUAL LIFE	24,780,000	10	1.06	22,020,800	8	0.73
RB TERRACES LLC	-		-	60,914,842	2	2.02
KOGER RAVINIA LLC	-		-	36,000,000	3	1.19
GLL PERIMETER PLACE LP	-		-	29,452,962	4	0.98
SPUS6 THREE RAVINIA LP	-		-			
PERIMETER ATLANTA SC LLC	-		-	20,059,966	9	0.66
WRI RETAIL POOL LLP	-		-			
JEFFERSON AT PERIMETER LP	-		-	22,528,462	6	0.75
METROPOLITAN LLC	-		-			
BROADSTONE AT DUNWOODY LLC	-		-	27,003,148	5	0.89
Totals	<u>\$ 369,048,248</u>		<u>15.84 %</u>	<u>\$ 330,586,206</u>		<u>10.95 %</u>

Source: DeKalb County Tax Commissioner

Note: 2009 is the first year the City levied property taxes.

Note: Rank is based on the amount of City maintenance and operations taxes billed since exemptions that reduce the assessed value can vary by entity.

CITY OF DUNWOODY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST SEVEN FISCAL YEARS

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 7,767,610	\$ 6,047,464	77.9 %	\$ 1,706,530	\$ 7,753,994	99.8 %
2010	7,510,439	5,735,897	76.4	1,756,182	7,492,079	99.8
2011	7,158,008	6,902,090	96.4	232,429	7,134,519	99.7
2012	7,388,108	7,095,624	96.0	275,063	7,370,687	99.8
2013	7,593,490	7,359,133	96.9	238,228	7,597,361	100.1
2014	8,141,795	8,043,508	98.8	60,437	8,103,945	99.5
2015	8,332,151	8,212,595	98.6	N/A	8,212,595	98.6

Source: Dekalb County Tax Commissioner

Note: Total tax levy for fiscal year is adjusted each year for errors, releases, and adjustments.

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CITY OF DUNWOODY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS

Fiscal Year Ended December 31,	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Total		
2009	\$ -	\$ 3,500,000	\$ 3,500,000	0.14 %	\$ 80.79
2010	-	2,792,191	2,792,191	0.12	60.35
2011	-	7,285,232	7,285,232	0.36	157.46
2012	5,130,652	1,411,390	6,542,042	0.36	138.53
2013	4,902,703	-	4,902,703	0.23	103.82
2014	3,662,310	-	3,662,310	0.17	76.95
2015	2,258,811	-	2,258,811	0.11	76.95

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF DUNWOODY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt			
Notes payable	\$ 2,258,811	100.00 %	\$ 2,258,811
Total direct debt	<u>\$ 2,258,811</u>		<u>\$ 2,258,811</u>
Overlapping debt			
DeKalb County	\$ 255,058,000	10.65 %	\$ 27,163,677
Total overlapping debt	<u>\$ 255,058,000</u>		<u>\$ 27,163,677</u>
Total direct and overlapping debt	<u>\$ 257,316,811</u>		<u>\$ 29,422,488</u>

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from DeKalb County's Finance Department.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

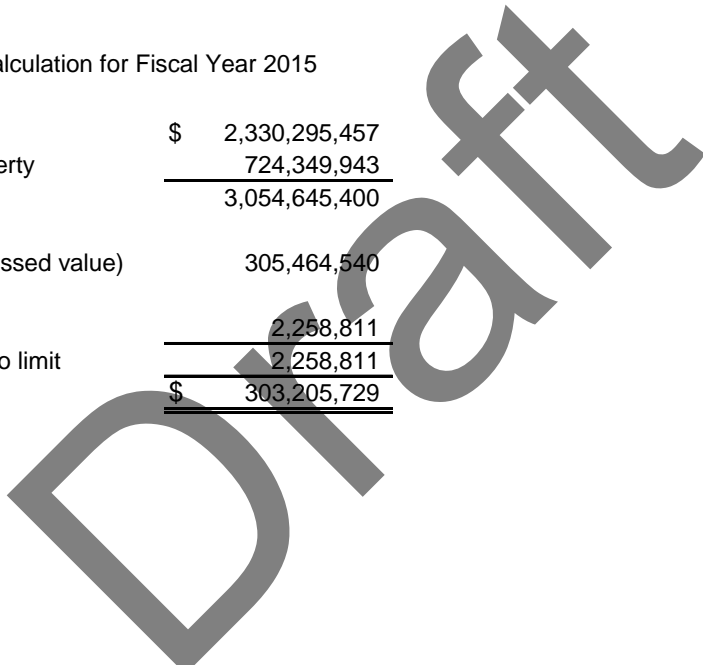
CITY OF DUNWOODY, GEORGIA

LEGAL DEBT MARGIN LAST FOUR YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 305,464,540	\$ 272,983,125	\$ 275,500,529	\$ 266,181,319
Total net debt applicable to limit	<u>2,258,811</u>	<u>3,662,310</u>	<u>4,866,400</u>	<u>5,096,096</u>
Legal debt margin	<u>\$ 303,205,729</u>	<u>\$ 269,320,815</u>	<u>\$ 270,634,129</u>	<u>\$ 261,085,223</u>
Total net debt applicable to the limit as a percentage of debt limit	1%	1%	2%	2%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 2,330,295,457
Add back: exempt real property	<u>724,349,943</u>
Total assessed value	3,054,645,400
Debt limit (10% of total assessed value)	305,464,540
Debt applicable to limit:	
General obligation debt	<u>2,258,811</u>
Total net debt applicable to limit	<u>2,258,811</u>
Legal debt margin	<u>\$ 303,205,729</u>



CITY OF DUNWOODY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST SEVEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2009	43,322	\$ 2,437,036	\$ 56,254	38.4	5,798	10.1 %
2010	46,267	2,239,878	48,412	38.0	6,003	10.1
2011	46,809	2,038,802	44,066	35.7	11,425	5.9
2012	47,224	1,838,096	39,268	35.9	12,308	8.8
2013	47,591	2,113,085	44,746	36.6	11,728	7.1
2014	48,000	2,112,898	44,397	36.5	11,395	8.4
2015	48,000	2,137,008	44,521	36.6	6,570	7.8

(1) Source: US Census Bureau

(2) Source: DeKalb County Schools

Note: Population, per capita and personal income are estimates based on past regional trends.

CITY OF DUNWOODY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND SIX YEARS AGO

Employer	2015			2009		
	Employees (3)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
SIX CONTINENTS HOTELS	1,337	1	5.55 %	967	1	3.89 %
UHS OF PEACHFORD LP	578	2	2.40	453	6	1.82
CONVERGENT OUTSOURCING, INC	574	3	2.38	-		-
APEX SYSTEMS, INC	438	4	1.82	-		-
MACY'S #20	396	5	1.64	412	9	1.66
ACCESS INSURANCE HOLDINGS, INC	396	6	1.64	-		-
COMPUTER GENERATED SOLUTIONS	344	7	1.43	420	8	1.69
T MOBILE	330	8	1.37	767	3	3.09
THE ATLANTA JOURNAL CONSTITUTION	328	9	1.36	-		-
VENTYX, INC	250	10	1.04	-		-
WALDEN SECURITY	-		-	606	4	2.44
ER SOLUTIONS INC	-		-	400	10	1.61
MACY'S CORPORATE	-		-	785	2	3.16
PHILIPS HEALTHCARE	-		-	492	5	1.98
WAL MART SUPERCENTER #236	-		-	-		-
AUTOTRADER COM INC	-		-	435	7	1.75
Totals	4,971		20.63 %	5,737		23.09 %

(1) Source: 2009 individual employer's business license filings.

(2) Source: U.S. Bureau of Labor Statistics

(3) Source: 2015 individual employer's business license filings.

CITY OF DUNWOODY, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST SEVEN FISCAL YEARS

Function	2015	2014	2013	2012	2011	2010	2009
General government	5	3	4	4	3	3	3
Judicial	4	4	3	3	1	1	1
Public safety:							
Officers	54	50	43	46	46	40	40
Civilians	10	9	8	8	8	8	8
Public Works	1	1	-	-	-	-	-
Total	74	67	58	61	58	52	52

Source: City of Dunwoody Human Resources Department
 Note: Indicators are not available for the Community Development function.

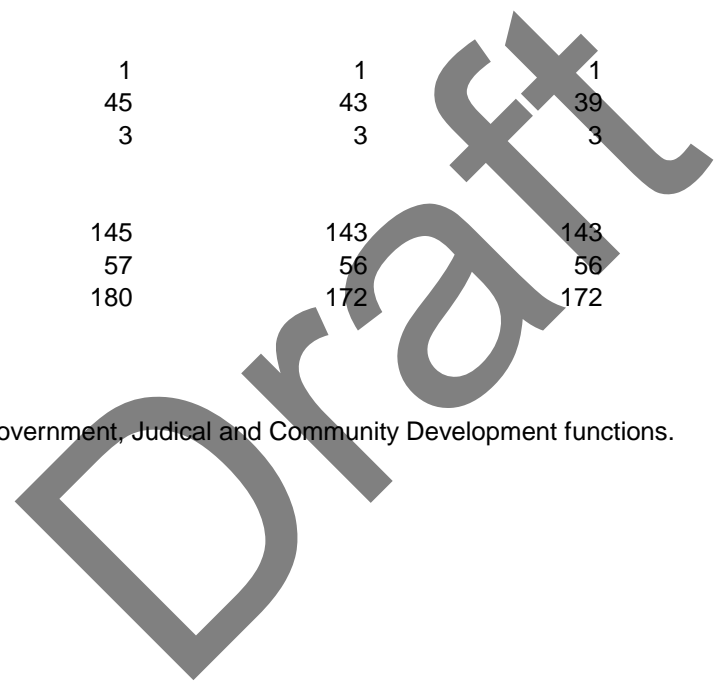
CITY OF DUNWOODY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN FISCAL YEARS

Function/Program	2015	2014	2013	2012	2011	2010	2009
Public Safety:							
Stations	1	1	1	1	1	1	1
Patrol Units	45	45	43	39	41	41	40
Patrol Zones	3	3	3	3	3	3	3
Public Works:							
Streets (miles)	143	145	143	143	150	150	295
Traffic Signals	57	57	56	56	56	56	78
Parks (acres)	182	180	172	172	172	156	-

Source: Various City departments.

Note: Indicators are not available for the General Government, Judicial and Community Development functions.

(1) Reflects building operating lease.



CITY OF DUNWOODY, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST SEVEN FISCAL YEARS

Function	2015	2014	2013	2012	2011	2010	2009
Public Safety:							
Arrests	2,130	2,433	1,578	1,487	1,840	1,966	1,287
Incidents	6,192	6,430	6,590	6,090	5,770	5,338	3,834
Citations	7,816	8,924	6,710	6,077	7,829	7,396	6,318
Public Works:							
Pavement repairs	234	201	189	141	470	610	477
Storm drains cleaned/repaired	101	237	359	293	386	402	321
Municipal Court:							
Citations processed	4,370	9,497	9,578	7,788	8,066	7,469	8,475
Clients successfully completing probation	1,181	867	876	885	838	1,171	297
Community Development:							
Permits issued	1,355	1,548	439	542	972	942	302
Inspections completed	5,214	4,923	4,580	4,861	6,358	5,900	6,070

Sources: Various government departments

Note: Indicators are not available for the general government function.

Note: Municipal Court processed citations issued by DeKalb County for the first part of 2009 fiscal year.

Note: Community Development began tracking over the counter permits issued in 2012.