2012

CITY OF DUNWOODY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR END DECEMBER 31,2012

Dunwoody*

*Smart people – Smart city

Dunwoody

Smart people – Smart city

CITY OF DUNWOODY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2012

Prepared by:
Chris Pike, CPA
Finance Director

Submitted by:
Warren A. Hutmacher
City Manager

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INTRODUCTORY SECTION

Dunwoody*

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May 6, 2013

Honorable Mike Davis, 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, 2012. 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). Mauldin and Jenkins, CPAs, have issued an unqualified ("clean") opinion on the City of Dunwoody's financial statements for the year ended December 31, 2012. 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.

Cheek-Spruill House, 2009

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).

"Old Buck" Circ. 1918

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. Currently, Dunwoody is the youngest city in the state of Georgia, voted into cityhood in December of 2008 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. Some services are still provided by DeKalb County.

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 2014, 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 2016.

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.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) Statements 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 Statements No. 61, specifically the Convention and Visitors Bureau of Dunwoody, Dunwoody Development Authority, and Urban Redevelopment Agency of the City of Dunwoody.

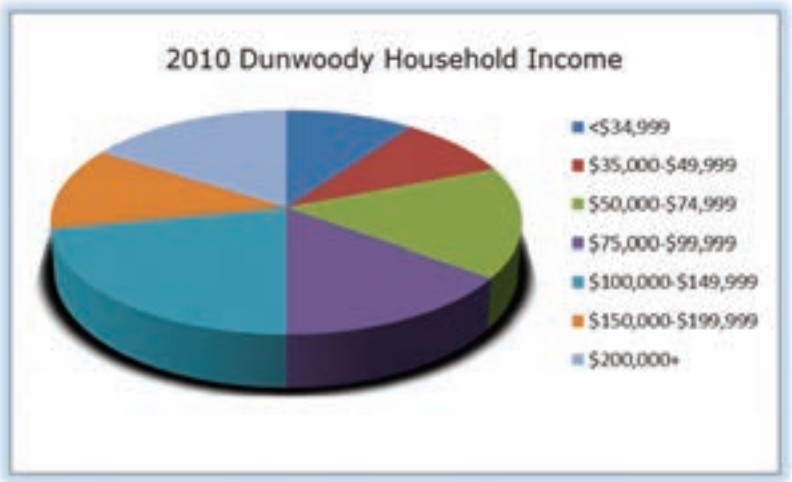
Dunwoody Population, Households, and Forecast: 2000-2030

	2000	2008	2013	2020	2025	2030
Population	38,699	43,322	46,267	49,465	51,323	53,019
Households	16,018	18,322	19,944	21,791	22,609	23,356
Avg. Household Sz.	2.38	2.30	2.31	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 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 national and local economy continued to struggle through 2012. The slow recovery period has been a challenge for many local governments. While Dunwoody is not immune to these challenges the City has fared better than most cities. Dunwoody boasts a diverse revenue stream and an efficiently managed service culture. As a result, Dunwoody has shown positive signs of stability. Although the City saw a decline in property taxes from $6.3 million two years ago to $5.6 million in 2012, the City remains in a strong position due in part to its relatively robust revenues including primarily franchise, licensing and permitting fees. Additionally, the City has experienced sizable new business and expansions as companies have built out or relocated headquarters in the City over the past year. The City has avoided increasing health care costs and pension liability accruals 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. Property values held relatively steady compared to the overall County digest. Property values dropped 4.2% in Dunwoody in fiscal year 2012 while DeKalb County saw a much larger 8.7% drop in property values over the same time period. 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 (capped at 3.04) from a variety of sources from groups of local businesses, residents and visitors to the area.

Dunwoody's incorporation and early development took place during a severe recession in the economy requiring the establishment of an effective and efficient structure. The City is better prepared than most but recognizes that the current economic environment creates additional pressure. 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 2012 was the fourth full year of service. Major items implemented during this fiscal year include:

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

- Implemented Car-Fit Program for senior citizens
- Improved efficiency via deployment of Daily Report software
- Implemented and published Child Safety Check Program and Child Safety Seat Brochure
- Implemented Domestic Assault Response Team Program
- Developed and published an Identity Theft Information Brochure and I.D. Theft Resource Page
- Implemented the Operation Pill Drop Program
- Received award for the adoption of the Collision Avoidance Training Program

Priority 2 - Promote responsible and balanced redevelopment

- Developed an Urban Canopy Tree Inventory and Assessment
- Created a new zoning district to implement Project Renaissance
- Completed approximately 30% of the Draft Zoning Code Rewrite Text
- Completed rules and procedures for all planning and zoning processes and associated application amendments for more clarity
- Completed 8 multi-family apartment complex sweeps
- Completed GIS Web Browser architecture for public viewing of GIS information
- Received ARC Silver Green Communities Certification for environmental sustainability

Priority 3 - Actively pursue comprehensive infrastructure improvements

- Resurfaced over nine miles of Dunwoody's road network
- Completed the concept design for Tilly Mill at North Peachtree intersection improvement
- Implemented new work order management system
- Completed sidewalks on Happy Hollow Road and Valley View Road
- Completed design of sidewalks on various streets in Dunwoody's road network
- Completed thirteen stormwater pipe replacements
- Ridgelock Court stormwater retrofit to reduce runoff and improve water quality
- Began construction for sidewalk and bicycle lanes on Mount Vernon Road west of Ashford Dunwoody Road
- Acquired additional parcels of land in the Georgetown/North Shallowford area
- The City's first Comprehensive Transportation Plan was recognized for the Outstanding Planning Process award by the Georgia Planning Association

Priority 4 - Create an atmosphere in which businesses thrive

- Reported 663,000 square feet of Class-A office space leased through new business development, company expansions and relocations
- Reported 2,503 jobs and over $80 million capital investment through new business development, company expansions and relocations
- Maintained a collaborative relationship with the Code Enforcement Department to track down those business 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
- Collaborated with the Dunwoody Chamber of Commerce on the future formation of a small business incubator program

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 ended December 31, 2011. 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 2012 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 2013 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, 2011. 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 1st 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dunwoody Georgia

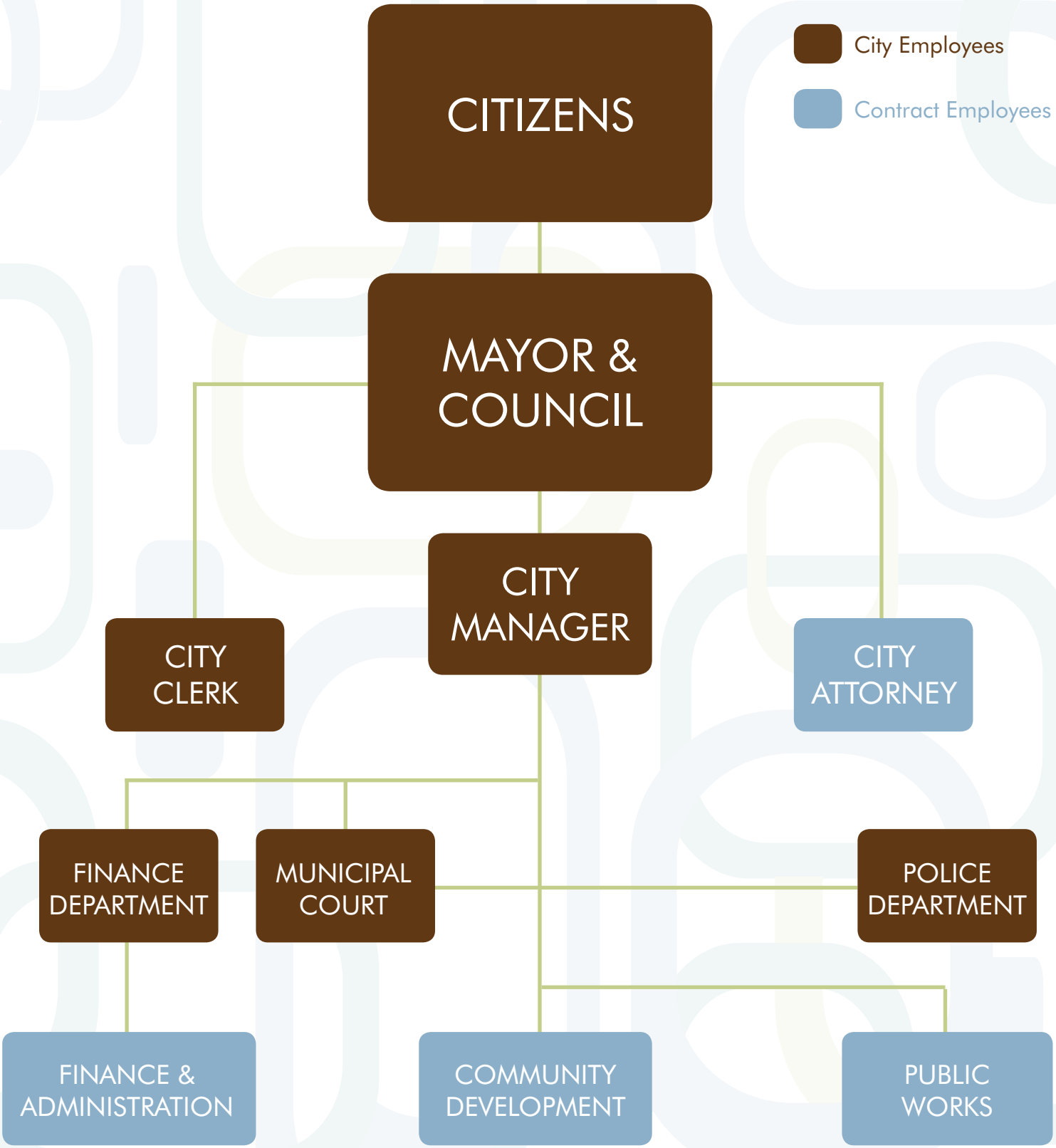
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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

President

Executive Director

ORGANIZATIONAL CHART



Listing of Elected Officials

At December 31, 2012

Mayor
Michael G. Davis

City Council Post 1
Denis "Denny" Shortal

City Council Post 2
Adrian Bonser

City Council Post 3
Doug Thompson

City Council Post 4
Terry Nall

City Council Post 5
Lynn Deutsch

City Council Post 6
John Heneghan

Listing of Principal Appointed Officials

City Manager
Warren A. Hutmacher

City Clerk
Sharon Lowery

Court Clerk
Trina Gallien

City Auditors
Maldin & Jenkins, LLC

FINANCIAL SECTION

Dunwoody*
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AUDITOR'S LETTER

Dunwoody*
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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Members
of the City Council of the
City of Dunwoody, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, th business-type activities, the discretely presented component unit, each major fund, and the aggregate remainir fund information of the **City of Dunwoody, Georgia**, as of and for the year ended December 31, 2012, and th related notes to the financial statements, which collectively comprise the City of Dunwoody, Georgia's basic financi 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 accordance with accounting principles generally accepted in the United States of America; this includes the desig implementation, and maintenance of internal control relevant to the preparation and fair presentation of financi statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. W conducted our audit in accordance with auditing standards generally accepted in the United States of America ar the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroll General of the United States. Those standards require that we plan and perform the audit to obtain reasonab assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, th respective financial position of the governmental activities, the business-type activities, the discretely presente component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georg as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States America.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASE Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and N Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 201 Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that th Management's Discussion and Analysis and General Fund – Schedule of Revenues, Expenditures and Changes Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, be presented to supplemen the basic financial statements. Such information, although not a part of the basic financial statements, is required b the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting f placing the basic financial statements in an appropriate operational, economic, or historical context. We hav applied certain limited procedures to the required supplementary information in accordance with auditing standar generally accepted in the United States of America, which consisted of inquiries of management about the metho of preparing the information and comparing the information for consistency with management's responses to o inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financi statements. We do not express an opinion or provide any assurance on the information because the limite 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 opinions on the financial statements t collectively comprise the City of Dunwoody, Georgia's basic financial statements. The combining and individ nonmajor fund financial statements are presented for purposes of additional analysis and are not a required par the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility management and were derived from and relates directly to the underlying accounting and other records used prepare the basic financial statements. The combining and individual nonmajor fund financial statements have be subjected to the auditing procedures applied in the audit of the basic financial statements and certain additio procedures, including comparing and reconciling such information directly to the underlying accounting and ot records used to prepare the basic financial statements or to the basic financial statements themselves, and ot additional procedures in accordance with auditing standards generally accepted in the United States of America our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respe in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures appl in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide a assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2013, on our consideration of the City of Dunwoody, Georgia's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and ot matters. The purpose of that report is to describe the scope of our testing of internal control over financial report and compliance and the results of that testing, and not to provide an opinion on internal control over finan reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governm Auditing Standards* in considering the City of Dunwoody, Georgia's internal control over financial reporting a compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 6, 2013

Visitor's WELCOME Garden
Harvested Weekly for Food Pantry

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 period ended December 31, 2012. 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.

CITY ACTIVITY HIGHLIGHTS

The City commenced the delivery of services on January 1, 2009 through an innovative set of partnerships with private sector firms who provide the City with Community Development, Public Works, and administrative services including Finance, IT and Communications. All of our critical staff was in place by December 1, 2008 providing cost efficient and effective service delivery with a specific focus on customer service.

Dunwoody experienced an exciting year with several highlights in the areas of infrastructure and parks, public safety, and community planning efforts. Additionally, the City significantly increased community outreach especially in areas of public safety and community development. Public Works completed two large sidewalk projects on Happy Hollow Road and Valley View Road in addition to resurfacing over 9 lane miles of Dunwoody's road network. Designs for sidewalk projects on various roads were completed for construction to begin in 2013. Public Works completed concept design for the Tilly Mill at North Peachtree intersection improvement. Implementation of a new work order management system will facilitate meeting response targets set during the budget process.

Parks began the design of Project Renaissance Parks and Trails in addition to beginning construction on the Brook Run Trail Phase I project. In 2012, the City was awarded a second $100,000 in grant funding from the Department of Natural Resources for Phase II of the Trail.

The Dunwoody Police Department enjoyed an eventful year implementing programs such as the Domestic Assault Response Team (D.A.R.T.), Operation Pill Drop, and Police Chaplain. The department worked with the DEA and other agencies to participate in aggressive targeting of "pill mills".

Community outreach in Dunwoody was at an all-time high in 2012. Several departments sought public input on various projects throughout the City including Project Renaissance Parks and Zoning Code Re-write. The Police Department educated the community on public safety items by implementing the Car-Fit Program for senior citizens and the Child Safety Seat Check Program.

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 eight 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, debt service fund, multiple grants fund, emergency 911 telephone service, and urban redevelopment agency fund) 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 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 42 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 page 46 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 47 through 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CITY OF DUNWOODY'S NET POSITION

	Primary Government					
	Governmental Activites		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Cash and cash equivalents	$ 4,478,173	$ 4,355,830	$ 1,921,971	$ 1,802,999	$ 6,400,144	$ 6,158,829
Investments	5,716,329	3,703,125	-	-	5,716,329	3,703,125
Accounts receivable	137,043	155,784	44,602	19,735	181,645	175,519
Taxes receivable	5,872,423	5,506,230	-	-	5,872,423	5,506,230
Due from other governments	8,965	30,322	-	-	8,965	30,322
Due from component unit	-	8,000	-	-	-	8,000
Land held for resale	4,870,346	-	-	-	4,870,346	-
Prepaids	1,062,531	209,511	-	-	1,062,531	209,511
Restricted cash	3,729,706	5,664,819	-	-	3,729,706	5,664,819
Capital assets:						
Nondepreciable	16,670,644	16,401,235	-	-	16,670,644	16,401,235
Depreciable, net of accumulated depreciation	44,529,411	46,370,997	1,753,477	1,734,347	46,282,888	48,105,344
Total assets	87,075,571	82,405,853	3,720,050	3,557,081	90,795,621	85,962,934
LIABILITIES						
Accounts payable	625,759	1,642,990	94,788	271,905	720,547	1,914,895
Accrued liabilities	724,368	515,174	-	-	724,368	515,174
Due to component unit	67,484	44,238	-	-	67,484	44,238
Unearned rent	792,525	875,673	-	-	792,525	875,673
Compensated absences due within one year	210,954	144,771	-	-	210,954	144,771
Compensated absences due in more than one year	9,536	72,385	-	-	9,536	72,385
Note payable due within one year	722,374	1,399,735	-	-	722,374	1,399,735
Note payable due in more than one year	689,016	5,885,496	-	-	689,016	5,885,496
Bonds payable due within one year	228,109	-	-	-	228,109	-
Bonds payable due in more than one year	4,902,543	-	-	-	4,902,543	-
Total liabilities	8,972,668	10,580,462	94,788	271,905	9,067,456	10,852,367
NET POSITION						
Net investment in capital assets	54,940,675	55,691,197	1,753,477	1,734,347	56,694,152	57,425,544
Restricted for HOST capital projects	3,291,488	5,268,129	-	-	3,291,488	5,268,129
Restricted for capital projects	-	192,494	-	-	-	192,494
Restricted for public safety	155,556	148,234	-	-	155,556	148,234
Restricted for E911 operations	42,793	-	-	-	42,793	-
Restricted for grant programs	6,040	-	-	-	6,040	-
Unrestricted	19,666,351	10,525,337	1,871,785	1,550,829	21,538,136	12,076,166
Total net position	$ 78,102,903	$ 71,825,391	$ 3,625,262	$ 3,285,176	$ 81,728,165	$ 75,110,567

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 $78,102,903.

The largest portion of the City's net position, $54,940,675, reflects its net 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 $3,495,877, which are restricted HOST funds to be used on capital projects; restricted seized funds to be used for public safety, restricted grant funds to be used for designated grant programs, 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 $19,666,351 that is available to meet the ongoing obligations of the government. The City has current assets of $25,875,516. These assets include $8,207,879 of cash and cash equivalents and $5,716,329 of investments. The City's capital assets are $61,200,055. Debt liabilities due in more than one year are $5,591,559 with another $950,483 due within a year for loans and leases executed for the initial acquisitions of automobiles and other public safety equipment for fire and police operations, land purchased in 2011, and debt 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 POSITION

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues:						
Charges for services	$ 4,464,856	$ 2,910,591	$ 1,804,012	$ 1,269,452	$ 6,268,868	$ 4,180,043
Operating grants and contributions	67,369	117,501	-	-	67,369	117,501
Capital grants and contributions	436,092	505,539	-	-	436,092	505,539
General revenues:						
Property taxes	5,565,481	5,773,218	-	-	5,565,481	5,773,218
Sales taxes	5,261,307	6,112,167	-	-	5,261,307	6,112,167
Other taxes	11,098,774	10,572,503	-	-	11,098,774	10,572,503
Miscellaneous revenues	113,189	59,222	-	-	113,189	59,222
Gain on disposal of capital asset	-	-	-	-	-	-
Unrestricted investment earnings	32,829	17,007	2,245	1,779	35,074	18,786
Total revenues	27,039,897	26,067,748	1,806,257	1,271,231	28,846,154	27,338,979
EXPENSES						
General government	5,021,924	5,178,035	-	-	5,021,924	5,178,035
Judicial	335,101	236,192	-	-	335,101	236,192
Public safety	6,705,729	5,979,082	-	-	6,705,729	5,979,082
Public works	4,096,589	5,323,795	-	-	4,096,589	5,323,795
Housing and development	739,888	125,852	-	-	739,888	125,852
Culture & recreation	1,268,147	914,096	-	-	1,268,147	914,096
Community development	2,374,141	2,105,107	-	-	2,374,141	2,105,107
Health and welfare	-	40,475	-	-	-	40,475
Interest on long-term debt	220,866	105,502	-	-	220,866	105,502
Stormwater	-	-	1,466,171	1,665,830	1,466,171	1,665,830
Total expenses	20,762,385	20,008,136	1,466,171	1,665,830	22,228,556	21,673,966
Increase in net assets	6,277,512	6,059,612	340,086	(394,599)	6,617,598	5,665,013
Net position - beginning	71,825,391	65,765,779	3,285,176	3,679,775	75,110,567	69,445,554
Net position - ending	$ 78,102,903	$ 71,825,391	$ 3,625,262	$ 3,285,176	$ 81,728,165	$ 75,110,567

CITY OF DUNWOODY - TOTAL PRIMARY GOVERNMENT

Governmental activities. The increase in net position is due to an increase in revenue of approximately $972,149 while maintaining an efficient model of government to control expenses. The increase in revenues is due primarily to an increase in license and permit revenue, business occupation tax revenue, and insurance premium tax revenue of approximately $658,276, $289,254, and $134,910, respectively. Franchise taxes were $3,659,533, business occupation taxes were $2,601,628, and insurance premium taxes were $2,305,027.

Our most apparent and sizable expenses during the year were $6,705,729 and $4,096,589 for the operation of the Dunwoody Police Department and the Public Works Department, respectively. Overall, expenditures increased $754,249 over 2011. This is largely attributable to the continued growth of the public safety system as well as an increase in community development efforts.

Business-type activities. The increase in net position of $340,086 is primarily the result of an increase in operating revenues combined with a decrease in operating expenses.

Stormwater assessment fees (computed based on a property's impervious surface area) were $1,804,012; representing virtually all of the revenues in the fund. The increase in the revenue was approximately 42% which is inline with the fee increase of approximately 44% for 2012 assessments. In 2012, public works completed a rate study of the stormwater utility and recommended a rate increase. Repairs to the system accounted for 77% of the operating expenses while depreciation on the assets accounted for 11% of the operating expenses. Repairs accelerated during 2012 as the assessment of the stormwater system was completed representing growth of 24% over 2011.

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 $20,350,838 and increase in fund balance of $3,766,245. Of this balance, $11,370,979 is restricted or assigned for capital projects, $1,062,531 is nonspendable for prepaids, $446,248 is restricted or assigned for special purposes and $7,471,080 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 $11,386,327 representing an unassigned fund balance of $7,471,080, restricted HOST funds of $3,291,488 for capital projects, restricted or assigned funds of $413,009 for special purposes, and $210,750 in nonspendable prepaids. Fund balance decreased by $6,596 from 2011 primarily as a result of an increase in transfers out for debt service. 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 52.9% of total general fund expenditures, while total fund balance represents 80.6% 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 $8,697,706 was transferred into the capital projects fund from the general fund. After expenditures of $5,720,788, the capital projects fund had an increase in fund balance of $3,052,031.

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 2012, the City's general fund had a favorable budget variance of $2,270,594. There was a $334,428 favorable budget variance for revenues as well as a $2,139,339 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. Contributing to the favorable revenue figure was unbudgeted increase in franchise fees, insurance taxes, and licenses and permits partially offset by unbudgeted decrease in property taxes and intergovernmental revenue. Also contributing to the favorable expense figures was $575,000 for contingency that was not used in 2012.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2012, amounts to $61,200,055 (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, 2012 amounts to $1,753,477. These assets reflect culverts and other storm water management assets. The decrease in business-type capital assets results from a change in estimate of the value of the storm water management system.

CITY OF DUNWOODY'S CAPITAL ASSETS (NET OF DEPRECIATION)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$ 15,101,016	$ 16,143,774	$ -	$ -	$ 15,101,016	$ 16,143,774
Construction in progress	1,569,628	257,461	-	-	1,569,628	257,461
Buildings	538,143	625,978	-	-	538,143	625,978
Improvements	3,258,767	3,555,709	-	-	3,258,767	3,555,709
Machinery and equipment	1,625,032	2,263,770	-	-	1,625,032	2,263,770
Infrastructure	39,107,469	39,925,540	1,734,347	1,734,347	40,841,816	41,659,887
Total	**$ 61,200,055**	**$ 62,772,232**	**$ 1,734,347**	**$ 1,734,347**	**$ 62,934,402**	**$ 64,506,579**

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 2012, the City had total debt outstanding of $6,542,042 representing $1,411,390 for police and administrative start-up equipment acquired in 2009 and $5,130,652 for 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 38-39 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 2012 fiscal year.

- Sustainability of existing services – the City has deployed a 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 organization. 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 3.04 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.
- Economy Impact – The City's revenues and expenditures were implemented with a conservative approach to reflect the continued weakness of the economy.
- 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.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

DECEMBER 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Dunwoody Convention and Visitors Bureau
ASSETS				
Cash and cash equivalents	$ 4,478,173	$ 1,921,971	$ 6,400,144	$ 507,583
Investments	5,716,329	-	5,716,329	-
Accounts receivable	137,043	44,602	181,645	-
Taxes receivable	5,872,423	-	5,872,423	-
Due from other governments	8,965	-	8,965	-
Due from primary government	-	-	-	67,484
Land held for resale	4,870,346	-	4,870,346	-
Prepaids	1,062,531	-	1,062,531	7,905
Restricted cash	3,729,706	-	3,729,706	-
Capital assets:				
Nondepreciable	16,670,644	-	16,670,644	-
Depreciable, net of accumulated depreciation	44,529,411	1,753,477	46,282,888	10,573
Total assets	87,075,571	3,720,050	90,795,621	593,545
LIABILITIES				
Accounts payable	625,759	94,788	720,547	13,997
Accrued liabilities	724,368	-	724,368	-
Due to component unit	67,484	-	67,484	-
Unearned rent	792,525	-	792,525	-
Compensated absences due within one year	210,954	-	210,954	-
Compensated absences due in more than one year	9,536	-	9,536	-
Notes payable due within one year	722,374	-	722,374	-
Notes payable due in more than one year	689,016	-	689,016	-
Bonds payable due within one year	228,109	-	228,109	-
Bonds payable due within one year	4,902,543	-	4,902,543	-
Total liabilities	8,972,668	94,788	9,067,456	13,997
NET POSITION				
Net investment in capital assets	54,940,675	1,753,477	56,694,152	10,573
Restricted for HOST capital projects	3,291,488	-	3,291,488	-
Restricted for public safety	155,556	-	155,556	-
Restricted for E911 operations	42,793	-	42,793	-
Restricted for grant programs	6,040	-	6,040	-
Restricted for promotion of tourism	-	-	-	568,975
Unrestricted	19,666,351	1,871,785	21,538,136	-
Total net position	$ 78,102,903	$ 3,625,262	$ 81,728,165	$ 579,548

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

BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Dunwoody Convention & Visitors Bureau**
Primary government:								
Governmental activities:								
General government	$ 5,021,924	$ 626,846	$ 4,750	$ -	$ (4,390,328)	$ -	$ (4,390,328)	$ -
Judicial	335,101	1,129,040	-	-	793,939	-	793,939	-
Public safety	6,705,729	1,030,365	29,119	3,199	(5,643,046)	-	(5,643,046)	-
Public works	4,096,589	373,555	33,500	322,771	(3,366,763)	-	(3,366,763)	-
Housing and development	739,888	-	-	110,122	(629,766)	-	(629,766)	-
Culture and recreation	1,268,147	18,907	-	-	(1,249,240)	-	(1,249,240)	-
Community development	2,374,141	1,286,143	-	-	(1,087,998)	-	(1,087,998)	-
Interest on long-term debt	220,866	-	-	-	(220,866)	-	(220,866)	-
Total governmental activities	20,762,385	4,464,856	67,369	436,092	(15,794,068)	-	(15,794,068)	-
Business-type activities:								
Stormwater	1,466,171	1,804,012	-	-	-	337,841	337,841	-
Total primary government	$ 22,228,556	$ 6,268,868	$ 67,369	$ 436,092	(15,794,068)	337,841	(15,456,227)	-
Component Unit:								
Dunwoody Convention and Visitors Bureau	$ 715,818	$ -	$ 739,888	$ -	-	-	-	24,070
	$ 715,818	$ -	$ 739,888	$ -	-	-	-	24,070
	General revenues:							
	Property taxes				5,565,481	-	5,565,481	-
	Sales taxes				5,261,307	-	5,261,307	-
	Hotel/Motel taxes				1,849,719	-	1,849,719	-
	Franchise taxes				3,659,533	-	3,659,533	-
	Business taxes				2,601,628	-	2,601,628	-
	Alcohol & excise taxes				682,867	-	682,867	-
	Insurance premium				2,305,027	-	2,305,027	-
	Unrestricted investment earnings				32,829	2,245	35,074	1,720
	Miscellaneous revenues				113,189	-	113,189	8,943
	Total general revenues				22,071,580	2,245	22,073,825	10,663
	Change in net position				6,277,512	340,086	6,617,598	34,733
	Net position, beginning of year				71,825,391	3,285,176	75,110,567	544,815
	Net position, end of year				$ 78,102,903	$ 3,625,262	$ 81,728,165	$ 579,548

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

BASIC FINANCIAL STATEMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2012

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 612,049	$ 3,809,870	$ 56,254	$ 4,478,173
Investments	4,202,772	1,513,557	-	5,716,329
Accounts receivable	2,173	23,684	111,186	137,043
Taxes receivable	5,696,383	-	176,040	5,872,423
Intergovernmental receivable	-	-	8,965	8,965
Due from other funds	179,733	1,274,438	-	1,454,171
Land held for resale	-	1,536,693	-	1,536,693
Prepaids	210,750	109,144	742,637	1,062,531
Restricted assets:				
Cash and cash equivalents	3,447,044	204,478	78,184	3,729,706
Total assets	$ 14,350,904	$ 8,471,864	$ 1,173,266	$ 23,996,034
LIABILITIES				
Accounts payable	$ 481,857	$ 137,940	$ 5,962	$ 625,759
Accrued liabilities	389,187	273,623	15,877	678,687
Unearned rent	792,525	-	-	792,525
Due to other funds	1,274,438	-	179,733	1,454,171
Due to component unit	-	-	67,484	67,484
Total liabilities	2,938,007	411,563	269,056	3,618,626
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	10,336	-	-	10,336
Unavailable revenue - charges for services	16,234	-	-	16,234
Total deferred inflows of resources	26,570	-	-	26,570
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaids	210,750	109,144	742,637	1,062,531
Restricted:				
E911 operations	-	-	42,793	42,793
HOST capital projects	3,291,488	-	-	3,291,488
Public safety	155,556	-	-	155,556
Grant programs	-	-	6,040	6,040
Capital projects	-	204,478	78,184	282,662
Assigned:				
City manager services	45,600	-	-	45,600
Police explorer program	11,257	-	-	11,257
Police equipment	21,100	-	-	21,100
Public works capital improvements	4,550	-	-	4,550
Community development	174,946	-	-	174,946
Capital projects	-	7,746,679	-	7,746,679
Debt service	-	-	34,556	34,556
Unassigned	7,471,080	-	-	7,471,080
Total fund balances	11,386,327	8,060,301	904,210	20,350,838
Total liabilities, deferred inflows of resources, and fund balances	$ 14,350,904	$ 8,471,864	$ 1,173,266	
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.				61,200,055
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(6,808,213)
Some revenues are not available in the current period and, therefore, are not reported in the funds.				26,570
Land held for resale investments included as part of governmental activities are not financial resources and, therefore, are not reported in the funds.				3,333,653
Net position of governmental activities				$ 78,102,903

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 5,588,030	$ -	$ -	$ 5,588,030
Sales taxes	5,261,307	-	-	5,261,307
Hotel/Motel taxes	-	-	1,849,719	1,849,719
Franchise taxes	3,659,533	-	-	3,659,533
Alcohol excise taxes	584,429	-	-	584,429
Business taxes	2,601,628	-	-	2,601,628
Insurance premium taxes	2,305,027	-	-	2,305,027
Motor vehicle excise taxes	-	-	98,438	98,438
Licenses and permits	1,790,182	-	-	1,790,182
Intergovernmental	33,500	55,802	410,412	499,714
Charges for services	432,402	-	983,622	1,416,024
Fines and forfeitures	1,129,040	-	-	1,129,040
Contributions	10,945	-	-	10,945
Interest earned	13,394	19,311	124	32,829
Miscellaneous	259,903	-	-	259,903
Total revenues	23,669,320	75,113	3,342,315	27,086,748
Expenditures:				
Current:				
General government	4,062,045	25,569	-	4,087,614
Judicial	332,862	-	-	332,862
Public safety	5,012,785	36,598	1,112,315	6,161,698
Public works	1,472,036	1,226,823	266,970	2,965,829
Housing and development	-	-	739,888	739,888
Recreation	871,783	-	388,873	1,260,656
Community development	2,368,452	-	-	2,368,452
Capital outlay	-	4,431,798	-	4,431,798
Debt service:				
Principal	-	-	1,227,308	1,227,308
Interest	-	-	141,851	141,851
Total expenditures	14,119,963	5,720,788	3,877,205	23,717,956
Excess (deficiency) of revenues over expenditures	9,549,357	(5,645,675)	(534,890)	3,368,792
Other financing sources (uses):				
Proceeds from sale of assets	-	-	39,550	39,550
Proceeds from issuance of long term debt	-	-	5,305,000	5,305,000
Payments to escrow agent	-	-	(4,947,097)	(4,947,097)
Transfers in	1,208,315	8,697,706	2,333,258	12,239,279
Transfers out	(10,764,268)	-	(1,475,011)	(12,239,279)
Total other financing sources (uses)	(9,555,953)	8,697,706	1,255,700	397,453
Net change in fund balances	(6,596)	3,052,031	720,810	3,766,245
Fund balances, beginning of year	11,392,923	5,008,270	183,400	16,584,593
Fund balances, end of year	$ 11,386,327	$ 8,060,301	$ 904,210	$ 20,350,838

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

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	3,766,245
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.		2,189,835
The effect of sales of capital assets.		(428,359)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(37,265)
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 assets. This amount is the net effect of these differences in the treatment of long-term debt.		743,189
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.		43,867
Change in net position - governmental activities	$	6,277,512

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

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION - PROPRIETARY FUND

DECEMBER 31, 2012

	Stormwater Fund
ASSETS	
CURRENT ASSETS	
Cash	$ 1,921,971
Accounts receivable, net of allowance	44,602
Total current assets	1,966,573
NONCURRENT ASSETS	
Capital assets, depreciable	2,355,082
Accumulated depreciation	(601,605)
Total capital assets	1,753,477
Total assets	3,720,050
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	94,788
Total current liabilities	94,788
NET POSITION	
Net investment in capital assets	1,753,477
Unrestricted	1,871,785
Total net position	$ 3,625,262

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Stormwater Fund
OPERATING REVENUE	
Stormwater fees	$ 1,804,012
Total operating revenues	1,804,012
OPERATING EXPENSES	
Cost of services	1,316,608
Depreciation	149,563
Total operating expenses	1,466,171
Operating income	337,841
NONOPERATING REVENUES	
Interest	2,245
Total nonoperating revenues	2,245
Change in net position	340,086
Total net position, beginning	3,285,176
Total net position, ending	$ 3,625,262

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

		Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	1,779,145
Payments to suppliers		(1,327,636)
Payments to employees		(166,089)
Net cash provided by operating activities		285,420
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES		
Purchase of capital assets		(168,693)
Net cash used in capital and related financing activities		(168,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		2,245
Net cash provided by investing activities		2,245
Net increase in cash		118,972
Cash, beginning of year		1,802,999
Cash, end of year	$	1,921,971
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	337,841
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		149,563
Change in assets and liabilities:		
Increase in accounts receivable		(24,867)
Decrease in accounts payable		(177,117)
Net cash provided by operating activities	$	285,420

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUND

DECEMBER 31, 2012

	Municipal Court Fund
ASSETS	
Cash	$ 387,887
Total assets	$ 387,887
LIABILITIES	
Due to others	$ 387,887
Total liabilities	$ 387,887

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

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 Units

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.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 **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, motor vehicle excise tax revenues, and various grants, 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.

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, 2012, 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, 2012, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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 & Equipment	3-20 years
Infrastructure	7-60 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

The City implemented GASB Statements No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of financial position.

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, intergovernmental revenues, and charges for services and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Equity (Continued)

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 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 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.

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 $6,808,213 difference are as follows:

Notes payable	$	(1,411,390)
Bonds payable		(5,130,652)
Accrued interest payable		(45,681)
Compensated absences (i.e., vacation)		(220,490)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(6,808,213)

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 $2,189,835 difference are as follows:

Capital outlay	$	4,639,588
Depreciation expense		(2,449,753)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	2,189,835

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 $743,189 difference are as follows:

Proceeds for issuance of long-term debt	$	(5,305,000)
Principal retirement of long-term debt		6,048,189
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	743,189

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 $43,867 difference are as follows:

Compensated absences	$ (3,334)
Accrued interest	47,201
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$ 43,867

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.

As of December 31, 2012 the City of Dunwoody had the following investments:

Investment	Maturities	Fair Value
Certificates of deposit	less than 12 months	$ 5,516,329
Certificates of deposit	1 - 5 years	200,000
Total		$ 5,716,329

Interest Rate Risk: The City does not have a formal policy that addresses interest rate risk. At December 31, 2012 the above investments were 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.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: The City does not have a formal policy that addresses credit risk aside from adherence to State statutes of investments. State statues authorize the City to invest in the following: (1) obligations of the 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, 2012, all of the City's bank balances were insured and collateralized as defined by state statues 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.

Receivables at December 31, 2012, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Nonmajor Governmental	Stormwater
Receivables:				
Accounts	$ 2,173	$ 23,684	$ 111,186	$ 101,216
Taxes	5,744,040	-	176,040	-
Intergovernmental	-	-	8,965	-
Total receivables	5,746,213	23,684	296,191	101,216
Less allowance for uncollectibles	(47,657)	-	-	(56,614)
Net total receivable	$ 5,698,556	$ 23,684	$ 296,191	$ 44,602

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the period ended December 31, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 16,143,774	$ 2,714,256	$ (3,757,014)	$ -	$ 15,101,016
	257,461	1,761,376	-	(449,209)	1,569,628
	16,401,235	4,475,632	(3,757,014)	(449,209)	16,670,644
Capital assets, being depreciated:					
Buildings	728,244	-	-	-	728,244
Improvements	4,080,049	-	-	-	4,080,049
Machinery and equipment	4,118,448	163,956	(39,985)	45,000	4,287,419
Infrastructure	43,327,757	-	-	404,209	43,731,966
Total	52,254,498	163,956	(39,985)	449,209	52,827,678
Less accumulated depreciation for:					
Buildings	(102,266)	(87,835)	-	-	(190,101)
Improvements	(524,340)	(296,942)	-	-	(821,282)
Machinery and equipment	(1,854,678)	(842,696)	34,987	-	(2,662,387)
Infrastructure	(3,402,217)	(1,222,280)	-	-	(4,624,497)
Total	(5,883,501)	(2,449,753)	34,987	-	(8,298,267)
Capital assets, net depreciation	46,370,997	(2,285,797)	(4,998)	-	44,529,411
Governmental activities capital assets, net	$ 62,772,232	$ 2,189,835	$ (3,762,012)	$ -	$ 61,200,055

In the table above, the land deletion represents assets which are now reported as land held for resale. During the year ending December 31, 2012 the City sold $423,361 of the land.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Infrastructure	$ 2,186,389	$ 168,693	$ -	$ 2,355,082
Less accumulated depreciation for:				
Infrastructure	(452,042)	(149,563)	-	(601,605)
Business-type activities capital assets, net	$ 1,734,347	$ 19,130	$ -	$ 1,753,477

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

Governmental activities:	
General government	$ 361,070
Public safety	542,376
Public works	1,270,840
Culture and recreation	269,778
Community development	5,689
Total depreciation expense - governmental activities	$ 2,449,753
Business-type activities:	
Stormwater	$ 149,563

NOTE 6. CAPITAL ASSETS (Continued)

Dunwoody Convention and Visitors Bureau

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery & equipment	$ 14,500	$ -	$ -	$ 14,500
Less accumulated depreciation for:				
Machinery & equipment	(302)	(3,625)	-	(3,927)
Capital assets, net	$ 14,198	$ (3,625)		10,573

NOTE 7. LONG-TERM DEBT

Notes Payable

In January 2009, the City entered into an agreement through a financial institution to borrow $3,000,000 from the Georgia Municipal Association for the purchase of vehicles and equipment for the police department. Annual payments of $653,053, including interest at a rate of 2.92% began in January 2010 and will continue through December 2014. The debt service requirements to maturity are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2013	$ 616,523	$ 36,530	$ 653,053
2014	634,525	18,528	653,053
	$ 1,251,048	$ 55,058	$ 1,306,106

During March 2009, the City entered into an agreement through a financial institution to borrow $500,000 for the purchase of equipment for the equipping of City Hall. Semi-annual payments of $55,562, including interest at a rate of 3.93% began in January 2010 and will continue through March 2014. The debt service requirements to maturity are as follows:

Fiscal year ending December 31,	Principal	Interest	Total
2013	$ 105,851	$ 5,272	$ 111,123
2014	54,491	1,071	55,562
	$ 160,342	$ 6,343	$ 166,685

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.

NOTE 7. LONG-TERM DEBT (Continued)

Fiscal year ending December 31,	Principal	Interest	Total
2013	$ 73,824	$ 34,542	$ 108,366
2014	75,314	33,052	108,366
2015	76,834	31,532	108,366
2016	78,385	29,981	108,366
2017	1,456,468	19,110	1,475,578
	$ 1,760,825	$ 148,217	$ 1,909,042

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, 2012 the interest rate was 1.56%.

Fiscal year ending December 31,	Principal	Interest	Total
2013	$ 154,285	$ 51,436	$ 205,721
2014	156,708	49,014	205,722
2015	159,168	46,553	205,721
2016	161,667	44,054	205,721
2017	164,206	41,515	205,721
2018-2019	2,573,793	63,443	2,637,236
	$ 3,369,827	$ 296,015	$ 3,665,842

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the period ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 7,285,231	$ -	$ (5,873,841)	$ 1,411,390	$ 722,374
Bonds payable	-	5,305,000	(174,348)	5,130,652	228,109
Compensated absences	217,156	235,301	(231,967)	220,490	210,954
Governmental activity Long-term liabilities	$ 7,502,387	$ 5,540,301	$ (6,280,156)	$ 6,762,532	$ 1,161,437

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, 2012 is as follows:

Receivable Entity	Payable Entity	Amount
General Fund	Non-major governmental funds	$ 179,733
Capital Projects Fund	General Fund	1,274,438
		$ 1,454,171

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 units:

Receivable Entity	Payable Entity	Amount
Component unit - Convention and Visitors Bureau	Primary government - Non-major governmental funds	$ 67,484

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 1,208,315
Capital Projects Fund	General Fund	8,697,706
Nonmajor governmental funds	General Fund	2,066,562
Nonmajor governmental funds	Nonmajor governmental funds	266,696
		$ 12,239,279

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, 2012.

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

Year Ending December 31,	
2013	$ 497,931
2014	509,249
2015	520,815
2016	532,630
2017	544,692
2018-2019	744,045
Total	$ 3,349,362

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 an operating contract for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts are approximately $3.7 million annually. The contracts were bid for four annual service periods and run through the year ending December 31, 2015.

For the fiscal year ended December 31, 2012, construction commitments on uncompleted contracts were $626,934.

The City employed encumbrance accounting during the period; however, there were no encumbrances outstanding at December 31, 2012.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The City of Dunwoody offers two Retirement Plan options, both of which are a single employer defined contribution plan established and administered by Dunwoody for all full time employees. At December 31, 2012, there were 61 plan members. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. The City contributes 6.2% and 10% of each employee's salary into the two plans. Employees are not required to contribute to the Plan. Employees are eligible on the first day of the month, following thirty days of employment and are fully vested after twelve months. For the fiscal period ending December 31, 2012, the City's contributions to the Plans were $564,850.

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, 2012, the City received $1,849,719 in hotel/motel taxes. Of this amount, $739,888, 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, 2012, the City received $98,438 in motor vehicle excise taxes. Of this amount, $98,438, 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, a public entity risk pool currently operating as common risk management and insurance programs for member local governments.

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 funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds 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 funds.

The funds are to defend and protect the members of the funds 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.

ONE RAVINIA
DRIVE

REQUIRED SUPPLEMENTARY INFORMATION

Dunwoody*
*Smart people – Smart city

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 5,738,000	$ 5,738,000	$ 5,588,030	$ (149,970)
Sales taxes	2,600,000	5,200,000	5,261,307	61,307
Franchise taxes	3,300,000	3,400,000	3,659,533	259,533
Alcohol excise taxes	560,000	560,000	584,429	24,429
Business taxes	2,695,000	2,595,000	2,601,628	6,628
Insurance taxes	2,100,000	2,100,000	2,305,027	205,027
Licenses and permits	872,000	1,593,527	1,790,182	196,655
Intergovernmental	525,000	528,500	33,500	(495,000)
Charges for services	402,000	402,000	432,402	30,402
Fines and forfeitures	1,110,000	1,110,000	1,129,040	19,040
Contributions	2,500	6,765	10,945	4,180
Interest earned	5,000	5,000	13,394	8,394
Miscellaneous	94,000	96,100	259,903	163,803
Total revenues	20,003,500	23,334,892	23,669,320	334,428
Expenditures:				
Current:				
General government:				
Mayor and council	198,277	198,277	177,810	20,467
City manager	327,083	327,083	301,886	25,197
City clerk	165,526	165,526	140,169	25,357
Finance	3,309,443	3,309,443	2,898,082	411,361
Law	459,052	559,052	544,098	14,954
Contingency	575,000	575,000	-	575,000
Total general government	5,034,381	5,134,381	4,062,045	1,072,336
Judicial	381,294	381,294	332,862	48,432
Public safety	5,201,434	5,214,299	5,012,785	201,514
Public works	1,847,009	1,847,009	1,472,036	374,973
Recreation	991,000	991,000	871,783	119,217
Community development	2,295,250	2,691,319	2,368,452	322,867
Total expenditures	15,750,368	16,259,302	14,119,963	2,139,339
Excess of revenues over expenditures	4,253,132	7,075,590	9,549,357	2,473,767
Other financing sources (uses):				
Transfers in	1,218,000	1,218,000	1,208,315	(9,685)
Transfers out	(5,170,324)	(10,570,780)	(10,764,268)	(193,488)
Total other financing sources (uses)	(3,952,324)	(9,352,780)	(9,555,953)	(203,173)
Net change in fund balance	300,808	(2,277,190)	(6,596)	2,270,594
Fund balance, beginning of year	11,392,923	11,392,923	11,392,923	-
Fund balance, end of year	$ 11,693,731	$ 9,115,733	$ 11,386,327	$ 2,270,594

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.

Grants Fund – 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.

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds				Debt Service Funds		
ASSETS	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Grants Fund	Urban Redevelopment Agency Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Cash	$ 15,898	$ -	$ 800	$ -	$ 39,556	$ -	$ 56,254
Accounts receivable	-	-	111,186	-	-	-	111,186
Taxes receivable	168,711	7,329	-	-	-	-	176,040
Intergovernmental receivable	-	-	-	8,965	-	-	8,965
Prepaids	-	-	89,584	-	-	653,053	742,637
Restricted assets:							
Cash and cash equivalents	-	-	-	-	78,184	-	78,184
Total assets	$ 184,609	$ 7,329	$ 201,570	$ 8,965	$ 117,740	$ 653,053	$ 1,173,266
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 800	$ 162	$ 5,000	$ -	$ 5,962
Accrued liabilities	15,877	-	-	-	-	-	15,877
Due to other funds	101,248	7,329	68,393	2,763	-	-	179,733
Due to component unit	67,484	-	-	-	-	-	67,484
Total liabilities	184,609	7,329	69,193	2,925	5,000	-	269,056
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaids	-	-	89,584	-	-	653,053	742,637
Restricted:							
E911 operations	-	-	42,793	-	-	-	42,793
Grant projects	-	-	-	6,040	-	-	6,040
Capital projects	-	-	-	-	78,184	-	78,184
Assigned:							
Debt service	-	-	-	-	34,556		34,556
Total fund balances	-	-	132,377	6,040	112,740	653,053	904,210
Total liabilities and fund balances	$ 184,609	$ 7,329	$ 201,570	$ 8,965	$ 117,740	$ 653,053	$ 1,173,266

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds				Debt Service Funds		
	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Grants Fund	Urban Redevelopment Agency Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES							
Taxes	$ 1,849,719	$ 98,438	$ -	$ -	$ -	$ -	$ 1,948,157
Charges for services	-	-	983,622	-	-	-	983,622
Intergovernmental	-	-	-	410,412	-	-	410,412
Interest	46	-	-	-	78	-	124
Total revenues	1,849,765	98,438	983,622	410,412	78	-	3,342,315
EXPENDITURES							
Current:							
Public safety	-	-	1,086,193	26,122	-	-	1,112,315
Public works	-	-	-	266,970	-	-	266,970
Housing and development	739,888	-	-	-	-	-	739,888
Recreation	-	-	-	104,082	284,791	-	388,873
Debt service:							
Principal	-	-	-	-	174,149	1,053,159	1,227,308
Interest	-	-	-	-	30,547	111,304	141,851
Total expenditures	739,888	-	1,086,193	397,174	489,487	1,164,463	3,877,205
Excess (deficiency) of revenues over expenditures	1,109,877	98,438	(102,571)	13,238	(489,409)	(1,164,463)	(534,890)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	-	-	-	-	39,550	-	39,550
Proceeds from long term debt issuance	-	-	-	-	5,305,000	-	5,305,000
Payments to escrow agent	-	-	-	-	(4,947,097)	-	(4,947,097)
Transfers in	-	-	164,571	-	204,696	1,963,991	2,333,258
Transfers out	(1,109,877)	(98,438)	(62,000)	-	-	(204,696)	(1,475,011)
Total other financing sources (uses)	(1,109,877)	(98,438)	102,571	-	602,149	1,759,295	1,255,700
Net change in fund balances	-	-	-	13,238	112,740	594,832	720,810
FUND BALANCES, beginning of year	-	-	132,377	(7,198)	-	58,221	183,400
FUND BALANCES, end of year	$ -	$ -	$ 132,377	$ 6,040	$ 112,740	$ 653,053	$ 904,210

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 1,871,667	$ 1,871,667	$ 1,849,719	$ (21,948)
Interest	-	-	46	46
Total revenues	1,871,667	1,871,667	1,849,765	(21,902)
Expenditures:				
Housing and development	748,667	748,667	739,888	8,779
Total expenditures	748,667	748,667	739,888	8,779
Excess of revenues over expenditures	1,123,000	1,123,000	1,109,877	(13,123)
Other financing uses:				
Transfers out	(1,123,000)	(1,123,000)	(1,109,877)	13,123
Total other financing uses	(1,123,000)	(1,123,000)	(1,109,877)	13,123
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 95,000	$ 99,000	$ 98,438	$ (562)
Total revenues	95,000	99,000	98,438	(562)
Other financing uses:				
Transfers out	(95,000)	(99,000)	(98,438)	562
Total other financing uses	(95,000)	(99,000)	(98,438)	562
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 775,000	$ 775,000	$ 983,622	$ 208,622
Total revenues	775,000	775,000	983,622	208,622
Expenditures:				
Public safety	1,082,500	1,109,700	1,086,193	23,507
Total expenditures	1,082,500	1,109,700	1,086,193	23,507
Deficiency of revenues over expenditures	(307,500)	(334,700)	(102,571)	232,129
Other financing sources (uses):				
Transfers in	369,500	369,500	164,571	(204,929)
Transfers out	(62,000)	(62,000)	(62,000)	-
Total other financing sources (uses)	307,500	307,500	102,571	(204,929)
Net change in fund balances	-	(27,200)	-	27,200
Fund balances, beginning of year	132,377	132,377	132,377	-
Fund balances, end of year	$ 132,377	$ 105,177	$ 132,377	$ 27,200

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 405,000	$ 405,000	$ 410,412	$ 5,412
Total revenues	405,000	405,000	410,412	5,412
Expenditures:				
Current:				
Public safety	27,000	27,000	26,122	878
Public works	267,000	267,000	266,970	30
Recreation	104,000	104,000	104,082	(82)
Total expenditures	398,000	398,000	397,174	826
Net change in fund balances	7,000	7,000	13,238	6,238
Fund balances, beginning of year	(7,198)	(7,198)	(7,198)	-
Fund balances, end of year	$ (198)	$ (198)	$ 6,040	$ 6,238

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures:				
Debt service:				
Principal	1,400,559	1,400,559	1,053,159	347,400
Interest	165,015	165,015	111,304	53,711
Total expenditures	1,565,574	1,565,574	1,164,463	401,111
Deficiency of revenues over expenditures	(1,565,574)	(1,565,574)	(1,164,463)	401,111
Other financing sources (uses):				
Transfers in	1,565,574	1,565,574	1,963,991	398,417
Transfers out	-	-	(204,696)	(204,696)
Total other financing sources (uses):	1,565,574	1,565,574	1,759,295	193,721
Net change in fund balances	-	-	594,832	594,832
Fund balances, beginning of year	58,221	58,221	58,221	-
Fund balances, end of year	$ 58,221	$ 58,221	$ 653,053	$ 594,832

URBAN REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Interest	$ 78	$ 78	$ 78	$ -
Total revenues	78	78	78	-
Expenditures:				
Recreation	284,791	284,791	284,791	-
Debt service:				
Principal	174,149	174,149	174,149	-
Interest	30,547	30,547	30,547	-
Total expenditures	489,487	489,487	489,487	-
Deficiency of revenues over expenditures	(489,409)	(489,409)	(489,409)	-
Other financing sources:				
Proceeds from sale of assets	39,550	39,550	39,550	-
Proceeds from long term debt issuance	5,305,000	5,305,000	5,305,000	-
Payments to escrow agent	(4,947,097)	(4,947,097)	(4,947,097)	-
Transfers in	204,696	204,696	204,696	-
Total other financing sources	602,149	602,149	602,149	-
Net change in fund balances	112,740	112,740	112,740	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ 112,740	$ 112,740	$ 112,740	$ -

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.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 391,281	$ 1,717,692	$ 1,721,086	$ 387,887
Liabilities:				
Due to others	$ 391,281	$ 1,717,692	$ 1,721,086	$ 387,887

BALANCE SHEET
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
DECEMBER 31, 2012

ASSETS	
CURRENT ASSETS	
Cash	$ 507,583
Receivables	67,484
Prepaids	7,905
Total assets	$ 582,972
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 13,997
Total liabilities	13,997
FUND BALANCE	
Nonspendable prepaids	7,905
Restricted for promotion of tourism	561,070
Total fund balance	568,975
Total liabilities and fund balance	$ 582,972

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES	
Intergovernmental revenues	$ 739,888
Interest	1,720
Miscellaneous	8,943
Total revenues	750,551
EXPENDITURES	
Current:	
Housing and development	712,193
Total expenditures	712,193
Net change in fund balances	38,358
FUND BALANCES, beginning of year	530,617
FUND BALANCES, end of year	$ 568,975

STATISTICAL SECTION

Dunwoody*

*Smart people – Smart city

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 **61**

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 **64**

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

Debt Capacity **69**

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 **71**

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.

NET POSITION BY COMPONENT
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2011	2010	2009
Governmental activities:				
Net investement in capital assets	$ 54,940,675	$ 55,691,197	$ 54,385,026	$ 41,895,527
Restricted for HOST capital projects	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for public safety	155,556	192,494	-	-
Restricted for E911 operations	42,793	148,234	-	-
Restricted for grant programs	6,040	-	-	-
Unrestricted	19,666,351	10,525,337	6,707,592	1,265,017
Total governmental activities net position	$ 78,102,903	$ 71,825,391	$ 65,765,779	$ 45,798,165
Business-type activities:				
Net investement in capital assets	$ 1,753,477	$ 1,734,347	$ 2,085,064	$ 2,343,089
Unrestricted	1,871,785	1,550,829	1,594,711	1,044,752
Total business-type activities net position	$ 3,625,262	$ 3,285,176	$ 3,679,775	$ 3,387,841
Primary government:				
Net investement in capital assets	$ 56,694,152	$ 57,425,544	$ 56,470,090	$ 44,238,616
Restricted for HOST capital projects	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for public safety	155,556	192,494	-	-
Restricted for E911 operations	42,793	148,234	-	-
Restricted for grant programs	6,040	-	-	-
Unrestricted	21,538,136	12,076,166	6,707,592	2,309,769
Total primary government net position	$ 81,728,165	$ 75,110,567	$ 69,445,554	$ 49,186,006

CHANGES IN NET POSITION
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2011	2010	2009
Expenses				
Governmental activities:				
General government	$ 5,021,924	$ 4,492,327	$ 4,810,795	$ 4,804,898
Judicial	335,101	236,192	215,094	197,718
Public safety	6,705,729	5,979,082	4,975,421	5,981,437
Public works	4,096,589 (4)	5,323,795	3,073,849	2,809,840
Housing & development	739,888	811,560	-	-
Culture & recreation	1,268,147	914,096	509,941 (1)	-
Community development	2,374,141	2,105,107	2,053,868	1,724,838
Health & welfare	-	40,475	-	-
Interest on long-term debt	220,866	105,502	93,486	128,581
Total governmental activities expenses	20,762,385	20,008,136	15,732,454	15,647,312
Business-type activities:				
Stormwater	1,466,171	1,665,830	1,161,348	408,449
Total business-type activities expenses:	1,466,171	1,665,830	1,161,348	408,449
Total primary government expenses	22,228,556	21,673,966	16,893,802	16,055,761
Program revenues				
Governmental activities:				
Charges for services:				
General government	626,846	455,977	408,091	20,498
Judicial	1,129,040	1,094,345	1,150,792 (3)	655,483
Public safety	1,030,365 (5)	271,702	53,507	14,025
Public works	373,555	348,900	322,073	294,860
Culture & recreation	18,907	20,098	17,119	-
Community development	1,286,143	719,569	559,356	439,410
Operating grants and contributions	67,369	117,501	64,072	73,889
Capital grants and contributions	436,092	505,539	13,311,910	-
Total governmental activities program revenues	4,968,317	3,533,631	15,886,920	1,498,165
Business-type activities:				
Charges for services				
Stormwater	1,804,012 (6)	1,269,452	1,272,341	1,259,683
Capital grants and contributions	-	-	178,449	-
Total business-type activities program revenues	1,804,012	1,269,452	1,450,790	1,259,683
Net (expense) revenue:				
Governmental activities	(15,794,068)	(16,474,505)	154,466	(14,149,147)
Business-type activities	337,841	(396,378)	289,442	851,234
Total primary government net (expense) revenue	(15,456,227)	(16,870,883)	443,908	(13,297,913)

(continued)

CHANGES IN NET POSITION
LAST FOUR FISCAL YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2011	2010	2009
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 5,565,481	$ 5,773,218	$ 6,418,837	$ 6,528,839
Sales taxes	5,261,307	6,112,167	2,441,840	2,635,738
Hotel/Motel taxes	1,849,719	1,714,271	1,788,624	1,858,613
Franchise taxes	3,659,533	3,726,300	3,473,461	3,085,419
Business taxes	2,601,628	2,312,374	2,532,106	2,158,910
Alcohol & excise taxes	682,867	649,441	675,535	1,383,171
Insurance premium taxes	2,305,027	2,170,117	2,064,127 (2)	-
Unrestricted investment earnings	32,829	17,007	16,062	8,943
Miscellaneous revenues	113,189	59,222	24,581	1,630
Gain on disposal of capital assets	-	-	2,980	-
Special item - donation of infrastructure at incorporation	-	-	-	42,286,049
Total governmental activities	22,071,580	22,534,117	19,438,153	59,947,312
Business-type activities:				
Unrestricted investment earnings	2,245	1,779	2,492	-
Special item - donation of infrastructure at incorporation	-	-	-	2,536,607
Total business-type activities	2,245	1,779	2,492	2,536,607
Total primary government net (expense) revenue	22,073,825	22,535,896	19,440,645	62,483,919
Change in Net Position				
Governmental activities	6,277,512	6,059,612	19,592,619	45,798,165
Business-type activities	340,086	(394,599)	291,934	3,387,841
Total primary government	$ 6,617,598	$ 5,665,013	$ 19,884,553	$ 49,186,006

(1) In 2010 the City took ownership of the parks within the City limits from DeKalb County.
(2) 2010 was the first year the City was eligible to receive insurance premium tax revenue.
(3) 2010 was the first full year of operations for the Court.
(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.

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Alcohol & Excise Taxes	Inusurance Premium Taxes	Total
2009	$ 6,528,839	$ 2,635,738	$ 1,858,613	$ 3,085,419	$ 2,158,910	$ 1,383,171 (2)	$ -	$ 17,650,690
2010	6,418,837	2,441,840	1,788,624	3,473,461	2,532,106	675,535	2,064,127 (1)	19,394,530
2011	5,773,218	6,112,167 (3)	1,714,271	3,726,300	2,312,374	649,441	2,170,117	22,457,888
2012	5,565,481	5,261,307	1,849,719	3,659,533	2,601,628	682,867	2,305,027	21,925,562

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

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012	2011	2010	2009
General Fund				
Nonspendable	$ 210,750	$ 109,511	$ 158,114	$ 135,373
Restricted:				
HOST capital projects	3,291,488	5,268,129	4,673,161	2,637,621
Public safety	155,556	192,484		
Assigned	257,453	-	619,740	-
Unassigned	7,471,080	5,822,789	5,460,937	601,632
Total general fund	$ 11,386,327	$ 11,392,913	$ 10,911,952	$ 3,374,626
All Other Governmental Funds				
Nonspendable	$ 851,781	$ 100,000	$ -	$ -
Restricted:				
E911 operations	42,793	132,377	-	-
Capital projects	282,662	204,196	306,150	755,934
Grant projects	6,040	-	-	-
Assigned:				
Promotion of tourism	-	-	-	975
Capital projects	7,746,679	4,704,074	562,907	191,256
Debt service	34,556	58,221	32,297	540,944
Unassigned	-	(7,198)	-	-
Total all other governmental funds	$ 8,964,511	$ 5,191,670	$ 901,354	$ 1,489,109

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012	2011	2010	2009
Revenues				
Taxes	$ 21,948,111	$ 22,588,129	$ 19,259,382 (1)	$ 17,622,712
Licenses and permits	1,790,182	1,131,905	944,671	439,410
Intergovernmental	499,714	379,649	62,345	-
Charges for services	1,416,024 (3)	628,443	393,119	327,366
Fines and forfeitures	1,129,040	1,094,345	1,150,792 (2)	655,483
Contributions	10,945	12,674	46,424	73,889
Interest earned	32,829	17,007	16,062	8,943
Miscellaneous	259,903	95,668	59,536	3,647
Total revenues	27,086,748	25,947,820	21,932,331	19,131,450
Expenditures				
Current:				
General government	4,087,614	4,147,375	4,627,391	6,345,057
Judicial	332,862	235,916	218,953	194,533
Public safety	6,161,698	5,756,630	4,517,442	7,613,487
Public works	2,965,829	4,104,480	1,896,421	1,803,788
Housing and development	739,888	811,560	-	-
Culture and recreation	1,260,656	815,120	385,865	-
Community development	2,368,452	2,099,419	2,093,686	1,724,838
Health and welfare	-	40,475	-	-
Capital outlay	4,431,798	7,574,382	845,729	-
Debt service:				
Principal	1,227,308	679,960	662,073	45,736
Interest	141,851	84,216	110,195	40,276
Total expenditures	23,717,956	26,349,533	15,357,755	17,767,715
Excess of revenues over expenditures	3,368,792	(401,713)	6,574,576	1,363,735
Other Financing Sources (Uses)				
Proceeds from sale of asset	39,550	-	-	-
Issuance of long term debt	5,305,000	5,173,000	-	3,500,000
Payment to escrow agent	(4,947,097)	-	-	-
Transfers in	12,239,279	11,546,244	2,285,986	2,417,437
Transfers out	(12,239,279)	(11,546,244)	(2,285,986)	(2,417,437)
Total other financing sources (uses)	397,453	5,173,000	-	3,500,000
Net change in fund balances	$ 3,766,245	$ 4,771,287	$ 6,574,576	$ 4,863,735
Debt service as a percentage of noncapital expenditures	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.

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST FOUR 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	Total
2009	$ 6,500,861	$ 2,635,738	$ 1,858,613	$ 3,085,419	$ 2,158,910	$ 1,383,171 (2)	$ -	$ 17,622,712
2010	6,283,689	2,441,840	1,488,624	3,473,461	2,532,106	675,535	2,064,127 (1)	22,600,352
2011	5,817,882	6,112,167 (3)	1,714,271	3,811,877	2,312,374	649,441	2,170,117	22,588,129
2012	5,588,030	5,261,307	1,849,719	3,659,533	2,601,628	682,867	2,305,027	21,948,111

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

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST FOUR FISCAL YEARS

	Real Property			Personal Property								
Calendar Year	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other	Utility	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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	91,787,922	138,653,175 (1)	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%

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.

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST FOUR FISCAL YEARS
(RATE PER $1,000 OF ASSESSED VALUE)

		DeKalb County							
Calendar Year	Dunwoody (1)	Operating Millage	Debt Service Millage	Fire District Millage	Hospital Millage	Total County Millage	Total School District Millage	State	Total Direct & Overlapping Rates
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

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.

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND THREE YEARS AGO
DECEMBER 31, 2012

Taxpayer	2012 Taxable Assessed Value	2012 Rank	2012 Percentage of Total Taxable Assessed Value	2009 Taxable Assessed Value	2009 Rank	2009 Percentage of Total Taxable Assessed Value
PERIMETER MALL LLC	$ 69,942,499	1	3.41 %	$ 71,498,626	1	2.25 %
KOGER RAVINIA LLC	40,243,760	2	1.96	36,000,000	3	1.13
RB TERRACES LLC	34,839,826	3	1.70	60,914,842	2	1.92
WORTHING PERIMETER CENTER	30,236,400	4	1.47	-		-
PERIMETER ATLANTA SC LLC	22,120,000	5	1.08	20,059,966	9	0.63
WRI RETAIL POOL LLP	22,056,080	6	1.08	-		-
MASSACHUSETTS MUTUAL LIFE	18,954,474	7	0.92	22,020,800	8	0.69
JEFFERSON AT PERIMETER LP	18,800,000	8	0.92	22,528,462	6	0.71
METROPOLITAN III LLC	17,400,000	9	0.85	18,800,000	10	0.59
HINES VAF ONE RAVINIA LP	16,560,000	10	0.81	-		-
GLL PERIMETER PLACE LP	-		-	29,452,962	4	0.93
BROADSTONE AT DUNWOODY LLC	-		-	27,003,148	5	0.85
FAIRFIELD PERIMETER LLC	-		-	22,307,400	7	0.70
Totals	$ 291,153,039		14.20 %	$ 330,586,206		10.39 %

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 & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

PROPERTY TAX LEVIES AND COLLECTIONS
LAST FOUR FISCAL YEARS

Fiscal Period Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2009	$ 7,766,379	$ 6,047,464	77.9 %	$ 1,698,367	$ 7,745,831	99.7 %
2010	7,506,952	5,735,897	76.5	1,739,742	7,475,639	99.6
2011	7,147,886	6,902,090	98.4	183,988	7,086,078	99.1
2012	7,279,628	7,095,624	97.5	N/A	7,095,624	97.5

Source: DeKalb County Tax Commissioner

Note: The City levied property taxes for the first time in 2009.

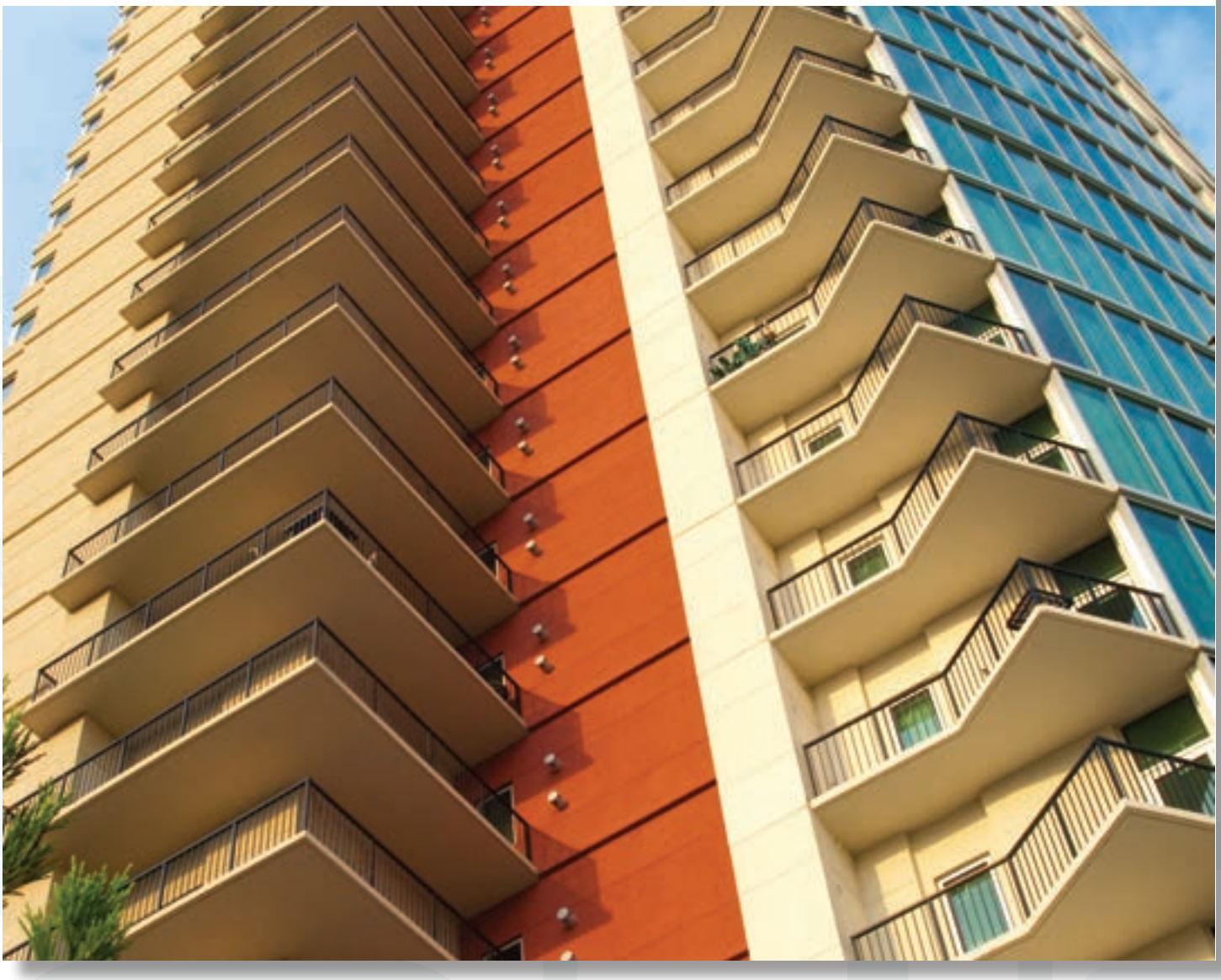
Note: Total tax levy for fiscal year is adjusted each year for errors, releases, and adjustments.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS

Fiscal Period 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	-	7,285,231	7,285,231	0.36	157.46
2012	5,130,652	1,411,390	6,542,042	0.36	139.76

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.



DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct debt:			
Notes payable	$ 1,411,390	100.00 %	$ 1,411,390
Bonds payable	5,130,652	100.00 %	5,130,652
Total direct debt	$ 6,542,042		$ 6,542,042
Overlapping debt:			
DeKalb County	$ 280,273,000	14.05 %	$ 39,378,357
Fulton DeKalb Hospital Authority	43,815,000	14.05 %	6,156,008
Total overlapping debt	$ 324,088,000		$ 45,534,364
Total direct and overlapping debt	$ 330,630,042		$ 52,076,406

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.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FOUR FISCAL YEARS

Fiscal Period	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	46,267	2,038,802	44,066	35.7	11,425	5.9
2012	46,809	1,838,096	39,268	35.9	12,308	8.8

(1) Source: US Census Bureau - American Factfinder
(2) Source: DeKalb County Schools
Note: Population, per capita and personal income are estimates based on past regional trends.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND THREE YEARS AGO
DECEMBER 31, 2012

	2012			2009		
Employer	Employees (3)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
SIX CONTINENTS HOTELS	974	1	4.33 %	967	1	3.89 %
WALDEN SECURITY	706	2	3.14	606	4	2.44
UHS OF PEACHFORD LP	513	4	2.28	453	6	1.82
ER SOLUTIONS INC	444	6	1.97	400	10	1.61
THE ATLANTA JOURNAL CONSTITUTION	443	3	1.97	-		-
AUTOTRADER COM INC	441	5	1.96	435	7	1.75
APEX SYSTEMS, INC	425	6	1.89	-		-
MACY'S #20	376	7	1.67	412	9	1.66
T MOBILE	366	8	1.63	767	3	3.09
NORDSTROM	298	9	1.33	-		-
WAL MART SUPERCENTER #236	298	10	1.33	-		-
MACY'S CORPORATE	-		-	785	2	3.16
PHILIPS HEALTHCARE	-		-	492	5	1.98
COMPUTER GENERATED SOLUTIONS	-		-	420	8	1.69
Totals	5,284		23.50 %	5,737		23.09 %

(1) Source: 2009 individual employer's business license filings.
(2) Source: U.S. Bureau of Labor Statistics
(3) Source: 2011 individual employer's business license filings.

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

Function	2012	2011	2010	2009
General government	4	3	3	3
Judicial	3	1	1	1
Public safety				
Officers	46	46	40	40
Civilians	8	8	8	8
Total	61	58	52	52

Source: City of Dunwoody Human Resources Department
Note: Indicators are not available for the Public Works and Community Development functions.

CAPITAL ASSET STATISTICS BY FUNCTION
LAST FOUR FISCAL YEARS

Function/Program	2012	2011	2010	2009
Police				
Stations (1)	1	1	1	1
Patrol Units	39	41	41	40
Patrol Zones	3	3	3	3
Public Works				
Streets (miles)	143	150	150	150
Traffic Signals	56	56	56	56
Parks (acres)	172	172	156	-

Source: Various City departments.

(1) Reflects building operating lease.

Note: Indicators are not available for the General Government, Judical and Communicty Development functions.

OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS

Function	2012	2011	2010	2009
Police				
Arrests	1,487	1,840	1,966	1,287
Incidents	6,090	5,770	5,338	3,834
Citations	6,077	7,829	7,396	6,318
Public Works				
Potholes repaired	141	470	610	477
Storm drains cleaned/repaired	293	386	402	321
Municipal Court				
Citations processed	7,788	8,066	7,469	8,475
Clients successfully completing probation	885	838	1,171	297
Community Development				
Permits issued	542	972	942	302
Inspections completed	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.

Dunwoody*

*Smart people – Smart city