City of Dunwoody, GA
Proposal for Audit Services
RFP No. 15-10 Addendum 1
July 28, 2015

1. What are the typical hours spent on the engagement in years past? – We do not. You can view the current contractor's proposal, but we cannot vouch for the accuracy of that estimate.
2. What is the actual amount paid in last two years for services mentioned in RFP? – 12/31/2014=$24,000.00, 12/31/2013=$26,188.00
3. What is the amount included in 2016 for these services included in the RFP? – The 2016 budget has not been prepared or approved.
4. What is the typical duration of both interim work and fieldwork and how many auditors are on site during this time? – Interim work has not occurred the past several years, but we would request it take place in early December. Regular fieldwork takes place in early February and usually lasts around 8 days on-site with 2-3 auditors present most days.
5. Will supporting workpapers and schedules be available in an electronic format? – Workpapers are property of the auditor, however you can obtain all our schedules and supporting documents upon request.
6. Will auditors have "read only" access to the Dunwoody's accounting software? – That can most likely be arranged if needed.
7. Are the financial records for the component unit also maintained on the same Software? - Yes
8. Would we be able to come in and perform walk-through procedures during the prior to the audit? - Yes
9. Do you anticipate the need for an A-133 audit? – Yes. Please quote for the regular audit and the single audit separately.
10. Have there been any instances of noncompliance with grant agreements? – No
11. Have there been any instances of fraud related to financial reporting or misappropriation of assets? – No
12. When was the last inventory of fixed assets performed? – We maintain a perpetual inventory of the fixed assets, adding and deleting as needed.
13. Is any portion of the accounting function decentralized? – Some grant functions are decentralized, but substantially all accounting is centralized
14. Please expand on the Dunwoody's pension plan and OPEB – We have no pensions or OPEB. Retirement plans are defined contribution only.

a. Are timely reports received from the actuary? – Not applicable
b. Are there any concerns in obtaining necessary information in order to adopt GASB 68? – Not applicable

15. What are some of the best qualities of the current audit firm? - Competent staff and low costs; very responsive throughout the year
16. What is something you see could be better in the audit process? – Better attention to our timelines and need to get reports out sooner. Not asking the same questions repeatedly. Getting all questions to us sooner rather than coming to us with "final" questions several times.
17. Who will be the final decision makers? – Council approves the audit firm.
18. What is the most important factor that will play into the City's choice for its audit firm? – Competence of the audit firm
19. ~~What are ways we can provide better client service experience than what was provided by the previous firm.~~
20. ~~What is the City looking for in a relationship with the auditor? What are some of the best qualities of the current audit firm? What is something you see could be better in the audit process.~~
21. Will an electronic financial statement template be available for preparing draft and final financial statements? – Yes

22. What are the typical hours spent on the engagement in years past? - You can view the current contractor's proposal, but we cannot vouch for the accuracy of that estimate.
23. What is the actual amount paid in last two years for services mentioned in RFP? – See answer to number 2.
24. What is the budget in 2015 for these services included in the RFP? – See the current contract.
25. ~~What is the typical duration of both interim work and fieldwork and how many auditors are on site during this time?~~
26. Can you provide the prior 2 years of management letters issued with the audit? – Yes
27. Does the City have an estimated on the number of man hours to perform the audit ? – We do not. You can view the current contractor's proposal, but we cannot vouch for the accuracy of that estimate.
28. What was the prior audit fees for the previous 2 years ? – See answer to number 2.
29. Is the prior year's Management Letter available for review? – Yes
30. Does the City currently have any Federal Grants requiring A-133 work? – Yes, assume a single audit for all years of the contract, but price separately (audit + single audit)
31. Can we assume that the City will pull requested "sample " documentation during field work testing phase in a timely manner? – Absolutely
32. Is there a page, font size, or font type limitation on the proposals (technical or cost)? – No, but we ask that all responses stay on topic and consider the value of the review team's time.
33. Was the request for proposals a result of the City's policy to require bids at certain intervals or for other reasons? – City policy; current contract is expiring
34. Does the City have a policy regarding the rotation of audit firms and if not does the City expect its previous audit firm to propose? – City does not require rotation and it's reasonable to assume the incumbent will rebid.
35. How long has the prior auditor served as the City auditor and when was the last RFP for audit services issued? – Current contract is three years old. Incumbent has been the auditor since the 2009 statements.
36. The RFP states that the City will engage a creative designer to prepare the CAFR. Are the financial statements that are submitted to the designer prepared by management or the auditor? – Auditor; though staff works closely with the auditor for review and edits as needed.
37. Does the Finance Department maintain the trial balance for the Dunwoody Convention and Visitors' Bureau? – Yes. If not please provide details of who maintains and how information is obtained.

38. Have there been any organizational changes to personnel or assignments of duties in the finance department in the past year? – No.

39. Has management of the City of Dunwoody or the Dunwoody Convention and Visitors' Bureau became aware of any matters of fraud or noncompliance with laws or regulations that were not disclosed in previous audits. – No.

40. Can you provide a listing of any journal entries that were proposed by the auditors in the 2014 audit? – Yes, attached.

41. What were the base audit fees for fiscal years 2014, 2013 and 2012? Were there any additional fees for change orders or for other services by the audit firm? – No change orders. See the current contract.

Dunwoody
Smart people – Smart city

41 Perimeter Center East, Suite 250
Dunwoody, Georgia 30346
P (678) 382-6700 F (678) 382-6701
dunwoodyga.gov

November 2, 2012

Mr. Adam M. Fraley
200 Galleria Parkway S.E., Suite 1700
Atlanta, Ga. 30339-5946

RE: NOTICE OF INTENT TO AWARD – RFP 12-06 External Auditor 2012 – 2014

Dear Mr. Fraley:

It is the intent of the City of Dunwoody to award the referenced bid to your company.

Two (2) original contract documents are enclosed for signature.

- ☐ If your company is a corporation, ensure that the document is signed by the president or vice-president, attested by the corporate secretary, and that the corporate seal is affixed to the document signature page.
- ☑ If your company is not incorporated, ensure that the signature is attested to and sealed by a notary public.
- ☑ Complete and return one copy of the attached Affidavit Verifying Status for City Public Benefit and one copy of the attached E-Verify Contractor Affidavit under O.C.G.A. 13-10-91 (b)(1).
- ☑ Reference insurance and bonding requirements as required in the bid document. A certificate should be forwarded to us meeting those requirements.
- ☑ Submit a copy of your W-9.
- ☑ ***Return both complete contract documents***.
- ☑ ***Please do not date the contracts.***

All documents should be returned to us within ten (10) days. Once contracts have been fully executed, a Notice to Proceed and an executed contract will be forwarded to you. If you have questions, do not hesitate to call me at 678-382-6750.

John Gates
Purchasing Manager

Michael G. Davis Mayor

Denis Shortal City Council Post 1
Adrian Bonser City Council Post 2
Doug R. Thompson City Council Post 3

Terry Nall City Council Post 4
Lynn Deutsch City Council Post 5
John Heneghan City Council Post 6

STATE OF GEORGIA,
CITY OF DUNWOODY

AGREEMENT FOR AUDIT SERVICES

THIS AGREEMENT FOR AUDIT SERVICES, hereinafter referred to as "Agreement", is made and entered into as of the _____ day of September 10, 2012, (the "Date Hereof"), by the City of Dunwoody, Georgia and between Mauldin & Jenkins, Certified Public Accountants, LLC a (**limited liability company**) whose agent and address for purposes of this agreement is200 Galleria Parkway, S.E., Suite 1700, Atlanta, Georgia 30339, hereinafter referred to as "the Auditor" and The City of Dunwoody, whose address for the purposes of this Agreement is 41 Perimeter Center East, Suite 250, Dunwoody, GA 30346, herein referred to as "the Auditee".

WITNESSETH THAT:

WHEREAS, the Auditee is a governmental entity created thereby, pursuant to SB 82; and

WHEREAS, the Auditee is required by Georgia law to be audited on a regular basis in accordance with certain specified audit standards; and

WHEREAS, the Auditor is a limited-liability company organized under the laws of the State of Georgia engaged in the practice of accountancy and business of performing professional audit services; and

WHEREAS, the Auditee desires to utilize the professional services of the Auditor, in accordance with the needs, requirements, terms and conditions contained in a Request for Proposal, Number 12-06 (the "RFP"), and the proposal criteria for financial and compliance audits submitted by the Auditor in response to the RFP, which RFP and Auditor's Proposal Responses are attached hereto and by this reference incorporated herein; and

WHEREAS, the Auditee awarded the contract for audit services to the Auditor in accordance with the RFP and in reliance upon the representations and certifications contained in the Auditor's Proposal Responses; and

WHEREAS, the Auditor and Auditee desire to document the terms and conditions of their Agreement.

NOW, THEREFORE, for and consideration of the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

Article 1

BASIC AGREEMENT

The Auditor will perform professional services in accordance with the Audit Requirements, Reporting and Delivery Requirements, General Terms and Conditions, and Special Terms and Conditions of the RFP. The Auditee will provide the information required by the RFP. The Auditor shall be compensated for its services as provided in the RFP and the Auditor's Qualifications. The Engagement Letter provided in Exhibit C of the Agreement outlines the Auditor's and Auditee's understanding of the audit portions of the Audit Requirements, Reporting and Delivery Requirements, General Terms and Conditions, and Special Terms and Conditions of the RFP.

Article 2

COVENANTS AND REPRESENTATIONS

2.1 Covenants of the Auditor. The Auditor shall perform professional audit services in accordance with the Auditor's Qualifications and the Audit Requirements, Reporting and Delivery Requirements, General Terms and Conditions, and Special Terms and Conditions contained in Sections III, VI, VII of the RFP, and any attachments thereto, all of which are by this reference incorporated herein.

2.2 Covenants of the Auditee. The Auditee will provide to Auditor all information reasonably necessary, useful or customary pursuant to both standard accounting and auditing practices and customary within Auditee's trade or business activities.

2.3 Representations. To induce the Auditee to enter into this Agreement, the Auditee shall be entitled to rely upon the representations and certifications made by the Auditor in the Auditor's Qualifications, without independent investigation and verification, and each such representation or certification shall be deemed to be material to this Agreement. The person negotiating and executing this Agreement on behalf of the Auditor has the full right, power, and authority to enter into, execute and perform this Agreement in accordance with the terms hereof, and when executed and delivered, this Agreement will constitute a valid and binding obligation of the Auditor and will be enforceable in accordance with the terms thereof.

ARTICLE 3

FEES

3.1 The Auditor shall be paid for its services as provided in the schedule of fees and expenses submitted by the Auditor in the Auditor's Proposal in the sealed dollar cost bid as stated in the Cost Component of the RFP, Section IV (B), which are by this reference incorporated herein. Additional services shall be compensated in the manner set forth in the Addendum to this Agreement, at the same rates as set forth in the schedule of fees and expenses submitted by the Auditor in the Auditor's Proposal.

ARTICLE 4

CONTINGENCIES

4.1 Contingent Obligations of the Auditee. The obligations of the Auditee are subject to the following conditions:

4.1.1 The ability of the Auditee to carry out the terms of this Agreement in accordance with the laws and Constitution of the State of Georgia.

4.1.2 The timely performance by the Auditor of each and every covenant, agreement, and obligation imposed upon the Auditor in this Agreement.

4.1.3 The truth and accuracy as of the Date Hereof of each and every representation made by the Auditor.

4.1.4 This Agreement is expressly made subject to other laws affecting its subject matter. In the event of any conflict between such laws and this Agreement, such laws shall take precedence.

4.2 Contingent Obligations of the Auditor. The obligations of the Auditor are subject to the following conditions:

4.2.1 The timely performance by the Auditee of each and every covenant, agreement, and obligation imposed upon the Auditee in this Agreement.

ARTICLE 5

TERM

This Agreement shall have an initial term of up to twelve (12) months, to run concurrently with a fiscal year of the Auditee, commencing on January 1, 2013 after the Date Hereof and terminating on January 1, 2014 of the following year, and be subject to renewal for two (2) additional successive term(s), if the Auditee gives notice of its election to renew the Agreement within thirty (30) days prior to the end of the term.

ARTICLE 6

NOTICES

All notices, demands or requests required or permitted to be given pursuant to this Agreement shall be in writing and given or served either in person or by United States Mail, postpaid, registered or certified with Return Receipt Requested, showing the name of the recipient and the date of delivery. Notices shall be addressed to the party or parties identified and at the address as set forth in the introductory paragraph of this Agreement, and the date upon which such notice is delivered shall be deemed the effective date thereof. Either party may, from time to time, by five (5) days' prior written notice to the other party, specify a different agent or address to which notices can be delivered. Rejection or other refusal to accept a notice or inability to deliver a notice because of a changed agent or address of which no notice was given shall constitute receipt of the notice on the date when personal service is attempted or the date of the postmark, if mailed.

ARTICLE 7

RIGHTS CUMULATIVE

All rights, powers, and privileges conferred hereunder shall be cumulative and not restrictive of those given by law.

ARTICLE 8

NON-WAIVER

No failure of the Auditee to exercise any right or power given to the Auditee under this Agreement, or to insist upon strict compliance by the Auditor with the provisions of this Agreement, and no custom or practice of the Auditee or the Auditor at variance with the terms and conditions of this Agreement, shall constitute a waiver of the Auditee's right to demand exact and strict compliance with the terms and conditions of this Agreement.

ARTICLE 9

CONTINUITY

Each of the provisions of this Agreement shall be binding upon and inure to the benefit and detriment of the Auditor and the Auditee and the heirs, devisees, legatees, legal representatives, successors and assigns of the Auditor and the Auditee.

ARTICLE 10

DATE FOR PERFORMANCE

If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

ARTICLE 11

TIME OF THE ESSENCE

All time limits stated herein are of the essence of this Agreement.

ARTICLE 12

CAPTIONS

The brief headings or titles preceding each provision hereof are for purposes of identification and convenience only and should be completely disregarded in construing this Agreement.

ARTICLE 13

COUNTERPARTS

This Agreement is executed in two (2) counterparts which are separately numbered but each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

ARTICLE 14

NO ASSIGNMENT, NO THIRD PARTY BENEFICIARIES

14.1 This Agreement is a personal retention of Auditor as an independent contractor. Auditor must perform by its own forces and may not delegate, subcontract, assign, transfer, or otherwise obtain its performance of this Agreement, without the express written consent of Auditee.

14.2 Nothing herein shall be construed as conferring upon or giving to any person, other than the parties hereto, any rights or benefits under or by reason of this Agreement.

IN WITNESS WHEREOF, the Auditor and the Auditee have caused these presents to be duly signed, sealed and delivered on the day, month, and year first above written.

AUDITOR

By

(Seal)

Name: Adam Fraley

Title: Partner

(If corporation, fill in below)

Attest: Valerie Rodden

(Seal)

Name: **Valerie Rodden**
My Commission Expires April 19, 2015

Title:

(Corporate seal affixed)

AUDITEE

By

(Seal)

Name: Warren A. Hutmacher

Title: City Manager

EXHIBIT A

Contractor's Compliance with Requirements of O.C.G.A. 13-10-91 and Rule 300-10-1-.02

Compliance with the requirements of O.C.G.A. 13-10-91 and Rule 300-10-1-.02 are conditions of this Contract. Contractor has the number of statutory employees checked below:

___ 500 or more employees
✓ 100 or more employees
___ Fewer than 100 employees

Contractor's compliance with O.C.G.A. 13-10-91 and Rule 300-10-1-.02 shall be attested by the execution of the affidavit below, which is hereby incorporated as part of the Contract. In the event the contractor employs or contracts with any subcontractor in connection with this Contract, the contractor will secure from the subcontractor such subcontractor's indication of the employee-number category applicable to the subcontractor and will secure from such subcontractor(s) attestation of the subcontractor's compliance with O.C.G.A. 13-10-91 and Rule 300-10-1-.02 by the subcontractor's execution of the subcontractor affidavit shown in Rule 300-10-1-.08 or a substantially similar subcontractor affidavit, and maintain records of such attestation for inspection by the public employer at any time. Such subcontractor affidavit shall become a part of the contractor/subcontractor agreement.

CONTRACTOR'S AFFIDAVIT AND AGREEMENT

By executing this affidavit, the undersigned contractor verifies its compliance with O.C.G.A. 13-10-91, stating affirmatively that the individual, firm, or corporation which is contracting with (name of public employer) has registered with and is participating in a federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603, in accordance with the applicability provisions and deadlines established in O.C.G.A. 13- 10-91.

The undersigned further agrees that, should it employ or contract with any subcontractor in connection with the physical performance of services pursuant to this contract, contractor will secure from such subcontractor similar verification of compliance with O.C.G.A. 13-10-91 on the Subcontractor Affidavit provided in Rule 300-10- 01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide a copy of each such verification to the (name of the public employer) at the time the subcontractor is retained to perform such service.

Contractor's EEV/Basic Program User Identification Number 105410

Karen Whittaker 11/8/2012
BY: Date

SUBSCRIBED AND SWORN BEFORE ME ON THIS THE 8 DAY OF November, 2012
Valerie Rodden
Notary Public

My Commission Expires: Valerie Rodden
~~My Commission Expires~~ April 19, 2015

EXHIBIT B

Affidavit Verifying Status For City Public Benefit Contract

By executing this affidavit under oath, as provider for a City of Dunwoody, Georgia contract or other public benefit as referenced in O.C.G.A. Section 50-36-1, I am stating the following with respect to my application for a City of Dunwoody public benefit (circle one) for auditing services provided by Adam Fraley.

1) ✓ I am a United States citizen

OR

2) _____ I am a legal permanent resident 18 years of age or older or I am an otherwise qualified alien or non-immigrant under the Federal Immigration and Nationality Act 18 years of age or older and lawfully present in the United States.*

In making the above representation under oath, I understand that any person who knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in an affidavit shall be guilty of a violation of Code Section 16-10-20 of the Official Code of Georgia.

Signature of Applicant: Date

Adam 11/8/12

Printed Name:

Adam M. Fraley

SUBSCRIBED AND SWORN
BEFORE ME ON THIS THE
8 DAY OF November, 2012

*_____
Alien Registration number for non-citizens

Notary Public
My Commission Expires: **Valerie Rodden**
My Commission Expires April 19, 2015

*Note: O.C.G.A. § 50-36-1(e)(2) requires that aliens under the federal Immigration and Nationality Act, Title 8 U.S.C., as amended, provide their alien registration number. Because legal permanent residents are included in the federal definition of "alien", legal permanent residents must also provide their alien registration number. Qualified aliens that do not have an alien registration number may supply another identifying number below:

Valerie Rodden

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

August 29, 2012

Honorable Mayor and Members of the
City Council and City Manager
City of Dunwoody, Georgia
41 Perimeter Center East
Dunwoody, Georgia 30346

Attn: Christopher Pike, Finance Director

We are pleased to confirm our understanding of the services we are to provide the City of Dunwoody, Georgia (the City) for the year ended December 31, 2012. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of the City of Dunwoody, Georgia as of and for the year then ended. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Budgetary comparisons for the General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and individual fund statements.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information:

1. Introductory section
2. Statistical section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Dunwoody, Georgia and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities
Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or

suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes): and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Dunwoody, Georgia's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Dunwoody, Georgia; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately February 4, 2013 and to issue our reports no later than June 30, 2013. James W. Bence is the engagement client executive and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be $22,000 for the year ended December 31, 2012. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings to be prepared annually) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review report accompanies this letter. We did not receive a letter of comment with the peer review report.

We appreciate the opportunity to be of service to the City of Dunwoody, Georgia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC

Adam M. Fraley

RESPONSE:

This letter correctly sets forth the understanding of the City of Dunwoody, Georgia.

By: _____

Title: _____

Clifton Gunderson LLP
Certified Public Accountants & Consultants

System Review Report

To the Partners of Mauldin & Jenkins, LLC
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to non-SEC issuers in effect for the year ended May 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

Clifton Gunderson LLP

Phoenix, Arizona
October 21, 2011

Member of HLB International

Form **W-9**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Mauldin & Jenkins, LLC

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification (required): ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☒ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ P

☐ Other (see instructions) ▶

☒ Exempt payee

Address (number, street, and apt. or suite no.)
200 Galleria Pkwy, SE Suite 1700

Requester's name and address (optional)

City, state, and ZIP code
Atlanta, GA 30339-5946

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number
5 8 - 0 6 9 2 0 4 3

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Lori M Pitts Date ▶ May 2, 2012

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 7/2/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
PointeNorth Insurance Group, LLC
PO Box 724728
Atlanta GA 31139

CONTACT NAME: Selena Brodbeck
PHONE (A/C, No, Ext): (770) 858-7540 FAX (A/C, No): (770) 858-7545
E-MAIL ADDRESS: sbrodbeck@pointenorthins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Cincinnati Insurance Company	10677
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Mauldin & Jenkins, LLC
200 Galleria Parkway SE
Suite 1700
Atlanta GA 30339-5946

COVERAGES CERTIFICATE NUMBER: CL127216136 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			EBP0022075	7/1/2012	7/1/2013	EACH OCCURRENCE	$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 2,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 2,000,000
							GENERAL AGGREGATE	$ 4,000,000
							PRODUCTS - COMP/OP AGG	$ 4,000,000
								$
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			CAP5189205	7/1/2012	7/1/2013	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 0			ENP0081073	7/1/2012	7/1/2013	EACH OCCURRENCE	$ 11,000,000
							AGGREGATE	$ 11,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
ISSUED AS EVIDENCE OF INSURANCE COVERAGE

CERTIFICATE HOLDER

"FOR INFORMATION ONLY"

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

William Skeeles/MSB

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CITY OF DUNWOODY, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 5,975,000	$ 5,975,000	$ 6,823,216	$ 848,216
Sales taxes	4,000,000	-	-	-
Franchise taxes	3,250,000	3,250,000	3,880,550	630,550
Alcohol excise taxes	560,000	560,000	616,358	56,358
Business taxes	2,705,000	2,705,000	2,702,392	(2,608)
Insurance taxes	2,350,000	2,350,000	2,495,238	145,238
Licenses and permits	875,000	1,206,000	1,791,291	585,291
Intergovernmental	-	-	3,000	3,000
Charges for services	408,000	408,000	508,144	100,144
Fines and forfeitures	1,510,000	1,510,000	1,461,499	(48,501)
Contributions	5,000	50,000	58,869	8,869
Interest earned	10,000	10,000	4,670	(5,330)
Miscellaneous	213,000	213,000	301,104	88,104
Total revenues	21,861,000	18,237,000	20,646,331	2,409,331
Expenditures:				
Current:				
General government:				
Mayor and council	225,544	225,544	206,212	19,332
City manager	350,908	363,908	240,885	123,023
City clerk	170,742	170,742	155,014	15,728
Finance	3,510,141	3,528,950	3,278,154	250,796
Law	385,000	385,000	351,633	33,367
Contingency	400,000	400,000	-	400,000
Total general government	5,042,335	5,074,144	4,231,898	842,246
Judicial	504,503	530,753	450,868	79,885
Public safety	6,286,851	6,372,851	5,777,749	595,102
Public works	1,943,796	2,230,646	2,004,004	226,642
Recreation	1,078,000	1,186,267	1,095,298	90,969
Community development	2,104,220	2,464,470	2,403,897	60,573
Total expenditures	16,959,705	17,859,131	15,963,714	1,895,417
Excess of revenues over expenditures	4,901,295	377,869	4,682,617	4,304,748

Continued

CITY OF DUNWOODY, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses):				
Proceeds from the sale of property	$ 1,150,000	$ 1,150,000	$ 950,000	$ (200,000)
Transfers in	1,358,000	1,358,000	1,570,021	212,021
Transfers out	(7,784,294)	(3,919,669)	(3,645,267)	274,402
Total other financing sources (uses)	(5,276,294)	(1,411,669)	(1,125,246)	286,423
Net change in fund balance	(374,999)	(1,033,800)	3,557,371	4,591,171
Fund balance, beginning of year, restated	6,433,856	6,433,856	6,433,856	-
Fund balance, end of year	$ 6,058,857	$ 5,400,056	$ 9,991,227	$ 4,591,171

CITY OF DUNWOODY, GEORGIA

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,879,500	$ 1,879,500	$ 1,401,304	$ (478,196)
Total revenues	1,879,500	1,879,500	1,401,304	(478,196)
Expenditures:				
Current:				
Public safety	17,000	17,000	8,676	8,324
Public works	1,912,500	1,762,500	2,090,274	(327,774)
Recreation	100,000	100,000	100,000	-
Total expenditures	2,029,500	1,879,500	2,198,950	(319,450)
Deficiency of revenues over expenditures	(150,000)	-	(797,646)	(797,646)
Other financing sources:				
Transfers in	150,000	-	-	-
Total other financing sources	150,000	-	-	-
Net change in fund balances	-	-	(797,646)	(797,646)
Fund balances (deficit), beginning of year	(86,555)	(86,555)	(86,555)	-
Fund balances (deficit), end of year	$ (86,555)	$ (86,555)	$ (884,201)	$ (797,646)

CITY OF DUNWOODY, GEORGIA

HOST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Sales taxes	$ 6,596,344	$ 6,596,344	$ 6,596,344	$ -
Interest	-	-	3,178	3,178
Total revenues	6,596,344	6,596,344	6,599,522	3,178
Excess of revenues over expenditures	6,596,344	6,596,344	6,599,522	3,178
Other financing uses:				
Transfers out	(6,625,000)	(6,625,000)	(6,625,000)	-
Total other financing uses	(6,625,000)	(6,625,000)	(6,625,000)	-
Net change in fund balances	(28,656)	(28,656)	(25,478)	3,178
Fund balances, beginning of year, restated	5,028,121	5,028,121	5,028,121	-
Fund balances, end of year	$ 4,999,465	$ 4,999,465	$ 5,002,643	$ 3,178

CITY OF DUNWOODY, GEORGIA

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT AND *GOVERNMENT AUDITING STANDARDS*

FOR THE YEAR ENDED DECEMBER 31, 2014

CITY OF DUNWOODY, GEORGIA

FOR THE YEAR ENDED DECEMBER 31, 2014

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MAULDIN & JENKINS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Dunwoody, Georgia** (the "City") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 13, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 13, 2015

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Dunwoody, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 13, 2015

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Equitable Sharing Program	16.922	GA0447100	$ 11,370
Bullet Proof Vest Partnership Program	16.607	N/A	520
Total U.S. Department of Justice			11,890
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI#0010666; PI#0010853	784,286
Highway Planning and Construction	20.205	PI#0012876	7,254
Highway Planning and Construction	20.205	PI#0012615	16,420
Highway Planning and Construction	20.205	PI#0009028	500,000
Highway Planning and Construction	20.205	PI#0010651	340,000
Highway Planning and Construction	20.205	PI#0012875	117,029
Passed through Georgia Department of Natural Resources			
Recreational Trails Program	20.219	NRT-11(10)	100,000
Total Highway Planning and Construction Cluster			1,864,989
Total U.S. Department of Transportation			1,864,989
EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF THE NATIONAL DRUG CONTROL POLICY			
High Intesity Drug Trafficking Areas Program	95.001	G10GA0002A	4,656
Total Executive Office of the President			4,656
Total Expenditures of Federal Awards			$ 1,881,535

See note to schedule of expenditures of federal awards.

CITY OF DUNWOODY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Dunwoody, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Subrecipient Disbursements

During fiscal year 2014, disbursements were made to subrecipients of the following grant program:

Program	CFDA Number	Subrecipient	Amount
Highway Planning and Construction Grant	20.205	DeKalb PCID	$ 807,960

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes __X__ none reported
Noncompliance material to financial statements noted?	_____ yes __X__ no

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	_____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes _____ no
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes __X__ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205 & 20.219	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	_____ yes __X__ no

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2014-001 Reporting

Program: U.S. Department of Transportation (CFDA No. 20.205)
CFDA Program Title: Highway Planning and Construction Program
Passed through: Georgia Department of Natural Resources

Criteria: The City is required to submit quarterly performance reports to the State. These reports summarize the activity of the work accomplished, future work to be performed and anticipated completion dates for each project.

Condition: The City's controls were not sufficient to provide documentation of the reports which were submitted to the State in accordance with the grant agreements.

Context/Cause: Internal controls were not sufficient to maintain supporting copies of the quarterly progress reports.

Effects: As a result of the City not being able to provide the documentation evidence, the controls related to the completion, review, and submission of the reports could not be tested. However, the City did have a letter from the Georgia Department of Natural Resources which stated the City had complied with all grant requirements for the program.

Questioned Costs: None noted based on the letter from the grantor.

Recommendation: We recommend the City implement internal controls sufficient to allow for the preparation, timely submission, and retention of the monthly and annual performance reports in accordance with the grant agreements.

Auditee's response: We will implement internal controls sufficient to ensure copies are retained on future performance reports.

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

None noted

MAULDIN & JENKINS

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

In planning and performing our audit of the financial statements of the City of Dunwoody, Georgia as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses, as well as matters that are opportunities for strengthening internal controls and improving operating efficiency. This letter includes comments and suggestions with respect to those matters. A separate report dated May 13, 2015, contains our communication of significant deficiencies or material weaknesses in the City's internal control. This letter does not affect our report dated May 13, 2015 on the financial statements of the City of Dunwoody, Georgia.

The following items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the City's practices and procedures.

1. During our testing of the procurement process related to federal projects, we noted the City was including a clause in the contracts for the covered transactions with vendors of federally funded projects. However, we noted the City was not checking the vendors awarded the contracts against the Excluded Parties Listing on the System for Award Management (SAM) website. We recommend the Board also search the excluded parties listing for the vendors to ensure they are not suspended or debarred. Documentation related to these additional searches should be printed and retained in the contract file to strengthen controls over the procurement process and reduce the risk of contracting with a suspended or debarred party.

2. During our testing of the Highway Planning and Construction grants, we identified two (2) instances out of the eight (8) reimbursements requests in which the City requested reimbursement from the grantor for 100% of the period's expenditures. However, according to the grant agreements, grant funding was awarded for only 80% of expenditures. While the City ultimately identified the errors and made the necessary corrections on future reports; controls were not sufficient to catch the errors in a timely manner. We recommend all reimbursement requests be submitted to the finance department for their review and approval, prior to submission to the grantor.
3. During the current year, an audit adjustment for approximately $40,000 was made to remove a retainage payable balance in the Capital Projects Fund. The balance was carried forward from the prior year; however, during the current year the disbursement was expended instead of reducing the liability. We recommend Finance personnel reconcile and review all liabilities at year-end to ensure supporting documentation exists for account balances.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Mayor and Council of the City of Dunwoody, Georgia, and its management and other officials and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate serving the City of Dunwoody, Georgia and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 13, 2015

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the basic financial statements of the City of Dunwoody, Georgia for the year ended December 31, 2013. We have also communicated to management other matters involving the internal control over financial reporting that we consider to be material weaknesses, as defined by *Government Auditing Standards* issued by the Comptroller General of the United States. Please refer to the communications noted in the Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated June 10, 2014.

The following items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the County's practices and procedures.

> During our testing of the City's accrued revenues, we noted the December franchise tax revenue was not properly accrued as of December 31, 2013. The City was understating revenues and the related receivables by approximately $84,000 in the General Fund. We recommend the City carefully review their revenue collections during the year-end close out procedures to ensure all monthly remittances have been collected or accrued as of December 31.

This letter is intended solely for the information and use of the Mayor and Council of the City of Dunwoody, Georgia, and its management and other officials and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate serving the City of Dunwoody, Georgia and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 10, 2014

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